



THE REGIONAL MUNICIPALITY OF NIAGARA COUNCIL AGENDA

CL 11-2019

Thursday, May 16, 2019

6:30 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

Pages

1. CALL TO ORDER
2. LAND ACKNOWLEDGMENT STATEMENT
3. MOMENT OF REFLECTION
4. SINGING OF 'O CANADA'
5. ADOPTION OF AGENDA
 - 5.1 Addition of Items
 - 5.2 Changes in Order of Items
6. DISCLOSURES OF PECUNIARY INTEREST
7. PUBLIC MEETING TO HEAR A COMPLAINT UNDER SECTION 20 OF THE DEVELOPMENT CHARGES ACT, 1997
 - 7.1 Development Charge Complaint - 574 King Street, City of Welland
 - 7.1.1 Opening Comments - Hearing Procedure
 - 7.1.2 Speakers to the Matter

7.1.3 Item for Consideration

7.1.3.1 CSD 35-2019
Regional Development Charges Complaint

5 - 14

7.2 Adjournment of the Public Hearing

8. PRESENTATIONS

8.1 2021 Canada Summer Games Update
Doug Hamilton, Chair, 2021 Canada Summer Games Host Society

To be distributed.

9. CHAIR'S REPORTS, ANNOUNCEMENTS, REMARKS

10. DELEGATIONS

10.1 Creating the Ohnia:kara UNESCO Global Geopark (Minute Item 5.1 of PEDC 5-2019 (Agenda Item 12.6))

10.1.1 Patrick McKeever, Ohnia:kara Aspiring Global Geopark Steering Committee
The delegation package is attached to this agenda item as CL-C 36-2019.

15 - 31

11. ADOPTION OF MINUTES

11.1 Council Minutes CL 9-2019
Thursday, April 25, 2019

32 - 48

12. CORRESPONDENCE

12.1 Receive and/or Refer

12.1.1 CL-C 37-2019
A memorandum from A.-M. Norio, Regional Clerk, dated May 16, 2019, respecting Appointment of Deputy Clerks for the purposes of the *Commissioners for taking Affidavits Act*.
Recommended Action: Receive.

49

12.2 For Consideration

12.2.1 CL-C 38-2019
Standing Committee Appointment

50

13. COMMITTEE REPORTS - OPEN SESSION

- | | | |
|------|---|-----------|
| 13.1 | <u>Committee of the Whole</u>
Minutes COTW 4-2019, Thursday, May 2, 2019 | 65 - 215 |
| 13.2 | <u>Audit Committee</u>
Minutes AC 3-2019, Monday, May 6, 2019 | 216 - 360 |
| 13.3 | <u>Public Works Committee</u>
Minutes PWC 5-2019, Tuesday, May 7, 2019 | 361 - 392 |
| 13.4 | <u>Public Health and Social Services Committee</u>
Minutes PHSSC 5-2019, Tuesday, May 7, 2019 | 393 - 466 |
| 13.5 | <u>Corporate Services Committee</u>
Minutes CSC 5-2019, Wednesday, May 8, 2019 | 467 - 513 |
| 13.6 | <u>Planning and Economic Development Committee</u>
Minutes PEDC 5-2019, Wednesday, May 8, 2019 | 514 - 620 |

14. CHIEF ADMINISTRATIVE OFFICER'S REPORT(S)

- | | | |
|------|--|-----------|
| 14.1 | <u>CAO 05-2019</u>
2021 Canada Summer Games | 621 - 629 |
|------|--|-----------|

15. MOTIONS**16. NOTICES OF MOTION****17. OTHER BUSINESS****18. MOTION FOR CLOSED SESSION****19. CLOSED SESSION**

- | | |
|------|---|
| 19.1 | <u>Committee Reports - Closed Session</u> |
|------|---|

- | | |
|--------|--------------------------------------|
| 19.1.1 | Public Works Committee (May 7, 2019) |
|--------|--------------------------------------|

20. REPORT FROM CLOSED SESSION

21. BY-LAWS

- | | | |
|------|--|-----------|
| 21.1 | <u>Bill 2019-47</u>
A by-law to appoint Deputy Regional Clerks for the purposes of the Commissioners for Taking Affidavits Act. | 630 - 632 |
| 21.2 | <u>Bill 2019-48</u>
A by-law to adopt, ratify and confirm the actions of Regional Council at its meeting held on May 16, 2019. | 633 |

22. 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).

Subject: Regional Development Charges Complaint

Report to: Regional Council

Report date: Thursday, May 16, 2019

Recommendations

1. That the complaint filed with respect to the Regional Development Charges payable pursuant to Section 20 of the Development Charges Act, 1997, **BE DISMISSED** by Regional Council.

Key Facts

- The purpose of this report is to provide background information for a Development Charge (DC) complaint that was filed with the Region by 867962 Ontario Limited (the complainant) for a proposed apartment complex development located at 574 King Street, Welland.
- Section 20 of the Development Charges Act (DCA), 1997, allows for a person required to pay a DC to complain to the council of the municipality imposing the DC that the amount of the DC was incorrectly determined or that there was an error in the application of the By-law.
- Regional Council is required to hold a hearing for the consideration of this complaint, and will be acting as a tribunal and exercising quasi-judicial powers as per the process outlined in report CSD 12-2018 Regional Development Charges Planning Task Force Revised Terms of Reference & Complaint Process.
- The complainant's application for the building permit was submitted to the City of Welland under the previous Development Charges By-law but the permit was not issued until December 2018.
- In accordance with the DCA, and the Region's DC By-law, development charges are payable and calculated upon building permit issuance (not on the date of building permit application submission).
- Accordingly the complainant is required to pay development charges as calculated upon permit issuance based on the current DC By-law.
- There has been no error in the DC calculation or application of the By-law, and therefore the complainant is not eligible for relief under the DCA.

Financial Considerations

Under the Region's current DC By-law, passed November 16, 2017, the amount currently payable for the development located at 574 King Street, Welland (43 units – 1 bedroom; 7 units – 2 bedroom) is \$361,634 (2018 rates).

The complainant was approved for and received a Regional Development Charges (RDC) reduction under the Region's Brownfield Reduction Program at the time of permit issuance in the amount of \$63,353.55 (as per Schedule D of By-law 2017-98) which reduced the RDC payable to \$298,280.45. The complainant is seeking relief in the amount of \$182,005.45 which is equivalent to the difference between previous and current DC By-law charges in effect at the time of permit application and permit issuance, respectively. The new By-law rates are based on the new DC Background Study which supports growth needs based on recent master plans.

Analysis

Overview of Complaint

The purpose of this report is to respond to a complaint submitted under section 20 of the DCA, by 867962 Ontario Limited (the complainant) on March 19, 2019 for a proposed development located at 574 King Street, Welland, a copy of which is attached as **Appendix 1** but has been redacted by the Clerk as required to comply with MFIPPA requirements.

Under the DCA, the complaint must contain and allege, as a reason for the complaint, one or more of the following:

1. The amount of the development charge was incorrectly determined;
2. Whether a credit is available to be used against the development charge, or the amount of the credit or the service with respect to which the credit was given, was incorrectly determined; or
3. There was an error in the application of the development charge by-law.

As noted in Appendix 1, the complainant has alleged that both the amount of development charges was incorrectly determined and there was an error in the application of the DC By-law. Regional Staff have reviewed the information provided by both the complainant, as well as the City of Welland Building Division. The City of Welland Building staff had indicated that the complainant was issued a building permit on December 21, 2018 and made payment of RDC at that time of \$298,208.45 (net of Brownfield Reduction Program amount of \$63,353.55). As a result of this review, it has been determined that the DC By-law has been administered correctly resulting in correct RDC payable of \$298,208.45 (2018 rates) upon building permit issuance for the proposed development.

Pursuant to section 26 of the DCA, a development charge is payable for a development upon a building permit being issued for the development unless the development charge By-law provides otherwise (as permitted in the Act).

The Region's DC By-law 2017-98, section 9(a), specifies that development charges under this By-law shall be calculated using the rate effective on the calculation date with

respect to such development. The By-law defines “calculation date” as the date on which the first building permit is issued by the local municipality and this is the date the RDC is payable. With the 2012 RDC By-law the calculation date for RDCs was the date on which the Chief Building Official of the local municipality received the application for the building permit and all accompanying information.

Notwithstanding that the complaint does not fall within the three items noted above, staff have prepared the following commentary on the information provided by the complainant.

Commentary on Complaint

The full complaint form is provided as Appendix 1 of this report but for ease of providing staff commentary, specific points from the complaint have been provided below along with staff comment.

1. The City of Welland failed to properly calculate the development charges on the Date (June 17, 2017) on which a complete Building Permit Application was received and accepted by the City of Welland, under bylaw 84-2015, which was in effect at the time of application.

2. The City of Welland misinformed clients as to the 'Calculation Date' to be used in determining Development Charges for Building Permits Applications submitted to the City prior to September 1, 2017 and issued after September 1, 2017.

Response:

As per the 2012 RDC By-law the calculation date for RDC was the date on which the Chief Building Official of the local municipality received the application for the building permit and all accompanying information. This definition was revised with the 2017 RDC By-law (as approved September 1, 2017) to the date on which the first building permit is issued by the local municipality in order to be compliant with the Development Charges Act, 1997. This change in definition was discussed during the public consultation process and provided to area building staff to assist in the transition between the 2012 and 2017 RDC By-laws. Prepayment agreements were available to all developers that had applied for a building permit prior to expiry of the former RDC By-law.

3. The Niagara Region neglected to ensure that all of the municipalities within the Region were informed and were providing Building Permit Applicants the same information regarding Calculation Dates. The City of Welland and the Town of Pelham are two municipalities that were misinforming Building Permit Applicants. In fact all Building Permit Applications received before September 1, 2017 at the Town of Pelham and issued after September 1, 2017 used the calculation date defined in Bylaw 84-2015.

Response:

On June 23, 2017 Region staff sent an email to all area treasurers and chief building officials containing an attachment outlining all changes between the 2012 and 2017 RDC By-laws including the change in the RDC calculation date. All area municipalities were provided with the same information. This information was discussed at other meetings during the By-law review process.

3. The Region of Niagara and the City of Welland neglected to notify all clients, who's Building Permit Applications submitted before September 1, 2017 and were affected by the change in definition of 'Calculation Date', were eligible to enter into agreements, with the Region, effectively grandfathering them into the Bylaw 84-215.

Response:

Meetings were held on various occasions to discuss the development charge By-law prior to final approval by Council. At the July 4, 2017 RDC Policy Task Force meeting, a summary of all Council, Committee and engagement sessions was provided as part of a PowerPoint. This agenda can be accessed via the below link with specific reference to the engagement process on page 7 through 9 of the agenda (slide 3-5 of the PowerPoint). All Council and Committee meetings as well as many of the other engagement sessions were open to all interested parties wishing to attend.

<https://www.niagararegion.ca/government/committees/rdctf/past-minutes.aspx>

4. The Region of Niagara neglected to include a transition clause in DC Bylaw 2017-98 to address specifically all Building Permits submitted under bylaw 84-2015 prior to September 1, 2017 and issued after September 1, 2017.

Response:

Included as Schedule F to the RDC By-law is a transition provision for brownfield properties. This development qualified for the brownfield RDC reduction program under the 2017 RDC By-law and therefore likely would have qualified under the Schedule F transition provision (assuming all relevant transition provisions were met). This transition provision was available to all relevant developments within the Region including this development.

While the Region did not specifically include a transition provision for building permit applications received by local area building staff before the current By-law came into effect, Regional Council did provide via resolution the ability for the Region to enter into prepayment agreements with developers for RDCs. This option was also available to all developments within the Region including this development.

Both of the above noted options or programs were provided by the Region as a discretionary item as there is no legislated requirement to do so under the DCA.

5. If calculated properly the amount to be collected at issuance of the Building Permit for 574 King St. was 50% of the total fee, calculated at the time the Building Permit Application was accepted by the City of Welland, on June 17, 2017, of which 100% will be refunded through the SNIP incentive upon completion.
As follows:

Response:

Upon repealing the 2012 RDC By-law, all incentive and reduction programs included as part of that By-law were also repealed and replaced with the incentives and reduction programs included as part of the 2017 RDC By-law. The 2012 RDC By-law provided an automatic 50% reduction of RDCs for developments located within the designated exemption areas with the remaining 50% refunded if the development achieved the requisite number of Council approved smart growth criteria. Under the current RDC By-law the automatic 50% reduction was removed and replaced with an enhanced brownfield RDC reduction program which can provide an incentive up to the cost of remediation. The 50% refund post construction for achieving smart growth is still available.

Recommended Resolution

In accordance with subsection 20(6) of the DCA, after hearing the evidence and submissions of the complainant, Regional Council may dismiss the complaint or rectify any errors as indicated in the complaint. Staff recommend dismissal of the complaint given that there is no basis for relief in accordance with the DCA as there has been no error in calculation of the RDCs or application of the By-law.

Once Council has rendered a decision, pursuant to the DCA, notice of Regional Council's decision is required to be mailed to the complainant by the Clerk. The complainant may appeal the decision of Council to the Land Planning Appeal Tribunal (LPAT).

Alternatives Reviewed

There are no alternatives available under existing legislation.

Relationship to Council Strategic Priorities

RDCs fall under the strategic priorities of Investment, Innovation and Entrepreneurship and Positioning Niagara Globally.

Other Pertinent Reports

CSD 63-2017 Regional Development Charges and Proposed By-law
CSD 12-2018 Regional Development Charges Terms of Reference and Complaint
Process – REVISED

Prepared by:

Rob Fleming, MBA
Senior Tax & Revenue Analyst
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 Margaret Murphy, Associate Director, Budget Planning & Strategy and reviewed by Donna Gibbs, Director Legal & Court Services, and Helen Chamberlain, Director Financial Management & Planning/Deputy Treasurer.

Appendices

Appendix 1 Regional Development Charges Complaint Form

To be completed in advance of filing a Development Charges Complaint with Niagara Region.

Contact Information of Complainant:

Date (yyyy-mm-dd) 2019-03-19		
Name of complainant (first, last) 867962 Ontario Limited		
Address 1285 Cream Street		
City/Town Fenwick	Province ON	Postal code L0S 1C0
Home phone no. Same	Business phone no. Same	Mobile no.
E-mail		

Location of development that the complaint relates to:

Building Permit No. B17-201	Regional Development Charge Owing (\$) \$298,208.45	
Type of Development Apartment Building		
Address 574 King St.		
City/Town Welland	Province ON	Postal code L3B 3L3

Date Development Charges Paid (mm/dd/yyyy): 12-21-2018

Date of Building Permit Issuance (mm/dd/yyyy): 12-21-2018

Has it been more than 90 days after the day that the development charges, or any part of them, were payable (Y/N)? No

RECEIVED MAR 19 2019

Niagara Region Clerk's Office

Original to: ERMS: R. Fleming

CAO	<input type="checkbox"/>	Chair	<input type="checkbox"/>
Comm. Sec.	<input type="checkbox"/>	Legal	<input type="checkbox"/>
Corp. Sec.	<input type="checkbox"/>	Health	<input type="checkbox"/>
Councillors	<input type="checkbox"/>	Public Health	<input type="checkbox"/>
HR	<input type="checkbox"/>	Public Works	<input type="checkbox"/>

File: Initials: 

Complaint Type (check all that apply)

<input checked="" type="checkbox"/>	The amount of the development charge was incorrectly determined.
<input type="checkbox"/>	Whether a credit is available to be used against the development charge, or the amount of the credit or the service with respect to which the credit was given, was incorrectly determined.
<input checked="" type="checkbox"/>	There was an error in the application of the development charge by-law (Click for DC Bylaw).

If any of the above complaint types are applicable, please provide a summary of the complaint below.

Summary of Complaint

Please indicate how the complaint meets at least one of the complaint types noted above and provide the reasons for your complaint. Please be as detailed as possible and provide information as to who was involved, dates, and times. If there is not enough space below to describe the complaint, you may attach extra paper. Please attach any relevant documents such as letters or reports that are relevant to your complaint. Please further indicate the amount of development charges that you believe are payable if there is a difference between the amount calculated by the municipality or Region, and your calculation. Please also explain the basis of your calculation.

see attached

The information you provide on this form is collected pursuant to the Development Charges Act and shall be used solely for purposes of processing your complaint and in accordance with the Municipal Freedom of Information and Protection of Privacy Act.

If you have any questions regarding this form, or the Development Charges Complaint process, please contact Rob Fleming (robert.fleming@niagararegion.ca).

Regional Development Fees Complaint - 867962 Ontario Limited, 574 King St. Welland
March 19, 2019

1. The City of Welland failed to properly calculate the development charges on the Date (June 17, 2017) on which a complete Building Permit Application was received and accepted by the City of Welland, under bylaw 84-2015, which was in effect at the time of application.
2. The City of Welland misinformed clients as to the 'Calculation Date' to be used in determining Development Charges for Building Permits Applications submitted to the City prior to September 1, 2017 and issued after September 1, 2017.
3. The Niagara Region neglected to ensure that all of the municipalities within the Region were informed and were providing Building Permit Applicants the same information regarding Calculation Dates. The City of Welland and the Town of Pelham are two municipalities that were misinforming Building Permit Applicants. In fact all Building Permit Applications received before September 1, 2017 at the Town of Pelham and issued after September 1, 2017 used the calculation date defined in Bylaw 84-2015.
3. The Region of Niagara and the City of Welland neglected to notify all clients, who's Building Permit Applications submitted before September 1, 2017 and were affected by the change in definition of 'Calculation Date', were eligible to enter into agreements, with the Region, effectively grandfathering them into the Bylaw 84-215.
4. The Region of Niagara neglected to include a transition clause in DC Bylaw 2017-98 to address specifically all Building Permits submitted under bylaw 84-2015 prior to September 1, 2017 and issued after September 1, 2017.
5. If calculated properly the amount to be collected at issuance of the Building Permit for 574 King St. was 50% of the total fee, calculated at the time the Building Permit Application was accepted by the City of Welland, on June 17, 2017, of which 100% will be refunded through the SNIP incentive upon completion.
As follows:

	Correct Amount	Amount Paid
50 Apartment Units @ \$ 4,651.00 per unit	\$ 232,550.	\$ 361,634.00
Automatic reduction CIP @%50	<u>\$-116,275.</u>	<u>\$- 63,353.55</u>
Amount Payable at Building Permits	\$ 116,275.	\$ 298,280.45
Snip Refund at Completion	<u>\$-116,275.</u>	<u>\$ 180,817.00</u>
Total DC's paid	0	\$ 117,463.45
In conclusion		
Amount paid at Building Permits	\$ 298,280.45	
Correct amount to be Paid	<u>\$ 116,275.00</u>	
Amount to be immediately refunded	\$ 182,005.45 + Interest	
Snip Refund at Completion	<u>\$ 116,275.00</u>	
Total DC's Paid	0	

From: [PF-Mailbox-01](#)
To: [Lotimer, Kelly](#); [Norio, Ann-Marie](#); [Trennum, Matthew](#); [Evely, Mark](#)
Subject: FW: Online Form - Request to Speak at a Standing Committee
Date: Wednesday, May 08, 2019 4:45:55 PM
Attachments: [Patrick McKeever OHNIAKARA ASPIRING GEOPARK.pdf](#)

From: Niagara Region Website
Sent: Wednesday, 08 May 2019 16:45:44 (UTC-05:00) Eastern Time (US & Canada)
To: Clerks
Subject: Online Form - Request to Speak at a Standing Committee

Request to Speak at a Standing Committee

To reply, copy the email address from below and put into 'To'. (if resident entered their email address)

Name

Patrick James Mc Keever

Address

N/a

City

N/a

Postal

N/a

Phone

N/a

Email

N/a

Organization

Ohnia:kara Aspiring Global Geopark Steering Committee

standing committee

Regional Council

Presentation Topic

Ohnia:kara Aspiring Global Geopark Steering Committee

Presentation includes slides

Yes

Previously presented topic

No

Presentation Details

Professor Mc Keever directed the formalising of the relationship between the Global Geoparks Network and UNESCO. This has happened through the creation of the new International Geoscience and Geoparks Programme and the creation of the UNESCO's first new site designation since the creation of the World Heritage Site label in 1972 by establishing of the designation "UNESCO Global Geopark" which happened in November 2015. Today there are 140 UNESCO Global Geoparks in 38 countries. Prof Mc Keever drafted the statutes and operational guidelines for UNESCO Global Geoparks and has given countless keynote talks and workshops (both regional and national) on UNESCO Global Geoparks and has advised countries on every continent regarding the creation of UNESCO Global Geoparks.

Video Consent

Yes

Support_File_1

Patrick McKeever OHNIAKARA ASPIRING GEOPARK.pdf



UNESCO GLOBAL GEOPARKS



- Geopháirceanna
- Domhanda
- UNESCO

Patrick J Mc Keever

UNESCO GLOBAL GEOPARKS

The creation of the label “UNESCO Global Geoparks” is the first such designation from UNESCO since World Heritage in 1972.

It does not involve an international convention or agreement.

It does not impose legislative restrictions on either governments of local communities.

It is a “bottom-up” designation with the involvement of local people at its heart.

It is the first time UNESCO has adopted an already existing label.

As of May 2019, there are 147 UNESCO Global Geoparks in 41 countries.



Adamello Brenta UNESCO Global Geopark, Italy

UNESCO GLOBAL GEOPARKS

UNESCO Global Geoparks are single, unified geographical areas where sites and landscapes of international geological significance are managed with a holistic concept of protection, education and sustainable development.



IS A GEOPARK JUST ABOUT GEOLOGY?

Zhangjiajie UNESCO Global Geopark, China

No! While a geopark must demonstrate geological heritage of international significance, the purpose of a geopark is to explore, develop and celebrate the links between that geological heritage and all other aspects of the areas natural, cultural and intangible heritages. It is about reconnecting human society at all levels to the planet we all call home and to celebrate how our planet and it's 4,600 million year long history has shaped every aspect of our lives and our societies.



• Geopháirceanna
• Domhanda
• UNESCO

UNESCO Global Geoparks are NOT protected areas.
However main geological sites should have legal protection
19 under national, regional, local or indigenous law.

GEOPARKS ARE PEOPLE

UNESCO Global Geoparks are about people and conceptualise community participation to reach far beyond the mere involvement of local stakeholders. They are about building community ownership, empowerment, sense of pride.

UNESCO Global Geoparks consider their residents as experts of their territory and as “Geopark Ambassadors”

UNESCO Global Geoparks use the reflection of a territories' Earth heritage in traditions, local tales, songs, hand craft, indigenous knowledge and land use techniques, in local dialect and architecture to build inclusive sustainable regional development strategies.



Organizacja Narodów
Zjednoczonych do
Spraw Oświaty, Nauki i Kultury



Światowe
Geoparki
UNESCO

GEO PARKS: Communicating Geoscience

Local Ranger Training



Kid's Clubs



Menningamálastofnun
Sameinuðu
þjóðanna



UNESCO
Hnattrænin
Jarðvangar

Conserving & Protecting our Geodiversity

Active geoconservation



Innovative Museums



联合国教科文组织
世界地质公园

GEOPARKS: Communicating Geoscience

...make it fun



Helping schools...



Organizace Spojených
Národů pro Výchovu,
Vědu a Kulturu



Globální
Geoparky
UNESCO

GEO PARKS: Communicating Geoscience

Art & Geology: Stop and Ponder



Bridge between continents



유네스코
세계지질공원

GEPARKS: Support Local Enterprise



Lesvos Island UGGp
Women's Cooperative

Qeshm Island UGGp
Womens Cooperative



Organizacja Narodów
Zjednoczonych do
Spraw Oświaty, Nauki i Kultury



Światowe
Geoparki
UNESCO

GEPARKS: Support Local Enterprise



Organizacja Narodów
Zjednoczonych do
Spraw Oświaty, Nauki i Kultury



Światowe
Geoparki
UNESCO

The Burren Food Trail,
The Burren and Cliffs of Moher UGGp

UNESCO GLOBAL GEOPARKS

How does it work?

Nomination file is prepared and submitted to UNESCO

Geological Assessment by IUGS

Field Evaluation

Report submitted to UNESCO
Global Geopark Council

Nomination can be accepted,
deferred or rejected.

Final decision by UNESCO
Executive Board



Cesky Raj UNESCO Global Geopark, CZ

Membership is for 4 years only, after which each geopark is subject to a rigid revalidation exercise.



Monitoring & Reporting: UNESCO Global Geoparks

UNESCO implements a strict 4-yearly revalidation exercise. This involves submission of a detailed progress report and an in-situ field inspection.

Revalidation can result in renewal of membership for a further 4 year period, renewal of membership for a 2 period after identification of some issues during the revalidation exercise.

After the 2 year period, a subsequent revalidation will either result in membership renewal for 4 years or loss of the designation.

So far, 7 Geoparks have lost the label & 2 have voluntarily withdrawn



*Naturtejo UNESCO Global Geopark,
Portugal*



FN's organisation
for uddannelse, videnskab,
Kultur og kommunikation
og information



UNESCO
Globale
Geoparker

UNESCO Activity	Estimated financial benefit per year	Number of Sites if appropriate	Estimated financial benefit per designation
World Heritage Sites	61.1 M GBP	28	2.2 M GBP
Global Geoparks	18.8 M GBP	6.5	2.9 M GBP
UNITWIN/UNESCO Chairs	2.9 M GBP	16	0.18 M GBP
Biosphere Reserves	2.3 M GBP	6	0.38 M GBP
Everything Else	4.3 M GBP		
TOTAL	89.4 M GBP		

A subsequent report by the UK for 2014-2015 covering another 12 month period identified that of 8.5M GBP income in the UK Geoparks, over 7M was from tourism income. By comparison, the UK's 6 Biosphere Reserves generated 2M GBP in income but only 5,000 GBP of this was from tourism.

Wider Value of UNESCO to the UK (2012-2013):
www.unesco.org.uk



Organizacija
 Ujedinjenih Naroda
 za Obrazovanje,
 Znanost i Kulturu

UNESCO
 Svjetski
 Geoparkovi

UNESCO GLOBAL GEOPARKS

Economic Impact Study 1: United Kingdom

Estimated earnings / income generated in the local economy - tourism offer of Arouca UNESCO Global Geopark

Hospitality

Beds	price/night	Occupancy rate	days/year	Value
250	50.00 €	60%	365	2,737,500.00 €

Catering

Restaurant places	Average price meal	Occupancy rate	days/year	Value
5000	12.50 €	50%	365	11,406,250.00 €

Tourism Entertainment

Rafting/ canyoning	Average price	Occupancy rate	days/year	Value
20	50.00 €	50%	365	182,500.00 €

Museums entrances, merchandising and gangways invoicing

	Entrances	price ticket		Value
Paiva gangways	240,000.00	1.00 €		240,000.00
"Pedras Parideiras" House	15,000.00	2.00 €		30,000.00
Trilobites Museum	10,000.00	4.00 €		40,000.00
Sacred Art Museum	10,000.00	3.00 €		30,000.00
Municipal Museum	10,000.00	1.00 €		10,000.00
merchandising and local products				15,000.00 €

Local products

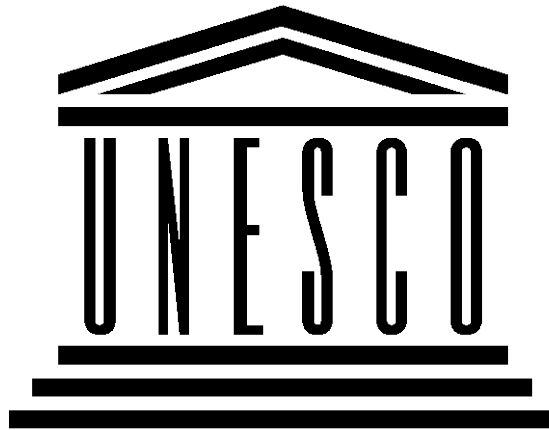
	Kg/day	price /kg	days/year	Value
Traditional sponge cake and regional sweets	100	10	365	365,000.00 €
Conventual sweets	10	15	365	54,750.00 €

Grand total / year

15,111,000.00 €



UNESCO GLOBAL GEOPARKS



United Nations
Educational, Scientific and
Cultural Organization



• UNESCO
• Global
• Geoparks
•



United Nations
Educational, Scientific and
Cultural Organization



• UNESCO
• Global
• Geoparks

*International Geoscience and Geoparks Programme:
Supporting Agenda 2030 and the SDG's*

**THE REGIONAL MUNICIPALITY OF NIAGARA
PROCEEDINGS OF COUNCIL
OPEN SESSION**

**CL 09-2019
Thursday, April 25, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Council: Bradley (Regional Chair), Butters, Bylsma, Campion, Chiocchio, Disero, Easton, Edgar, Fertich, Foster, Gale, Greenwood, Heit, Huson, Insinna, Ip, Jordan, Junkin, Nicholson, Redekop, Rigby, Sendzik, Steele, Ugulini, Villella, Whalen, Witteveen, Zalepa

Absent/Regrets: Bellows, Darte, Diodati, Gibson

Staff: D. Barnhart, Executive Officer to the Regional Chair, H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, Dr. A. Feller, Associate Medical Officer of Health, D. Gibbs, Director, Legal & Court Services, C. Habermebl, Acting Commissioner, Public Works, T. Harrison, Commissioner/Treasurer, Enterprise Resource Management Services, D. Heyworth, Official Plan Policy Consultant, Dr. M. Hirji, Acting Medical Officer of Health, A. Jugley, Commissioner, Community Services, R. Mostacci, Commissioner, Planning & Development Services, A.-M. Norio, Regional Clerk, D. Pasto, Risk Management Program Manager, M. Trennum, Deputy Regional Clerk, R. Tripp, Acting Chief Administrative Officer

1. CALL TO ORDER

Regional Chair Bradley called the meeting to order at 6:32 p.m.

2. LAND ACKNOWLEDGMENT STATEMENT

Councillor Ugulini read the Land Acknowledgment Statement.

3. MOMENT OF REFLECTION

Councillor Insinna read the statement of reflection.

4. SINGING OF 'O CANADA'

Regional Chair Bradley asked all in attendance to stand for the singing of 'O Canada'.

5. ADOPTION OF AGENDA

Moved by Councillor Ugulini
Seconded by Councillor Insinna

That Council Agenda CL 09-2019, **BE ADOPTED.**

Carried

6. DISCLOSURES OF PECUNIARY INTEREST

Councillor Edgar declared an indirect pecuniary interest with respect to the portion of the Public Health and Social Services Committee minutes PHSSC 04-2019 (Agenda Item 12.4) concerning Report COM 13-2019 respecting Actions to Inform Procurement Process of EarlyON Child and Family Centre (Minute Item 5.2) as it deals with Children's Services and his wife is the Director, Children's Services.

7. PRESENTATIONS

There were no presentations.

8. CHAIR'S REPORTS, ANNOUNCEMENTS, REMARKS

31st Annual St. Catharines Volunteer Recognition Event

The Regional Chair advised that he took part in the 31st annual volunteer recognition event in St. Catharines where nearly 100 individuals were acknowledged for their numerous contributions to their community.

State of the Region

The Chair advised that he was joined by leaders from across Niagara to deliver the annual State of the Region address on April 3, 2019. The focus was on Niagara's past successes, the importance of team work and the bright future that is ahead of us. Chair Bradley expressed his thanks to Dr. Dan Patterson, Dr. Gervan Fearon, Allie Hughes, Lori Beech, and Mike Watt for participating in the stimulating discussion panel, as well as Tim Dennis for his moderation.

Other Events

Chair Bradley advised that he attended the Para-sport Festival in Niagara Falls and the opening of the joint CMHA/Niagara Health addictions and mental health facility. The Chair also provided introductory remarks at the public unveiling of Dr. Siegel's policy brief on the state of the governance review at Brock University.

Provincial Budget – Public Health

The Regional Chair advised that the Province had announced the intention to consolidate 35 local health units across the province to 10 and the potential for an in-year budget impact for the Region as the traditional funding model will be changed, with additional costs being downloaded to the Region.

He noted that by 2022, the Public Health funding model may further be altered to put 40% of the burden on the local municipalities, however advised that the Province indicated these funding changes would have no impact on front line services and are designed to allow local communities to have more control over public health.

Provincial Budget – Community Services

Chair Bradley advised that Community Services has also received some initial budget information from the Province that indicate reductions in Provincial subsidies in specific portfolios effective in 2019. The Chair stated that the details and impacts of these changes for our services are under review as staff await further policy details from the Province, which we anticipate receiving over the next couple of weeks.

Provincial Budget Niagara Emergency Medical Service (EMS)

Chair Bradley advised that EMS operations and dispatch services are to be streamlined across Ontario while exploring new models of care and delivery of emergency health services. The Chair stated the details regarding the restructuring have not been released and that Regional staff are committed to bringing Council the most up-to-date information possible as more details of the budget become known.

Upcoming Events

Regional Chair Bradley reminded Councillors of the following:

- April 29, 2019 – Flag raising for Navy Week in Canada, April 29 to May 5
- May 4 and 5 – Remembrance of the Battle of the Atlantic and Navy week parade respectfully
- May 11 – Council Strategic Planning Training Education Workshop

9. DELEGATIONS

Prior to hearing the delegations, the Regional Chair reminded all present to be mindful of language as it relates to the discussions respecting the Transportation Infrastructure Means Protection Update.

9.1 Transportation Infrastructure Means Protection Update (Minute Item 5.2 of PWC 4-2019 (Agenda Item 12.4))

9.1.1 Julie Taffs, Resident, City of St. Catharines

Julie Taffs, Resident, City of St. Catharines, appeared before Council to share her personal experience with mental health services and to express support for the transportation infrastructure means protection.

9.1.2 Lacey Willmott, Resident, Town of Fort Erie

This delegation request was withdrawn.

9.1.3 Derek and Heather Tuba, Residents, City of St. Catharines

Derek and Heather Tuba, Residents, City of St. Catharines appeared before Council to share their personal experiences with mental health services and to express support for the transportation infrastructure means protection.

9.1.4 Taylor Thomas, Resident, City of St. Catharines

Council was advised that Ms. Thomas was unable to attend to provide her delegation.

10. **ADOPTION OF MINUTES**

Moved by Councillor Gale
Seconded by Councillor Huson

That Minutes CL 7-2019 and CL 8-2019 being the Open and Closed Session minutes of the Special and Regular Regional Council meetings held on Thursday, March 28, 2019, **BE ADOPTED**.

Carried

11. **CORRESPONDENCE**

11.1 Receive and/or Refer

Moved by Councillor Jordan
Seconded by Councillor Ugolini

That the following items **BE DEALT WITH** as follows:

CL-C 27-2019 respecting Triple Majority Achieved for By-law No. 2019-07 being a by-law to amend By-law 112-2013 being a by-law to protect children and vulnerable persons from exposure to outdoor second-hand smoke **BE RECEIVED**;

CL-C 33-2019 respecting Provincial Review of Regional Government, **BE RECEIVED**; and

CL-C 35-2019 respecting Parameters of Regional Matching Funding for Smarter Niagara Incentive Program Tax Increment Grants, **BE RECEIVED**.

Carried

11. CORRESPONDENCE

11.2 For Consideration

11.2.1 CL-C 28-2019

Request for Appointment to the Waste Management Planning Steering Committee

Moved by Councillor Ugolini
Seconded by Councillor Jordan

That Correspondence Item CL-C 28-2019, being a memorandum from A.-M. Norio, Regional Clerk, dated April 25, 2019, respecting Request for Appointment to the Waste Management Planning Steering Committee, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Councillor Edgar **BE APPOINTED** to the Waste Management Planning Steering Committee; and
2. That the Waste Management Planning Steering Committee Terms of Reference **BE AMENDED** to provide for representation from nine (9) members of Regional Council.

Carried

11.2.2 CL-C 34-2019

Standing Committee Appointment

Moved by Councillor Edgar
Seconded by Councillor Greenwood

That Correspondence Item CL-C 34-2019, being a memorandum from A.-M. Norio, Regional Clerk, dated April 25, 2019, respecting Standing Committee Appointment, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That, effective immediately, Councillor Ip **BE APPOINTED** to the Public Works Committee.

Carried

12. COMMITTEE REPORTS - OPEN SESSION

12.1 Committee of the Whole

Minutes COTW 02-2019, Thursday, April 4, 2019

Moved by Councillor Heit

Seconded by Councillor Butters

That Report COTW 02-2019, being the Open Session minutes of the Committee of the Whole meeting held on Thursday, April 4, 2019, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

12.2 Procedural By-law Review Committee

Minutes PBLRC 01-2019, Wednesday April 10, 2019

Moved by Councillor Ip

Seconded by Councillor Huson

That Report PBLRC 01-2019, being the Open Session minutes of the Procedural By-law Review Committee meeting held on Wednesday, April 10, 2019, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

12.3 Committee of the Whole

Minutes COTW 03-2019, Thursday April 11, 2019

Moved by Councillor Nicholson

Seconded by Councillor Huson

That Report COTW 03-2019, being the Open Session minutes of the Committee of the Whole meeting held on Thursday, April 11, 2019, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

12.4 Public Works Committee

Minutes PWC 4-2019, Tuesday, April 16, 2019

Moved by Councillor Rigby
Seconded by Councillor Edgar

That Report PWC 4-2019, being the Open and Closed Session minutes of the Public Works Committee meeting held on Tuesday, April 16, 2019, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

12.4.1 Minute Item 5.2 respecting Transportation Infrastructure Means Protection Update

The recommendations respecting Transportation Infrastructure Means Protection Update contained in Minute Item 5.2 were considered separately as follows:

That Report PW 24-2019, dated April 16, 2019, respecting Transportation Infrastructure Means Protection Update, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the recommendations contained in the Transportation Infrastructure Means Protection report, attached as Appendix 2 to Report PW 24-2019, **BE ENDORSED**;
2. That staff **BE DIRECTED** to proceed with the detailed design and tendering of the Transportation Infrastructure Means Protection project; and
3. That financing in the amount of \$4,000,000 gross and net **BE INITIATED** from the approved 2019 capital budget for the Transportation Infrastructure Means Protection project and that the project **BE FUNDED** as follows:
 - Reserves – Capital Levy - \$4,000,000

Moved by Councillor Gale
Seconded by Councillor Steele

That the motion **BE AMENDED** by adding the following clause:

4. ***That staff BE DIRECTED to request funding contributions from the Federal and Provincial Governments for the infrastructure means protection.***

Carried

The Regional Chair called the vote on motion, as amended, as follows:

That Report PW 24-2019, dated April 16, 2019, respecting Transportation Infrastructure Means Protection Update, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the recommendations contained in the Transportation Infrastructure Means Protection report, attached as Appendix 2 to Report PW 24-2019, **BE ENDORSED**;
2. That staff **BE DIRECTED** to proceed with the detailed design and tendering of the Transportation Infrastructure Means Protection project;
3. That financing in the amount of \$4,000,000 gross and net **BE INITIATED** from the approved 2019 capital budget for the Transportation Infrastructure Means Protection project and that the project **BE FUNDED** as follows:
 - Reserves – Capital Levy - \$4,000,000; and
4. That staff **BE DIRECTED** to request funding contributions from the Federal and Provincial government for the infrastructure means protection.

Recorded Vote:

Yes (23): Butters, Campion, Chiocchio, Disero, Easton, Edgar, Fertich, Foster, Gale, Greenwood, Huson, Ip, Jordan, Junkin, Nicholson, Redekop, Sendzik, Steele, Ugulini, Villella, Whalen, Witteveen, Zalepa.

No (4): Bylsma, Heit, Insinna, Rigby.

Carried

Councillor Information Request(s):

Provide information respecting the number of beds dedicated to mental health patients available at the St. Catharines hospital.
Councillor Rigby.

12.4.2 Balance of the recommendations from Public Works Committee

The Regional Chair called the vote on the balance of the recommendations from the Public Works Committee and declared it,

Carried

12.5 Public Health and Social Services Committee

Minutes PHSSC 04-2019, Tuesday, April 16, 2019

Moved by Councillor Chiocchio

Seconded by Councillor Jordan

That Report PHSSC 04-2019 being the Open Session minutes of the Public Health & Social Services Committee meeting held on Tuesday, April 16, 2019, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

12.5.1 Minute Item 5.1 respecting Increasing Capacity for Suicide Prevention Efforts in Niagara

The recommendations respecting Increasing Capacity for Suicide Prevention Efforts in Niagara contained in Minute Item 5.1 were considered separately as follows:

That Report PHD 08-2019, dated April 16, 2019, respecting Increasing Capacity for Suicide Prevention Efforts in Niagara, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Regional Council **APPROVE** the creation of two full time equivalent positions in Public Health & Emergency Services to support mental health resiliency and community capacity-building, with these positions having a dedicated focus on addressing the burden of suicide in Niagara for two years;
2. That the ongoing operating budget requirements for this initiative **BE REFERRED** for consideration as part of the 2020 budget process; and
3. That staff **BE DIRECTED** to work with community partners to ensure that there are trained volunteer personnel at the location forthwith, that expenses be included in the budget and that funding be sought from the provincial government for this initiative.

Moved by Councillor Ip
Seconded by Councillor Campion

That the motion **BE AMENDED** to remove clause 3.

Recorded Vote:

Yes (3): Campion, Huson, Ip.

No (23): Butters, Bylsma, Chiocchio, Disero, Easton, Edgar, Fertich, Foster, Gale, Greenwood, Heit, Insinna, Jordan, Junkin, Nicholson, Redekop, Rigby, Steele, Ugulini, Villella, Whalen, Witteveen, Zalepa.

Defeated

Moved by Councillor Huson
Seconded by Councillor Steele

That the motion **BE AMENDED** to add the following clause:

4. That staff BE DIRECTED to provide a report respecting how Niagara Regional Police Services, Emergency Medical Services, Fire Departments and Public Health are collaborating with each other and with community support organizations on mental health servicing and programming to identify gaps and opportunities to enhance collaboration in order to achieve greater effectiveness of service delivery and the potential to reduce costs.

Carried

The Regional Chair called the vote on the motion, as amended, as follows:

That Report PHD 08-2019, dated April 16, 2019, respecting Increasing Capacity for Suicide Prevention Efforts in Niagara, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Regional Council **APPROVE** the creation of two full time equivalent positions in Public Health & Emergency Services to support mental health resiliency and community capacity-building, with these positions having a dedicated focus on addressing the burden of suicide in Niagara for two years;
2. That the ongoing operating budget requirements for this initiative **BE REFERRED** for consideration as part of the 2020 budget process; and

3. That staff **BE DIRECTED** to work with community partners to ensure that there are trained volunteer personnel at the location forthwith, that expenses be included in the budget and that funding be sought from the provincial government for this initiative.
4. That staff **BE DIRECTED** to provide a report respecting how Niagara Regional Police Services, Emergency Medical Services, Fire Departments and Public Health are collaborating with each other and with community support organizations on mental health servicing and programming to identify gaps and opportunities to enhance collaboration in order to achieve greater effectiveness of service delivery and the potential to reduce costs.

Clauses 1, 2 and 4 were considered separately as follows:

1. That Regional Council **APPROVE** the creation of two full time equivalent positions in Public Health & Emergency Services to support mental health resiliency and community capacity-building, with these positions having a dedicated focus on addressing the burden of suicide in Niagara for two years;
2. That the ongoing operating budget requirements for this initiative **BE REFERRED** for consideration as part of the 2020 budget process; and
4. That staff **BE DIRECTED** to provide a report respecting how Niagara Regional Police Services, Emergency Medical Services, Fire Departments and Public Health are collaborating with each other and with community support organizations on mental health servicing and programming to identify gaps and opportunities to enhance collaboration in order to achieve greater effectiveness of service delivery and the potential to reduce costs.

Recorded Vote:

Yes (26): Butters, Bylsma, Campion, Chiocchio, Disero, Easton, Edgar, Fertich, Foster, Gale, Greenwood, Heit, Huson, Insinna, Ip, Jordan, Junkin, Nicholson, Redekop, Rigby, Steele, Ugulini, Villella, Whalen, Witteveen, Zalepa.

No (0).

Carried

Clause 3 was considered separately as follows:

3. That staff **BE DIRECTED** to work with community partners to ensure that there are trained volunteer personnel at the location forthwith, that expenses be included in the budget and that funding be sought from the provincial government for this initiative.

Recorded Vote:

Yes (21): Butters, Bylsma, Chiocchio Disero, Easton, Edgar, Fertich, Foster, Gale, Heit, Huson, Insinna, Jordan, Nicholson, Redekop, Rigby, Steele, Ugulini, Villella, Whalen, Zalepa.

No (5): Champion, Greenwood, Ip, Junkin, Witteveen.

Carried

12.5.2 Balance of the recommendations from Public Health and Social Services Committee

The Regional Chair called the vote on the balance of the recommendations from the Public Health and Social Services Committee and declared it,

Carried

12.6 Corporate Services Committee

Minutes CSC 04-2019, Wednesday, April 17, 2019

Moved by Councillor Whalen
Seconded by Councillor Disero

That Report CSC 04-2019 being the Open Session minutes of the Corporate Services Committee meeting held on Wednesday, April 17, 2019, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

12.7 Planning and Economic Development Committee

Minutes PEDC 4-2019, Wednesday, April 17, 2019

Moved by Councillor Huson
Seconded by Councillor Steele

That Report PEDC 4-2019 being the Open Session minutes of the Planning & Development Committee meeting held on Wednesday, April 17, 2019, **BE RECEIVED** and the recommendations contained therein **BE APPROVED**.

Carried

13. **CHIEF ADMINISTRATIVE OFFICER'S REPORT(S)**

There were no Chief Administrative Officer Reports.

14. **MOTIONS**

14.1 **Community Improvement Plan Areas Eligible for 2019 Smarter Niagara Incentive Program Funding**

Moved by Councillor Redekop
Seconded by Councillor Heit

1. That staff **BE DIRECTED** to consider eligible requests for Regional matching funding for Smarter Niagara Incentive Program simple grants (Environmental Assessment Study Grant, Building and Façade Improvement Grant/Loan, Residential Grant/Loan, Heritage Restoration and Improvement Grant/Loan, Planning Studies Grant) for 2019 in all locally approved or revised Community Improvement Plans (CIP) (and/or CIPs locally approved or revised until December 31, 2019), as per existing program budget and parameters; and
2. That staff **PREPARE** a report for the Planning and Economic Development Committee meeting being held on May 8, 2019 that outlines the financial implications of tax related grants under Community Improvement Plans (CIP) and the Regional grant and incentive programs.

The following friendly ***amendment*** was accepted by the Regional Chair, and the mover and seconder of the motion:

1. That staff **BE DIRECTED** to consider eligible requests for Regional matching funding for Smarter Niagara Incentive Program ***all*** simple grants (***e.g.*** Environmental Assessment Study Grant, Building and Façade Improvement Grant/Loan, Residential Grant/Loan, Heritage Restoration and Improvement Grant/Loan, Planning Studies Grant) for 2019 in all locally approved or revised Community Improvement Plans (CIP) (and/or CIPs locally approved or revised until December 31, 2019), as per existing program budget and parameters; and
2. That staff **PREPARE** a report for the Planning and Economic Development Committee meeting being held on May 8, 2019 that outlines the financial implications of tax related grants under Community Improvement Plans (CIP) and the Regional grant and incentive programs.

The Regional Chair called the vote on the motion, as amended, and declared it,

Carried

14.2 Discussion of Provincial Review of Regional Government

Moved by Councillor Fertich
Seconded by Councillor Witteveen

Whereas on January 15, 2019, the Provincial Government announced it would be undertaking a review of the province's Regional governments;

Whereas Correspondence Item COTW-C 02-2019 respecting Provincial Review of Regional Government provided information that the local area mayors and Chief Administrative Officers have collaborated on an action plan related to the review;

Whereas it is important that Regional Councillors also have an opportunity to provide input on this review.

NOW THEREFORE BE IT RESOLVED:

1. That Regional Council **BE PROVIDED** with an opportunity to have a fulsome discussion respecting the Provincial Review of Regional Government; and
2. That staff **BE DIRECTED** to include the topic of Provincial Review of Regional Government on the agenda for the Committee of the Whole meeting being held on May 2, 2019.

Carried

15. **NOTICES OF MOTION**

There were no notices of motion.

16. **OTHER BUSINESS**

16.1 Folk Arts Festival

Councillor Heit announced that the Folk Arts Festival was currently taking place in St. Catharines and encouraged members to attend.

16.2 Niagara Region Water Wagon

Councillor Rigby advised that Niagara Region had unveiled a new water wagon, which will be used at community events to provide cold, fresh water to the public. He congratulated staff on this initiative.

16.3 Pelham Art Festival Show and Sale

Councillor Huson announced the Pelham Art Festival Show and Sale will take place from May 10 to May 12, 2019 at the Meridian Community Centre in Pelham.

16.4 Zonta Club 90 Anniversary

Councillor Greenwood announced the Zonta Club of St. Catharines would be celebrating its 90th anniversary at the Rockway Glen Golf Course on Sunday, April 28, 2019.

16.5 Niagara Day on the Hill

Councillor Witteveen announced that May 8, 2019 would be Niagara Day on Parliament Hill in Ottawa. The Grape Growers of Ontario and others will be showcasing Niagara agriculture and tourism.

16.6 Earth Week

Catharine Habermehl, Acting Commissioner, Public Works, announced Earth Week, April 22 – 26 and noted the Region was offering tours of the recycling facility, conducting battery collection and other recycling related activities for Regional Staff.

17. **MOTION FOR CLOSED SESSION**

Council did not resolve into closed session.

18. **CLOSED SESSION**

Council did not resolve into closed session.

19. **REPORT FROM CLOSED SESSION**

Council did not resolve into closed session.

20. **BY-LAWS**

Moved by Councillor Villella
Seconded by Councillor Chiocchio

Bill 2019-38

A by-law to accept, assume and dedicate part of Lot 23, Concession 3, in the City of St. Catharines as part of Regional Road No. 38 (Martindale Road).

Bill 2019-39

A by-law to accept, assume and dedicate Part of Lot 45 CP Plan 5, in the City of St. Catharines as part of Regional Road No. 48 (Niagara Street).

Bill 2019-40

A by-law to accept, assume and dedicate part of Township Lot 76, part of the road allowance between Township Lots 73 and 74, part of the road allowance between Township Lots 74 and 76, in the City of Niagara Falls as part of Regional Road No. 57 (Thorold Stone Road).

Bill 2019-41

A by-law to amend By-law No. 120-2010, the Procedural By-law (Section 9).

Bill 2019-42

A by-law to set tax ratios and tax rate reductions for prescribed property subclasses for Regional purposes and area municipal purposes for the year 2019.

Bill 2019-43

A by-law to set and levy the rates of taxation for Regional general and special purposes for the year 2019.

Bill 2019-44

A by-law to adopt optional tools for the purposes of administering limits for the commercial, industrial and multi-residential property classes for the year 2019.

Bill 2019-45

A by-law to adopt, ratify and confirm the actions of Regional Council at its meeting held on April 25, 2019.

Bill 2019-41 was considered separately as follows:

That Bill 2019-41 being a by-law to amend By-law No. 120-2010, the Procedural By-law (Section 9) **BE NOW READ and DO PASS.**

Two-thirds majority having been achieved, the Regional Chair declared the vote,

Carried

The Regional Chair called the vote on the balance of the motion and declared it,

Carried

21. ADJOURNMENT

There being no further business, the meeting adjourned at 9:27 p.m.

Jim Bradley
Regional Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk

MEMORANDUM

CL-C 37-2019

Subject: Appointment of Deputy Clerks for the purposes of the *Commissioners for taking Affidavits Act*

Date: May 16, 2019

To: Regional Council

From: Ann-Marie Norio, Regional Clerk

As Council may know, the Regional Clerk's Office provides the service of commissioning affidavits.

Ontario Regulation 386/12 of the *Commissioners for taking Affidavits Act* provides that clerks, deputy clerks, treasurers and deputy treasurers of municipalities, by virtue of office, are commissioners for taking affidavits in the geographic area in which their municipalities are situated.

Council will recall that section 228(2) of the *Municipal Act, 2001* states that a municipality may appoint deputy clerks who have all the powers and duties of the clerk under this and any other Act.

In consultation with Niagara Region's legal counsel, staff has prepared a by-law for adoption that will appoint certain Niagara Region staff as deputy clerks specifically for the purposes of carrying out the duties of that office under the *Commissioners for taking Affidavits Act*.

This by-law has been included on the agenda as Bill 2019-47 for Council's consideration.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

MEMORANDUM

CL-C 38-2019

Subject: Standing Committee Appointment

Date: May 16, 2019

To: Regional Council

From: Ann-Marie Norio, Regional Clerk

On Wednesday, May 8, 2019, the Clerk's Office received a request from Councillor Foster asking to be appointed to the Public Health and Social Services Committee.

In accordance with By-law 35-2014, a by-law to establish Standing Committees, a member of Regional Council shall be appointed to a Standing Committee by resolution of Council.

The following motion is before Council for consideration.

That Councillor Foster **BE APPOINTED** to the Public Health and Social Services Committee, effective immediately.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

MEMORANDUM

CL-C 39-2019

Subject: Niagara Peninsula Conservation Authority Board Appointments

Date: May 16, 2019

To: Regional Council

From: Ann-Marie Norio

At its meeting held on February 28, 2019, Regional Council passed the following resolution:

*That Correspondence Item CL-C 18-2019, being a memorandum from A.-M. Norio, Regional Clerk, dated February 28, 2019, respecting Niagara Peninsula Conservation Authority Board Appointments, **BE RECEIVED** and the following recommendations **BE APPROVED**:*

- 1. That Regional Council **EXTEND** the appointments of Councillors Bylsma, Chiocchio, Foster, Gibson, Greenwood, Heit, Huson, Insinna, Jordan, Steele, Whalen and Zalepa, on the Niagara Peninsula Conservation Authority Board for an additional period of three months; and*
- 2. That the Niagara Peninsula Conservation Authority Board **BE REQUESTED** to provide recommendations respecting Board composition and the recommended qualifications and process for appointments to the Board to Regional Council for consideration.*
- 3. That the Board of Directors of the NPCA **DETERMINE** the types of skills and/or experience required on this Board of Directors based on the mandate of the NPCA and subsequently providing a skills matrix for purposes of selecting those members to Regional Council before the end of April 2019;*
- 4. That staff **BE DIRECTED** to develop a process that all lower tier municipalities can follow to determine who they will recommend as their representatives to the NPCA Board of Directors before the end of May 2019; and*
- 5. That staff **BE DIRECTED** to develop a process that will determine a fair and acceptable mix of politicians to be responsible to Niagara tax payers to serve on the NPCA Board of Directors along side those chosen via the skills matrix before the end of May 2019.*

In accordance with the above motion, the appointment of the members of the current board will expire on June 6, 2019. As a practical matter, this is before the NPCA Board

meeting scheduled for June 19, 2019 and the Regional Council meeting of June 20, 2019. The appointment of the current Regional representatives on the NPCA Board was for a limited duration but with full authority to act respecting all matters of the Board.

The Clerk's Office is in receipt of correspondence from the Niagara Peninsula Conservation Authority Board (attached as Appendix 1) advising that the Board passed the following resolution on April 17, 2019:

THEREFORE BE IT RESOLVED THAT the NPCA request to the Niagara Region that the twelve temporary members' (or their replacements') terms be extended, until such time as the appeal by the City of Hamilton is complete, and the agreement between the three municipalities is finalized.

FURTHER THAT the NPCA Board and Staff recommend a list of competencies, modelled from the Alberta Public Agencies matrix, to the Region of Niagara in order that the Region can forward the competencies to their municipalities regarding whether they wish to recommend to the Region to appoint an elected or citizen appointees.

Correspondence Item CL-C 18-2019 (attached as Appendix 2) provided information respecting correspondence received from some local area municipalities respecting a local appointee to the NPCA Board and outlined past practice with respect to the Board appointment of twelve (12) members.

In response to the NPCA Board's resolution to extend the twelve temporary members' (or their replacements'), as Council may be aware, the NPCA levy appeal by the City of Hamilton has been completed; however an agreement between the three municipalities has not been finalized.

In addition, A Better Niagara recently notified the parties that they are bringing back the application for a decision on the number of members the Region is entitled to appoint which is to be before the courts on May 13, 2019.

In accordance with Council's resolution on February 28, 2019, specifically recommendations 4 and 5, staff will be providing a report for Council's consideration for the Regional Council meeting held on June 20, 2019, outlining processes respecting Board composition.

A resolution of Council is required to extend the current Board appointments. Suggested wording is as follows:

That Regional Council **EXTEND** the appointments of Councillors Bylsma, Chiocchio, Foster, Gibson, Greenwood, Heit, Huson, Insinna, Jordan, Steele, Whalen and Zalepa, on the Niagara Peninsula Conservation Authority Board until such time as an agreement between the three municipalities has been reached respecting the composition of the Board.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk



250 Thorold Road, 3rd Floor, Welland ON L3C 3W2
 Tel: 905-788-3135
 Fax: 905-788-1121
 www.npca.ca

April 23, 2019

Niagara Region
 1815 Sir Isaac Brock Way
 P.O. Box 1042
 Thorold, ON
 L2V 4T7

SENT ELECTRONICALLY

Dear Chair Bradley and Regional Council,

Please be advised that at its regular meeting of April 17, 2019, the Board of Directors of the Niagara Peninsula Conservation Authority adopted the following resolution:

Resolution No. FA-113-19

Moved by Board Member Steele

Seconded by Board Member Foster

WHEREAS the Region of Niagara requested the NPCA, in their March 1st, 2019 letter, for comment regarding the NPCA Board composition and qualifications; and

WHEREAS the Auditor General of Ontario provided recommendations regarding Board skills, experience and training in her September 14th, 2018 report on the NPCA; and

WHEREAS Province of Ontario is currently reviewing regional governments, which could impact the future Board of the NPCA; and

WHEREAS the City of Hamilton appeal regarding the NPCA levy is under review; and

WHEREAS the City of Hamilton, Haldimand County and the Niagara Region agreed to address the composition of the NPCA Board after the NPCA levy review is complete;

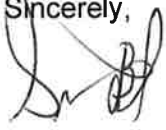
THEREFORE, BE IT RESOLVED THAT the NPCA request to the Niagara Region that the twelve temporary members' (or their replacements') terms be extended, until such time as the appeal by the City of Hamilton is complete, and the agreement between the three municipalities is finalized.

FURTHER THAT the NPCA Board and Staff recommend a list of competencies, modelled from the Alberta Public Agencies matrix, to the Region of Niagara in order that the Region can forward the competencies to their municipalities regarding whether they wish to recommend to the Region to appoint an elected or citizen appointees.

CARRIED

Please find attached a copy of the Alberta Public Agencies Board Profile & Competency Matrix Tool for your reference. Any inquiries with respect to this resolution may be directed to Gayle Wood, Interim CAO / Secretary Treasurer of the Niagara Peninsula Conservation Authority at gwood@npca.ca or at 905- 788-3135 ext.251.

Sincerely,



Grant Bivol
Interim Clerk

Attachment: Alberta Public Agencies Board Profile & Competency Matrix Tool

cc: Region of Niagara area municipalities
City of Hamilton
Haldimand County
NPCA Board of Directors
Ron Tripp, CAO, Niagara Region
Gayle Wood, CAO / Secretary Treasurer, NPCA

Board Profile & Competency Matrix Tool

This tool provides a list of critical competencies organized in three major areas. These competencies are intended to balance professional experience, environmental or contextual knowledge and personal attributes and skills.

The competencies listed below are examples that can be used to create an overall board profile for the board, as well as inform the development of a unique competency matrix, recruitment postings and director profiles for specific vacancies. Public agencies are encouraged to tailor the competencies to best suit their needs and accurately reflect the requirements of that board.

Definitions for each of the competencies and the competency matrix tool are included in section 9.1 as part of the recruitment plan.

Competency Area	Critical Competencies	Brief Description
Relevant Professional Experience	<ul style="list-style-type: none"> • Governance • Business/Management • Legal/Regulatory • Human Resources • Accounting/Financial • Risk Management • Public Relations/Media 	The candidate has professional/volunteer experience that is relevant and valuable to the board of the public agency.
Specialized Environmental Knowledge	<ul style="list-style-type: none"> • Government/Public Policy • Community/Stakeholder Relations • Industry/Sector 	The candidate has specialized knowledge of the environment or context affecting the board of the public agency.
Personal Effectiveness Skills	<ul style="list-style-type: none"> • Leadership/Teamwork • Strategic Thinking/Planning • Critical Thinking/Problem Solving 	The candidate has personal skills or attributes of value to the board of the public agency.
Other	Additional competencies may be identified that do not fall within the categories provided above but are essential to the needs of the public agency.	

Relevant Professional Experience
<p>Governance Experience</p> <ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise in, board governance in the private, public, and/or voluntary/non-profit sector. The applicant has a clear understanding of the distinction between the role of the board versus the role of management. Governance experience could be acquired through prior board or committee service or reporting to/or working with a board as an employee.
<p>Business/Management Experience</p> <ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise in, sound management and operational business processes and practices in the private or public sector. This competency may include an understanding of topics such as managing complex projects, leveraging information technology, planning and measuring performance, and allocating resources to achieve outcomes.
<p>Legal/Regulatory Experience</p> <ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise in, legal principles, processes, and systems. This may include interpreting and applying legislation, experience with adjudicative or quasi-judicial hearings or tribunals, or an understanding of the legal dimensions of organizational issues.
<p>Human Resources Experience</p> <ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise in, strategic human resource management. This may include workforce planning, employee engagement, succession planning, organizational capacity, compensation, and professional development. Depending on the public agency, knowledge or expertise in CEO performance management and evaluation may be a related asset.
<p>Accounting/Financial Experience</p> <ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise in, accounting or financial management. This may include analyzing and interpreting financial statements, evaluating organizational budgets and understanding financial reporting.
<p>Risk Management Experience</p> <ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise in, enterprise risk management. This may include identifying potential risks, recommending and implementing preventive measures, and devising plans to minimize the impact of risks. This competency may also include experience or knowledge of auditing practices, organizational controls, and compliance measures.
<p>Public Relations/Media Experience</p> <ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise in, communications, public relations or interacting with the media. This may include knowledge of effective advocacy and public engagement strategies, developing key messages, crisis communications, or social media and viral marketing.

Specialized Environmental Knowledge	
Government/Public Policy Knowledge	<ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise of, the broader public policy context affecting the public agency. This may include the strategic priorities of government and the relationship between those priorities and the work of the public agency.
Community/Stakeholder Relations Knowledge	<ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise of, the community or communities the public agency serves, including the stakeholder landscape affecting the public agency. This may include a demonstrated capacity to build networks and foster trusting relationships with communities and stakeholders.
Industry/Sector Knowledge	<ul style="list-style-type: none"> ➤ The applicant has experience with, or is able to demonstrate knowledge or expertise of, the industry or sector the public agency operates within. This may include an understanding of particular trends, challenges and opportunities, or unique dynamics within the sector that are relevant to the public agency.
Personal Effectiveness Skills	
Leadership/Teamwork Skills	<ul style="list-style-type: none"> ➤ The applicant demonstrates an ability to inspire, motivate and offer direction and leadership to others. The candidate also demonstrates an understanding of the importance of teamwork to the success of the board. This may include an ability to recognize and value the contributions of board members, staff, and stakeholders.
Strategic Thinking/Planning Skills	<ul style="list-style-type: none"> ➤ The applicant demonstrates an ability to think strategically about the opportunities and challenges facing the public agency and to engage in short, medium and long-range planning to provide high-level guidance and direction for the public agency.
Critical Thinking/Problem Solving Skills	<ul style="list-style-type: none"> ➤ The applicant demonstrates an ability to apply critical thinking to creatively assess situations and to generate novel or innovative solutions to challenges facing the board of the public agency.

Board Profile & Competency Matrix Template

GENERAL BOARD MEMBER COMPETENCY MATRIX <i>(*Choose as many competencies as applicable)</i>	<Candidate 1>	<Candidate 2>	<Candidate 3>	<Candidate 4>	<Candidate 5>
Relevant Professional Experience					
Governance Experience					
Business/Management Experience					
Legal/Regulatory Experience					
Human Resources Experience					
Accounting/Financial Experience					
Risk Management Experience					
Public Relations/Media Experience					
Specialized Environmental Knowledge					
Government/Public Policy Knowledge					
Community/Stakeholder Relations Knowledge					
Industry/Sector Knowledge					
Personal Effectiveness Skills					
Leadership/Teamwork Skills					
Strategic Thinking/Planning Skills					
Critical Thinking/Problem Solving Skills					
Other					
<Competency 1>					
<Competency 2>					
<Competency 3>					

**To be completed as part of the recruitment plan, as outlined in section 9.1.*

MEMORANDUM

CL-C 18-2019

Subject: Niagara Peninsula Conservation Authority Board Appointments

Date: February 28, 2019

To: Regional Council

From: Ann-Marie Norio, Regional Clerk

At its meeting held on December 6, 2018, Regional Council passed the following resolution:

*That twelve (12) Regional Councillors representing Niagara Region, one from each municipality in the Niagara Region, **BE APPOINTED** to replace the current Niagara Region representatives, on an interim basis, on the Niagara Peninsula Conservation Authority Board, effective immediately for a period of three months until it is determined how to proceed with the Board composition.*

Council subsequently passed the following resolution:

*That Councillors Bylsma, Chiocchio, Foster, Gibson, Greenwood, Heit, Huson, Insinna, Jordan, Steele, Whalen and Zalepa, **BE APPOINTED** to the Niagara Peninsula Conservation Authority Board for a three month period.*

In accordance with the above motion, the appointment of the members of the current board will expire on March 6, 2019. The appointment of the current Regional representatives on the NPCA Board was for a limited duration but with full authority to act respecting all matters of the Board.

The Clerk's Office has received correspondence from some local area municipalities respecting a local appointee to the NPCA Board (attached as Appendix 1). Niagara Region's Procedural By-law does not contain any provisions respecting appointments to the NPCA Board nor are there any policies related to this matter.

Section 4 of the *Conservation Authorities Act*, provides that a regional municipality shall be a participating municipality in place of the local municipalities within the regional municipality and shall appoint to the authority the number of members which the local municipality would otherwise have been entitled as participating municipalities.

Past practice with respect to the Board appointment of twelve (12) representatives, one from each local area municipality, has been to first ask the Regional Councillors who represent the municipality requiring representation whether or not they are willing to sit as a member of the Board. In the event that there is no interest from a Regional

Councillor of that municipality, the local municipal council is notified. The local council then determines how they would like to fill the spot on the Board. This could be with a local municipal councillor or a local citizen.

Council could decide to continue with the current appointment process practice; however, should Council wish to change this, the criteria and process would need to be defined. In considering this issue, Council may wish to seek input from the NPCA Board.

A resolution of Council is required to extend the current Board appointments. Suggested wording is as follows:

That Regional Council **EXTEND** the appointments of Councillors Bylsma, Chiochio, Foster, Gibson, Greenwood, Heit, Huson, Insinna, Jordan, Steele, Whalen and Zalepa, on the Niagara Peninsula Conservation Authority Board for an additional <insert period of time>; and

That the Niagara Peninsula Conservation Authority Board **BE REQUESTED** to provide recommendations respecting Board composition and the recommended qualifications and process for appointments to the Board to Regional Council for consideration.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk



Community Services

Legislative Services

December 4, 2018

File #120203

Sent via Email: ann-marie.norio@niagararegion.ca

Ann-Marie Norio, Regional Clerk
Niagara Region
1815 Sir Issac Brock Way, P.O. Box 1042
Thorold, ON L2V 4T7

Dear Ms. Norio:

Re: Appointment to the Niagara Peninsula Conservation

The Municipal Council of the Town of Fort Erie at its Inaugural Meeting of December 3, 2018 passed the following resolution:

That: Council recommends Leah Feor to The Regional Municipality of Niagara's Council as the Town of Fort Erie representative for appointment to the Niagara Peninsula Conservation Authority for the 2018-2022 term of Council.

Leah's contact information is as follows:

Leah Feor
P.O. Box [REDACTED]
Crystal Beach, ON L0S 1B0
Phone: [REDACTED]
Email: [REDACTED]

Trusting this information will be of assistance to you.

Yours very truly,

Carol Schofield, Dipl. M.A.
Manager, Legislative Services/Clerk
cschofield@forterie.ca

CS:dlk



City of Welland
Legislative Services
Office of the City Clerk
60 East Main Street, Welland, ON L3B 3X4
Phone: 905-735-1700 Ext. 2280 | **Fax:** 905-732-1919
Email: clerk@welland.ca | www.welland.ca

January 25, 2019

File No. 16-129

SENT VIA EMAIL

Niagara Peninsula Conservation Authority
250 Thorold Street West, 3rd Floor
Welland, ON L3C 3W2

Attention: Lisa McManus, Chief Administrative Officer and Secretary - Treasurer (Interim)

Dear Ms. McManus:

Re: January 25, 2019 – WELLAND CITY COUNCIL

At its meeting of January 25, 2019, Welland City Council passed the following motion:

“THAT THE COUNCIL OF THE CITY OF WELLAND appoints John Ingrao to the Niagara Peninsula Conservation Authority from January 15, 2019 to November 14, 2022.”

Yours truly,

Carmela Radice
Deputy Clerk

TS:cap

c.c.: - A. Norio, Niagara Regional Clerk, sent via email



February 26, 2019

Ann-Marie Norio
Regional Clerk Niagara Region
1815 Sir Isaac Brock Way, P.O. Box 1042 Thorold, ON
L2V 4T7
Sent via email to Ann-Marie.Norio@niagararegion.ca

Re: Niagara Peninsula Conservation Authority

Dear Ms. Norio,

Please be advised that at its meeting held on February 25, 2019, St. Catharines City Council approved the following motion:

WHEREAS on November 12, 2018, City Council directed staff to develop a process for appointing a representative to the Niagara Peninsula Conservation Authority (NPCA) Board to be implemented at the beginning of the 2018 – 2022 Term of Council; and

WHEREAS on December 10, 2018, City Council appointed Councillors Garcia, Miller, and Williamson to the NPCA Nominating Committee for the purpose of reviewing applications and making recommendations for appointment / nomination to the NPCA Board; and

WHEREAS the NPCA Nominating Committee has reviewed all applications and recommends Ed Smith for appointment to the NPCA Board;

THEREFORE BE IT RESOLVED that the City of St. Catharines recommends that Ed Smith be appointed to the NPCA Board as a representative of the City of St. Catharines for the remainder of the 2018 – 2022 Term of Council; and

BE IT FURTHER RESOLVED that the Niagara Region / NPCA be asked to provide a matrix for evaluating applicants; and

BE IT FURTHER RESOLVED that this resolution be forwarded to the Regional Clerk for distribution at Niagara Regional Council.

If you have any questions, please contact the Office of the City Clerk at extension 1524.

Bonnie Nistico-Dunk, City Clerk
Legal and Clerks Services, Office of the City Clerk
:kn

Minute Item No. 5.1
CAO 4-2019
Airport Project Update

That Report CAO 4-2019, dated May 2, 2019, respecting Airport Project Update, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Niagara Regional Council **APPROVE** the Action Plan outlined in Appendix 1 of Report CAO 4-2019 which directs staff to enact Regional Council's direction to: pursue adopting sole-responsibility for the operations and governance of Niagara District Airport (NDA) and Niagara Central Dorothy Rungeling Airport (NCDRA);
2. That the outcomes of the Action Plan **BE REPORTED** back to Council; and
3. That outcomes of the Action Plan and/or adoption of the operations of the airports, resulting in incremental operating and/or capital budget requirements **BE REFERRED** for consideration as part of the 2020 budget process.

Minute Item No. 6.1
CL-C 33-2019
Provincial Review of Regional Government

1. That Correspondence Item CL-C 33-2019, being a memorandum from A.-M. Norio, Regional Clerk, dated April 25, 2019, respecting Provincial Review of Regional Government, **BE RECEIVED** for information; and
2. That the Regional Clerk **BE DIRECTED** to compile the individual Councillor submissions (to be received by May 10, 2019), the recommendation from Dr. Sancton's final report (COTW-C 04-2019), the response from the Acting Chief Administrative Officer and the local area mayors respecting the review of regional governance to be sent to the Special Advisors in advance of the May 21, 2019 submission deadline.

**THE REGIONAL MUNICIPALITY OF NIAGARA
COMMITTEE OF THE WHOLE
MINUTES**

**COTW 04-2019
Thursday, May 2, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Bradley (Regional Chair), Butters, Bylsma, Campion, Darte, Diodati, Disero, Easton, Fertich, Foster, Gibson, Greenwood, Heit, Huson, Insinna, Ip, Junkin, Nicholson, Redekop, Rigby, Steele, Ugulini, Witteveen

Absent/Regrets: Bellows, Chiocchio, Edgar, Gale, Jordan, Sendzik, Villella, Whalen, Zalepa

Staff: D. Barnhart, Executive Officer to the Regional Chair, H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, D. Gibbs, Director, Legal & Court Services, T. Harrison, Commissioner/Treasurer, Enterprise Resource Management Services, V. Kuhns, Acting Director, Economic Development, R. Mostacci, Commissioner, Planning & Development Services, A.-M. Norio, Regional Clerk, C. Ryall, Director, Transportation Services, H. Talbot, Financial & Special Projects Consultant, R. Tripp, Acting Chief Administrative Officer

Others Present: D. Pilon, Chief Executive Officer, Niagara District Airport

1. CALL TO ORDER

Regional Chair Bradley called the meeting to order at 6:33 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

3.1 Niagara Region Transportation Master Plan Overview

Carolyn Ryall, Director, Transportation Services, and Matt Robinson, Director, GO Implementation Office, provided information respecting Niagara Region Transportation Master Plan (TMP) Overview.

Topics of the presentation included:

- Purpose and Vision
- Transportation Master Plan Schedule
- Public Consultation
- Recommended Strategies
- Road Networks
- Strategic Projects Underway
- Strategic Priority Projects
- Active Transportation
- Transportation Demand and System Management
- Strategic Road Capacity Investment
- Partnerships
- Transit: TMP Opportunities and Policies

Councillor Information Request(s):

Confirm that the strategic road capacity investment figures include inflation. Councillor Heit.

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

5.1 CAO 4-2019

Airport Project Update

Rino Mostacci, Commissioner, Planning and Development Services, Kristen Delong, Manager, Internal Control and Organizational Performance, Robin Garrett, Chair, Niagara District Airport Commission, and Adam Moote, Councillor, Niagara Central Dorothy Rungeling Airport Commission, provided information respecting Niagara Airport Strategy.

Topics of the presentation included:

- Overview
- Most recent Council Position
- Niagara District Airport Today and Tomorrow
- Achieving Our Potential 2017-2020 Strategic Plan
- Niagara Central Dorothy Rungeling Airport
- Southern Ontario Airport Network

- Airport as an Economic Asset: Benefits of an Airport to a Municipal Region
- Financial Considerations
- Airport Project Timeline
- Action Plan - Immediate Actions and Next Steps

Moved by Councillor Disero
Seconded by Councillor Campion

That Report CAO 4-2019, dated May 2, 2019, respecting Airport Project Update, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That Niagara Regional Council **APPROVE** the Action Plan outlined in Appendix 1 of Report CAO 4-2019 which directs staff to enact Regional Council's direction to: pursue adopting sole-responsibility for the operations and governance of Niagara District Airport (NDA) and Niagara Central Dorothy Rungeling Airport (NCDRA);
2. That the outcomes of the Action Plan **BE REPORTED** back to Council; and
3. That outcomes of the Action Plan and/or adoption of the operations of the airports, resulting in incremental operating and/or capital budget requirements **BE REFERRED** for consideration as part of the 2020 budget process.

Clause #1 was considered separately as follows:

1. That Niagara Regional Council **APPROVE** the Action Plan outlined in Appendix 1 of Report CAO 4-2019 which directs staff to enact Regional Council's direction to: pursue adopting sole-responsibility for the operations and governance of Niagara District Airport (NDA) and Niagara Central Dorothy Rungeling Airport (NCDRA).

Recorded Vote:

Yes (14): Butters, Campion, Darte, Diodati, Disero, Gibson, Huson, Insinna, Ip, Junkin, Nicholson, Rigby, Steele, Ugulini.

No (8): Bylsma, Easton, Fertich, Foster, Greenwood, Heit, Redekop, Witteveen.

Carried

Clause # 2 was considered separately as follows:

2. That the outcomes of the Action Plan **BE REPORTED** back to Council.

Recorded Vote:

Yes (20): Butters, Campion, Darte, Diodati, Disero, Easton, Fertich, Foster, Gibson, Greenwood, Heit, Huson, Insinna, Ip, Junkin, Nicholson, Redekop, Rigby, Steele, Ugulini.

No (2): Bylsma, Witteveen.

Carried

Clause # 3 was considered separately as follows:

3. That outcomes of the Action Plan and/or adoption of the operations of the airports, resulting in incremental operating and/or capital budget requirements **BE REFERRED** for consideration as part of the 2020 budget process.

Recorded Vote:

Yes (12): Butters, Campion, Darte, Diodati, Disero, Greenwood, Huson, Ip, Junkin, Nicholson, Rigby, Steele.

No (10): Bylsma, Easton, Fertich, Foster, Gibson, Heit, Insinna, Redekop, Ugulini, Witteveen.

Carried

6. CONSENT ITEMS FOR INFORMATION

6.1 CL-C 33-2019

Provincial Review of Regional Government

Moved by Councillor Huson

Seconded by Councillor Bylsma

1. That Correspondence Item CL-C 33-2019, being a memorandum from A.-M. Norio, Regional Clerk, dated April 25, 2019, respecting Provincial Review of Regional Government, **BE RECEIVED** for information; and

2. That the Regional Clerk **BE DIRECTED** to compile the individual Councillor submissions (to be received by May 10, 2019), the recommendation from Dr. Sancton's final report (COTW-C 04-2019), the response from the Acting Chief Administrative Officer and the local area mayors respecting the review of regional governance to be sent to the Special Advisors in advance of the May 21, 2019 submission deadline.

Carried

7. OTHER BUSINESS

There were no items of other business.

8. NEXT MEETING

The next meeting is scheduled for Thursday, June 6, 2019 at 6:30 p.m. in the Council Chamber.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 10:30 p.m.

Jim Bradley
Regional Chair

Ann-Marie Norio
Regional Clerk



Niagara Region Transportation Master Plan

Presentation to
Committee of the Whole
May 2, 2019





Transportation Master Plan

Purpose

Sets Strategic Vision to improve the Region's existing transportation within each of its 12 Municipalities; incorporating strategies to enhance the movement of people and goods across all modes.

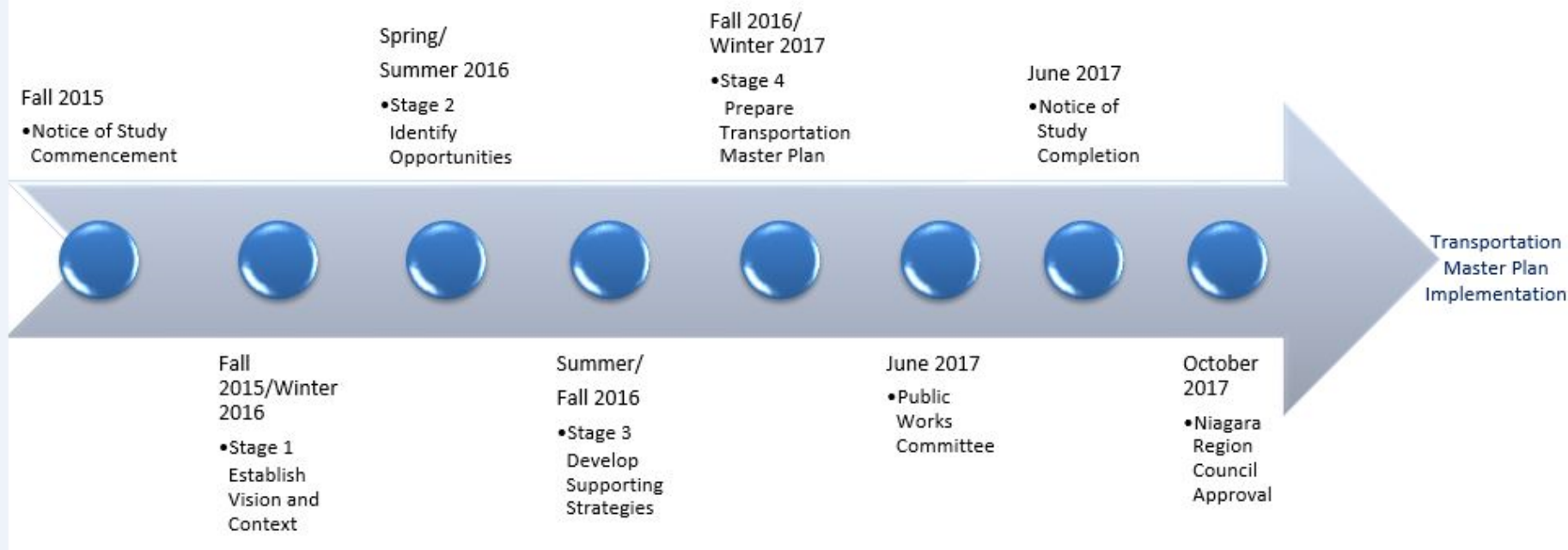
Vision

In 2041, Niagara Region will be supported by a transportation network that will help establish Niagara as a leader in: building, preserving and enhancing livable communities, economic development, tourism, sustainable transportation practices and the emerging shared economy.





Transportation Master Plan Schedule





Public Consultation: We Heard You

Better connections between north and south, including across the Escarpment.

Better connect / expand cycling facilities.

Extend GO Train service to Niagara Region.

More coordination between transit operators within the Region (fares, scheduling, network).



14 PUBLIC INFORMATION CENTRES

3 - Grimsby, Port Colborne, St. Catharines
3 - Fort Erie, West Lincoln, Welland
4 - Niagara Falls, Thorold, Niagara-on-the-Lake, Lincoln
4 - Welland, St. Catharines, Grimsby, Niagara Falls



2 ONLINE SURVEYS

March 2016: 2,100+ respondents
June 2016: 1,100+ respondents



KITCHEN TABLE MEETINGS

Municipalities and transit operators



3 STAKEHOLDER ADVISORY GROUP (SAG) MEETINGS

January 2015, June 2016, January 2017



SOCIAL MEDIA INTERACTION

Project Website, Facebook, Twitter



ADDITIONAL STAKEHOLDER ACTIVITIES

Freight Industry Survey, Six Nations Meetings, Active Transport Group Meetings

Improve pedestrian connectivity.

Build Complete Streets with trees, street furniture, sidewalks, etc.

Support efficient goods movement.

Accommodate movement of farm equipment.

The province needs to address timing of NGTA or provide an interim solution.





TMP Recommended Strategies

- Road Network
- Active Transportation
- Transportation Demand & System Management
- Transit, Airport, Marine & Rail





2041 Road Network





Strategic Projects Underway

Casablanca Boulevard / GO Station Access EA

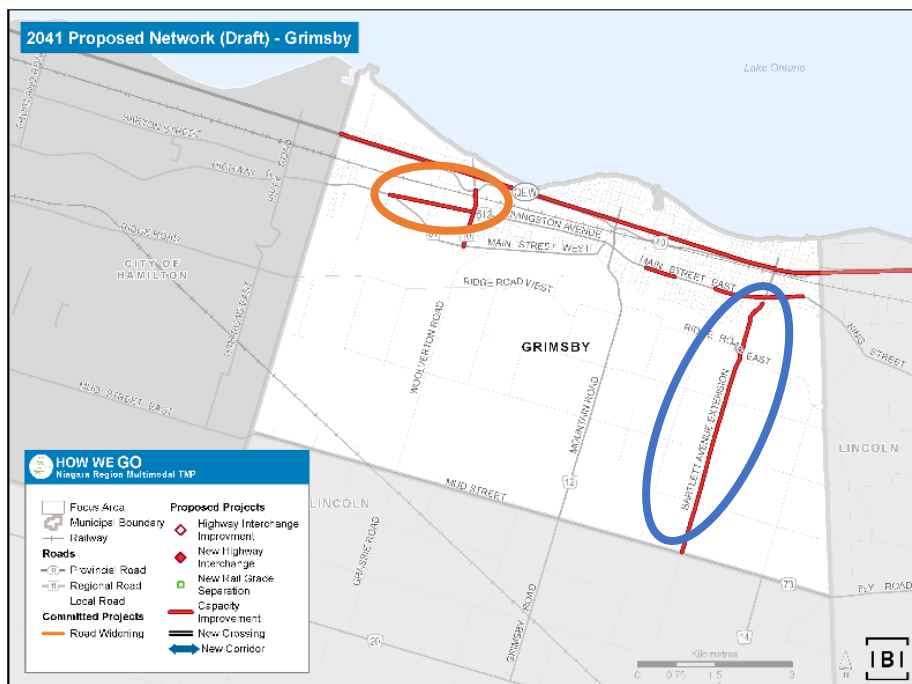
- ESR Filed – March 21, 2019
 - 45 day Review ends May 6, 2019
- Detailed Design Underway
- Construction starts Fall 2019

Livingston Avenue Extension EA

- EA Initiated – PIC - May 2019

Niagara Escarpment Crossing

- EA Process Review
- Individual Environmental Assessment





Strategic Projects Underway

QEW/Glendale Avenue Interchange

- TESR Filed and Approved
- Detailed Design Underway
- Construction Starts 2020

Niagara Stone Road / Airport Road EA

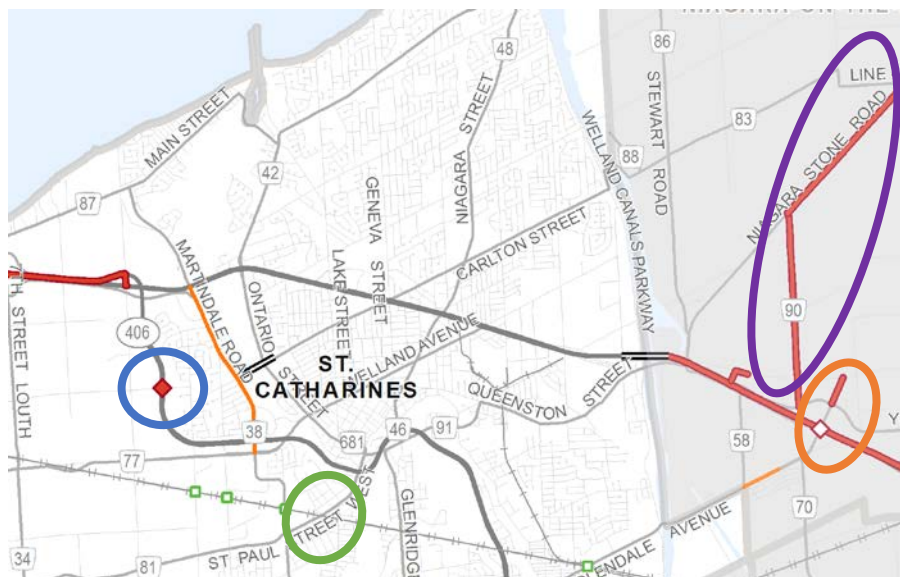
- Traffic Roundabout
- Roadway Improvements

St. Paul West / CN Bridge Replacement

- EA Underway / Construction Start Fall 2019

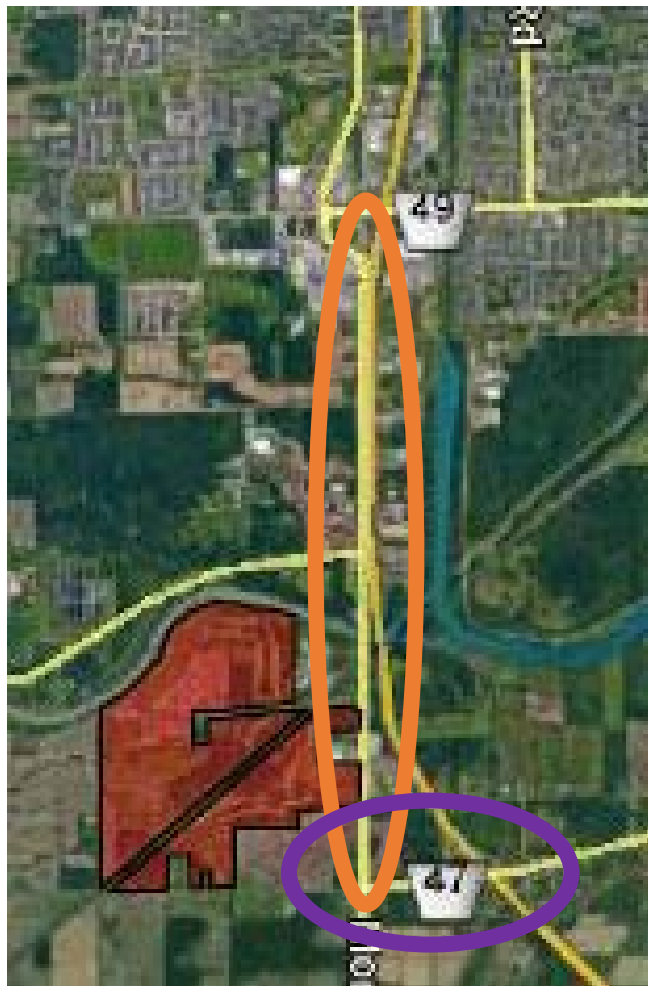
Highway 406 / Third Avenue

- EA Process Initiated in 2010
 - EA Process– Halted 2013
 - 2020 - Reinitiate EA Building Previous Work & Engage Public





Strategic Projects Underway

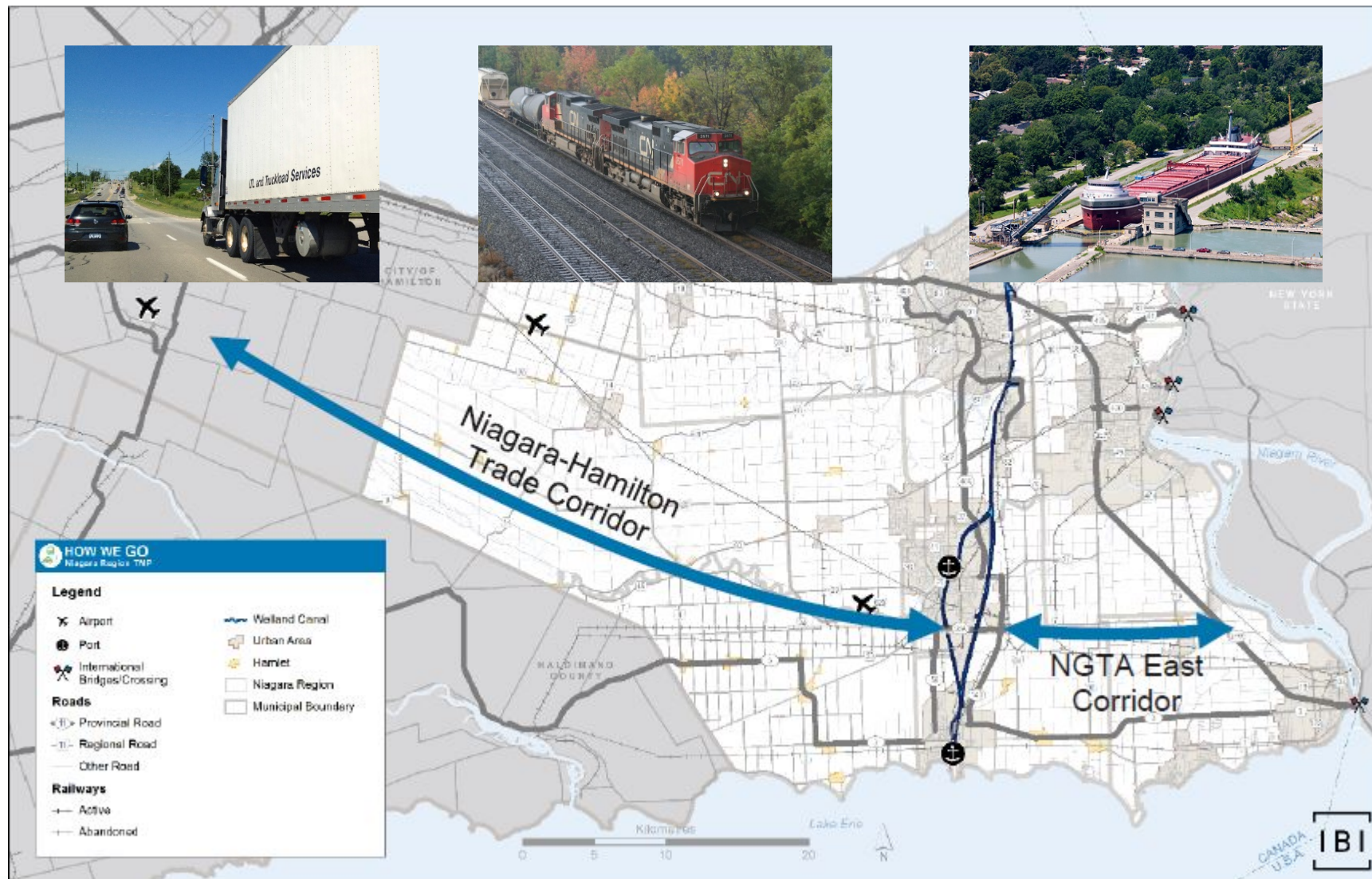


- **Montrose Road EA**
 - EA Process – Timing of South Niagara Hospital (2023-2024)
- **Lyons Creek Road EA**
 - EA Process – Timing of South Niagara Hospital
 - EA Partnership with MTO



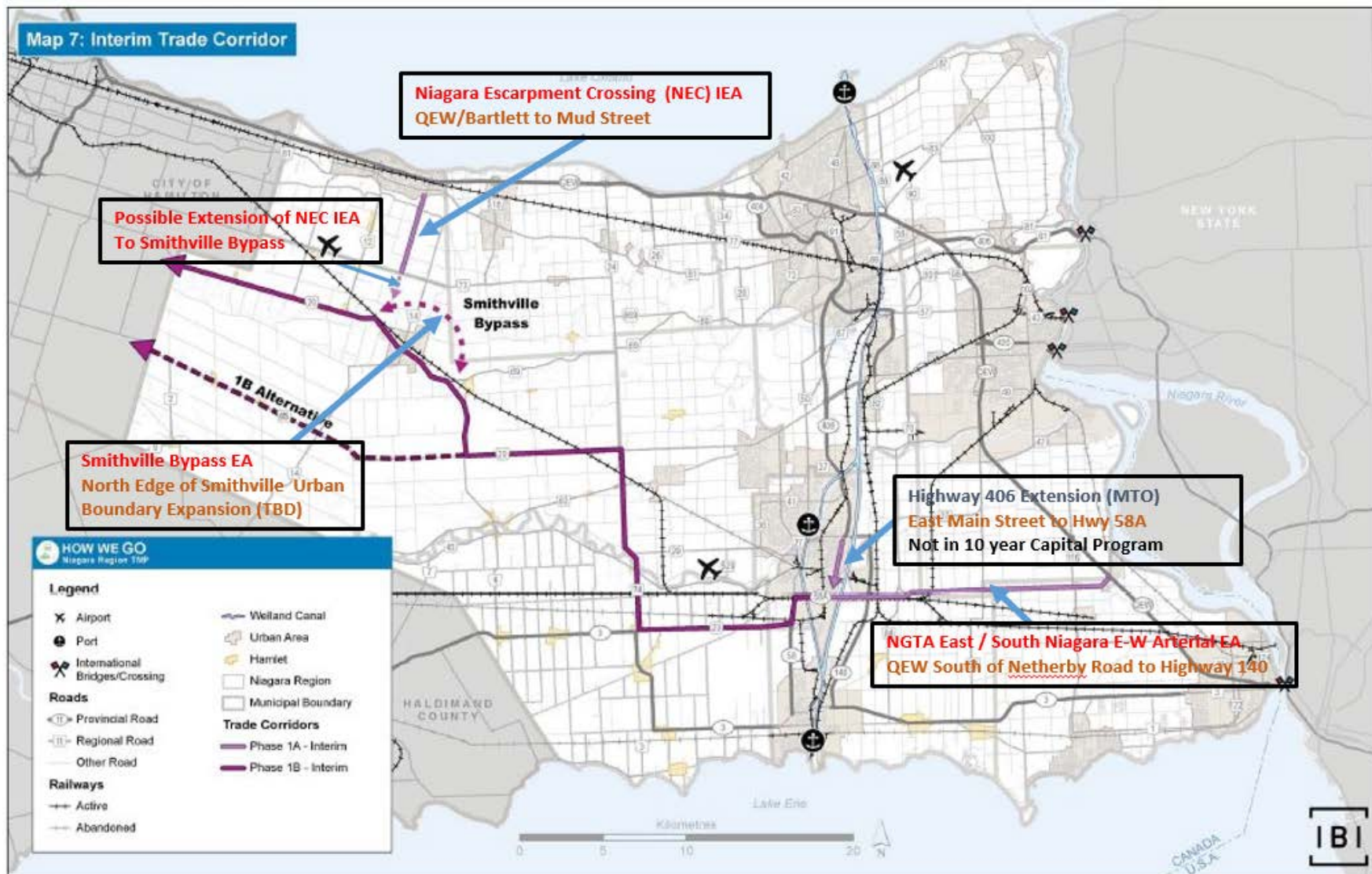


Strategic Priority Projects





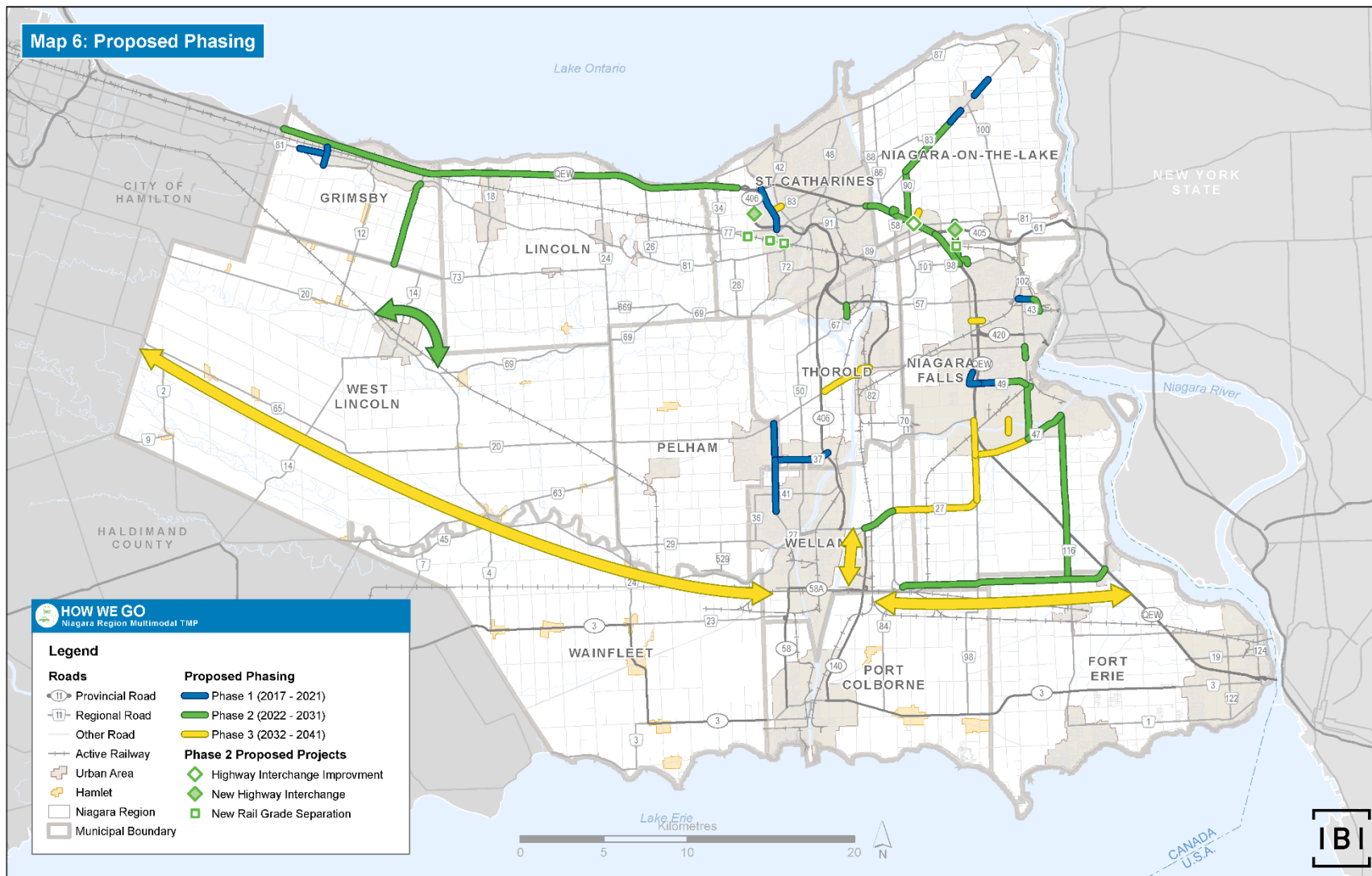
Strategic Priority Projects





TMP Proposed Project Implementation

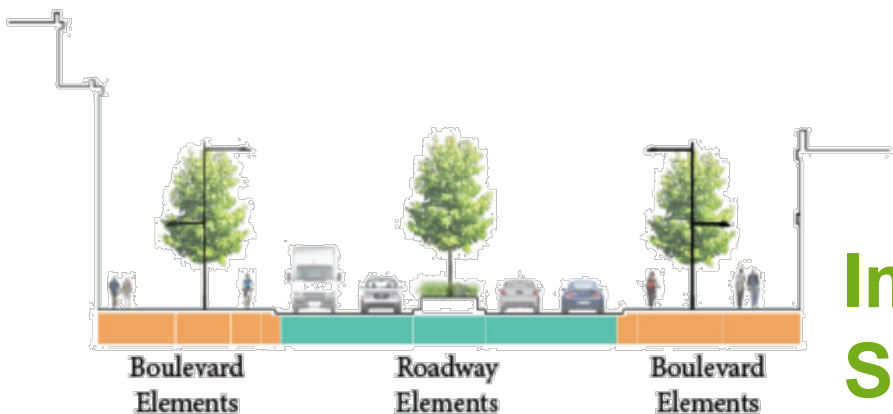
Map 6: Proposed Phasing





Active Transportation Underway

Adopt and implement a Complete Streets Vision and Direction for a changing Region



Implement Complete Streets design guidelines and standards as part of road rehabilitation and reconstruction projects





Active Transportation Underway



Implement Strategic Cycle Network Concept

Encourage pedestrian-and cycling-supportive site design

Adopt and implement the 'Bikeway Identification and Destination Wayfinding signage for Cyclists' guidelines

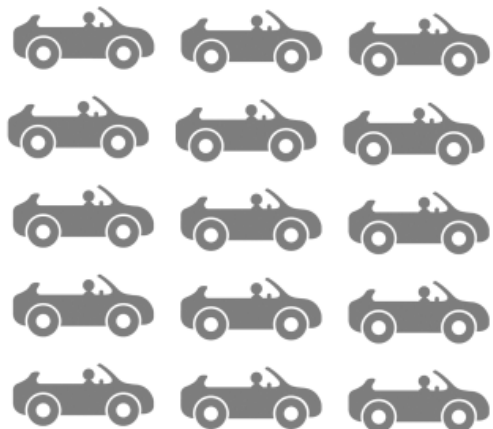




Transportation Demand and System Management



Initiate a TDM study to identify a TDM program and supporting initiatives in collaboration with local municipalities.





Strategic Road Capacity Investment

Road Expansion Projects	Estimated Capital Costs
Additional Projects Identified in TMP	\$520,211,000
Intersection Improvement Program	\$63,425,000
Road Rehabilitation Program	\$583,881,500
Annual Transportation Programs	\$94,005,000
Total Road Capital Program (2017-2041)	\$1,261,522,500





Transportation Master Plan Partnerships



Regional TMP Supporting Municipal TMP Studies

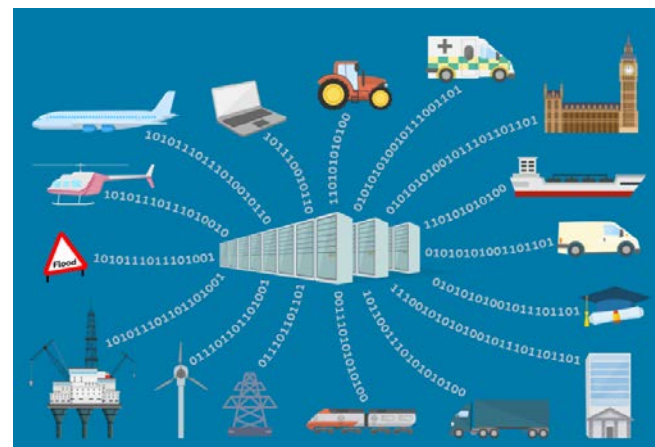
- City of St. Catharines
- Town of Lincoln
- City of Thorold

Regional TMP Supporting Municipal Transportation Studies

- City of Niagara Falls
- City of Welland

Regional TMP Supporting GO Niagara Projects

- Grimsby GO Station
- St. Catharines GO Station
- Niagara Falls GO Station

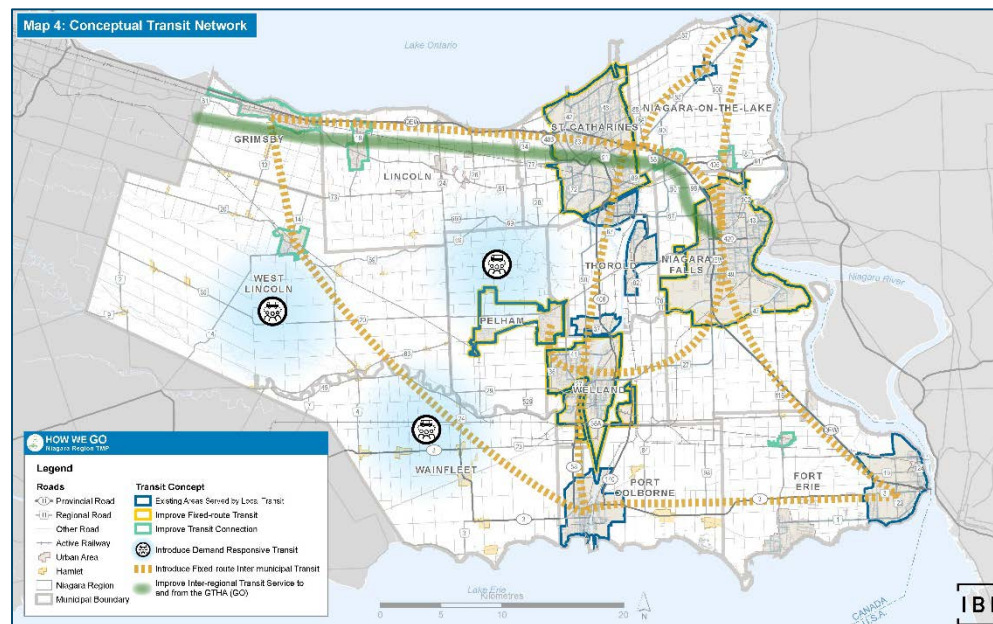
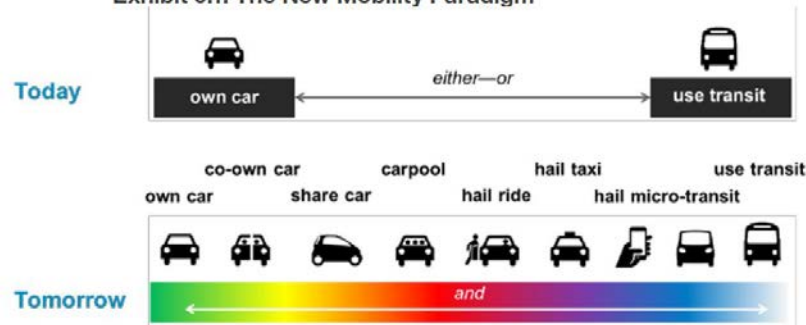




Transit: TMP Opportunities

- Shifting paradigm of transportation models to multi-modal systems
- Leveraging emerging technologies through policy
- Establishing new fixed and demand-responsive routes
- Renewing the transit governance model

Exhibit 6.1: The New Mobility Paradigm



Source: Niagara Region's Transportation Master Plan, 2017





Transit: TMP Policy

Continue to support GO Rail service to Niagara Region, and the development / redevelopment of rail stations to serve as major transit station areas, to support needs of communities along the corridor, and to commuters and tourists moving between Niagara and the GTHA



Launch of weekday GO Rail Service (Jan. 2019)



Expansion of additional weekday GO Rail service



Niagara GO station development strategy (summer 2019)



Common fare strategy and technology for Niagara transit



Harmonize trip planning tools (i.e. Triplinx, Google, Transit App)



Integration of GO Route 12 bus service to GO train stations





Transit: TMP Policy

Continue to support development of major transit station areas, and connections to active transportation and local transit, to stimulate investment in adjacent employment lands, commercial services, and residential development

- ✓ Niagara's GO Hub and Transit Stations Study (2018)
- ✓ GO Station Area Secondary plans adopted and approved (Grimsby, Lincoln, St. Catharines, Niagara Falls)
- ⚠ Key station access road network improvements
 - Casablanca Blvd; St. Paul Street West Bridge; Bridge Street
- ⚠ Niagara GO station development strategy (2019)





Transit: TMP Policy

Introduce regular, reliable and coordinated transit connections to GO Stations and major transit stations

- ✓ Common transit digital/mobile platform – Transit App (2018)
- ✓ Common transit service guidelines (2018)
- ⚠ GO station functional & operational scenarios (NF & STC)
- ⚠ Enhanced bus-meet-train connections (2019)
- ⚠ 2019 NRT service enhancements and expansion (30 min. freq.)
- ⚠ Centralized transit customer call centre

Conduct study of potential transit priority measures along Regional Roads

- ⚠ Complete Streets Design Manual





Transit: TMP Policy

Implement incremental service improvements to encourage transit travel between and within Niagara's municipalities

- ✓ NRT base service sustainability (41,000 hours)
- ✓ NRT multi-year service extension agreement
- ✓ NRT service enhancements (41,000 → 48,000 hours)
 - Route 60/65 merger – extended to NC Welland Campus
 - Route 70/75 merger – extended to NC Welland Campus & Brock Tower
 - Additional Link Route hours – Fort Erie & Port Colborne
- ⚠ 2019 Additional Service Enhancements (48,000 → 89,000 hours)
 - 2019 budget resources will enable significant improvement to service levels
 - New feeder connections to west Niagara / Lincoln / Pelham
 - Mainline routes to 30 min frequency; merge remaining post-sec routes





Transit: TMP Policy

Complete a framework process to move towards a consolidated transit model for one transit entity in Niagara

- ✓ Unanimous IMT triple majority achieved (2017)
- ✓ Establish IMT Steering Committee & Working Group (2017)
- ✓ MOU signed and endorsed by local Councils (2017)
- ⚠ Specialized Transit Service & Governance Study (Nov. 2019)
- ⚠ IMT Governance Study (Nov. 2019)

Initiate & fund a transit demand-responsive model/pilot to investigate the viability of demand-responsive transit in low-density areas

- ⚠ Niagara West NRT pilot service (Sept 2019)





Transit: TMP Policy

- Undertake a Business Case to review opportunities for extending the IMT system beyond the current service areas of St. Catharines, Welland and Niagara Falls
- Provide IMT servicing to all of Niagara's municipalities through a combination of fixed-route and demand-responsive transit
- Subsidize co-fares between NRT and GO Transit
- Develop policy on the usage of autonomous vehicles for public transportation, including demand-responsive and fixed route service





Thank you – Questions?



Niagara Airport Project

COTW May 2, 2019



Overview

- Background and current state of Airport project
- About the Airports
 - Presented by NDA, NCDRA
- Next steps and timelines of project





Most Recent Council Position

On September 22, 2016 Regional Council approved the following motions:

1. That Niagara Region **SUPPORT IN PRINCIPLE** adopting sole-responsibility for operations and governance of Niagara District Airport (NDA) and Niagara Central Dorothy Rungeling Airport (NCDRA);
2. That, subject to completion of a phase 2 environmental assessment (completed) paid for by the current owners/operators, Regional staff **BE AUTHORIZED** to initiate detailed negotiations with the current funding partners of both the NDA and the NCDRA to transition responsibility to Niagara Region;
3. That a transition plan **BE DEVELOPED** with the current funding partners, including transitional funding and budget implications for ongoing operations and capital requirements during the transition period for inclusion in the Regional budget deliberations, and a proposal for a new governance structure satisfactory to Regional Council; (in progress)

Niagara's Airports

Niagara District Airport (NDA)

- Certified International Airport



Niagara Central Dorothy Rungeling Airport (NCDRA)

- Registered Aerodrome



Niagara District Airport Today

- A certified international airport that is the “*Gateway to the peninsula*”
- 40,000+ aircraft movements per year (36% increase over the last 5 years)
 - Private planes and jets
 - Tour operators
 - FlyGTA scheduled service (30% increase over last year)
 - Flight school
- Approximately 100,000 people pass through the airport every year (5% scheduled service; 7% helicopter tours)
- Canadian Border Security Agency airport of entry
- 14 businesses employing 75 to 100 people
- 2 aprons – 4 taxiways – 3 runways (longest is 5,000 ft)
- 161,462 square metres of pavement
- 362 acres of land (50+ acres available for development)





Niagara District Airport Tomorrow

- **Passenger demand will more than double** to 110 million by mid-2040s in Southern Ontario
 - Airports surrounding Pearson are readying themselves to take on the excess capacity
- **Capacity at NDA is seven times current passengers** for total of approximately 750,000
 - Capacity could be increased if current runway (5,000 ft) is expanded
- **NDA's Advantage**
 - **Tourism leader** attracting 13 million visitors annually – 1 in 3 visitors is international as compared to 1 in 10 for Ontario average
 - **Location** – highway access, within 10 minutes of major tourism attractions Niagara Falls & wine country
 - **Proximity to Toronto Pearson and Billy Bishop** – conveniently located for maintenance and repair operations
 - **Demand for hangars** to park private planes



Achieving Our Potential 2017-2020 Strategic Plan

VISION – Niagara Region’s hassle-free aviation hub offering VIP service to leisure and business travelers, and recreational flyers

MISSION – Contribute to the economic prosperity of the Niagara Region by providing air connectivity for business and leisure travelers

KEY PRIORITIES

1. Increase **aviation revenue** (e.g. expand scheduled service to domestic and international destinations)
2. Increase **non-aviation revenue** (e.g. construct hangars to meet the demand for lease space)
3. Offer outstanding **VIP airside service** to differentiate ourselves with our target customers
4. Engage **partners** to promote the airport
5. Build our reputation for **organizational excellence** and strive for financial self-sufficiency in the operations of the airport

Niagara Central Dorothy Rungeling Airport (NCDRA)





Airport as an Economic Asset:

Benefits of an airport to a Municipal Region

- Transportation for residents, visitors and businesses
 - Can facilitate access as a transportation hub for goods, tourism, business travel, commercial growth
- Contributes to economic health and growth
 - Can attract new businesses and improve region's ability to interact with a larger, international market
 - Land assets can be leveraged to support on-site airport-related development and employment opportunities
- Economic Development: Business Study of Niagara's airports
 - A formal updated review of the potential uses for each the airport and aerodrome, and economic benefits
 - Consideration of what can be done with existing assets, and with further investment

Southern Ontario Airport Network

- Finding Niagara's aviation niche to support forecasted demand. Working as a network to better support local economic development and increase competitiveness of Southern Ontario





Financial Considerations - NDA

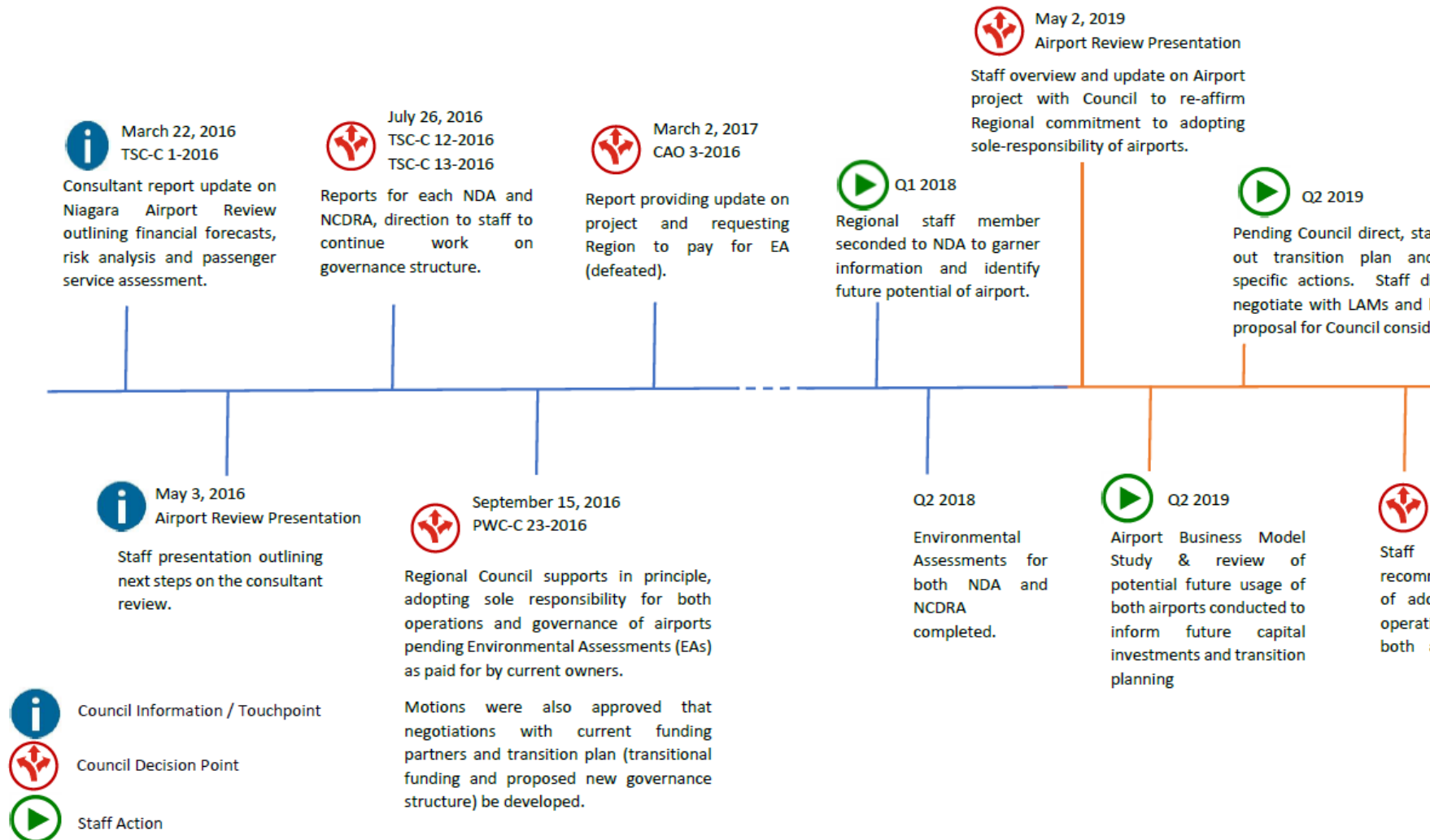
- \$1.4 million total annual operating cost (base-case scenario)
- Operational Budget
 - \$0.36 million annual net operating budget plus \$1.04 million in capital financing
- Capital Budget
 - \$1.6+ million (2016\$) average per year over next 3 years
 - \$20.7 million total to 2037 (excluding passenger services)
 - Long term potential towards self-sustaining operations through correct balance of airport services
 - Eligible to apply for grant funding through the Airports Capital Assistance Program (ACAP) administered through Transport Canada



Financial Considerations - NCDRA

- \$0.84 million total annual operating cost (base-case scenario)
- Operational Budget
 - \$0.05 million annual net operating budget plus \$0.79 million in capital financing
- Capital Budget
 - \$2.6+ million (2016\$) average per year over next 3 years
 - \$14.6 million to 2037 (50% of this investment required by 2021)




Airport Project Timeline











Action Plan – Immediate Actions

Current Activities

-  Regional Council commitment to pursue sole Regional ownership through the approval of the Action Plan
-  An Airport Taskforce to be established to negotiate the Terms of Transfer and develop the Governance Model
-  A cross-functional staff working group has been established to define the transition plan

Action Plan – Next Steps

2019

-  • Business Model Study to inform future potential based on assets of each airport, commissioned through the Economic Development Division
-  • Staff to negotiate the Terms of Transfer for both airports: negotiated through a CAO Taskforce
-  • Terms of Transfer are brought back to Regional Council for final approval and direction
-  • Staff to develop a Transition Plan for Council consideration:
 - Preparation of Capital and Operating budget options with a review of long term financial investment requirements
 - Governance model recommendations based on sole Regional ownership
 - Administrative management model for the operations of both airports
-  • Capital and Operational budget requests brought forward for Council consideration through Regional budget planning process
-  • Recommended governance and administrative models brought to Council for final approval

2020

-  • Execution of the transition plan, and transfer of airports to Regional operation

Questions?



Subject: Airport Project Update

Report to: Committee of the Whole

Report date: Thursday, May 2, 2019

Recommendations

1. That Niagara Regional Council **APPROVE** the Action Plan outlined in Appendix 1 of this report which directs staff to enact Regional Council's direction to: pursue adopting sole-responsibility for the operations and governance of Niagara District Airport (NDA) and Niagara Central Dorothy Rungeling Airport (NCDRA);
2. That outcomes of the Action Plan and/or adoption of the operations of the airports, resulting in incremental operating and/or capital budget requirements **BE REFERRED** for consideration as part of the 2020 budget process.

Key Facts

- The purpose of this report is to provide Council with an overview of the current status of the Airport project, as well as provide an action plan to outline the next steps.
- On September 22, 2016, Regional Council approved the following two motions:
 - That Niagara Region **SUPPORT IN PRINCIPLE** adopting sole-responsibility for operations and governance of Niagara District Airport (NDA) and Niagara Central Dorothy Rungeling Airport (NCDRA);
 - That, ***subject to completion of a phase 2 environmental assessment paid for by the current owners/operators***, Regional staff **BE AUTHORIZED** to initiate detailed negotiations with the current funding partners of both the NDA and the NCDRA to transition responsibility to Niagara Region.
- The Phase 2 Environmental Assessment reports for both airports in 2017 has been included in Appendix 3 and Appendix 4 of this report.
- Based on the financial analysis conducted in 2016 and outlined in reports TSC-C-12-2016 *Niagara District Governance and Funding Review* and TSC-C-13-2016 *Niagara Central Dorothy Rungeling Airport Governance and Funding Review*, the total annual financial impact to the Region, including capital financing, is estimated at \$2.24M which equates to a 0.6% increase to the 2019 approved Regional levy. The total capital investment forecasted through 2037 is \$35.3M with \$11M (2016\$)

identified for investment prior to 2021. This has not been included in the operating or capital budget forecasts provided with the 2019 budgets.

- The Action Plan outlined in Appendix 1 of this report outlines the planned next steps in the airport project including anticipated Council decision points. Upon approval of the Action Plan, continued Regional Council support in the pursuit of adopting sole-responsibility for the operations and governance of both airports is assumed. Staff will begin negotiations with the current funding partners to transition responsibility to Niagara Region.

Financial Considerations

The Region's approved budget does not currently incorporate funding related to the governance or operation of an airport. Should the Region assume such a role, there will be direct financial implications in terms of the annual operating and capital funding commitments, as well as the associated risks. Airports rely on ongoing investment to meet compliance requirements and to leverage development opportunities. As such, the needs of the airports as provided below in Table 1 will result in pressure on the existing capital funding gap of \$481M (as reported in the 2019 Budget process), debt financing and the annual repayment limit (ARL). The incremental annual impact on the budget of 100% of the costs of the airports going forward as per the tables below is \$2.24M equivalent to 0.6% increase to the 2019 Region tax levy.

Table 1 – Total estimated annual operating budget – Base Case Scenario

million \$	2019	2020	2021	2022	2023	2024	2025
Net Operating Cost	0.41	0.42	0.42	0.42	0.42	0.42	0.42
Capital Financing Cost	1.83	1.86	1.90	1.94	1.98	2.02	2.06
Total Operating Impact	2.24	2.28	2.31	2.35	2.40	2.43	2.47

* Revenues exclude Municipal Grant Revenue and expenses exclude capital financing costs. All figures in 2016\$ and include inflation at 2% per year.

Based on the financial analysis outlined in reports TSC-C-12-2016, *Niagara District Governance and Funding Review* and TSC-C-13-2016 *Niagara Central Dorothy Rungeling Airport Governance and Funding Review*, the total annual operating impact to the Region, including capital financing (Table 1 above) is \$2.24M. The total capital investment between 2016 and 2037 is estimated at \$35.3M (\$2016), including \$11M identified as immediate investment prior to 2021.

As this financial overview relies on reports dating from 2016, and given that there are multiple variables involved, staff will conduct a full review with updated financial impacts and will verify or develop a capital strategy for the airports for Council's consideration.

Niagara District Airport

Based on the original TSC 12-2016 report recommendation for joint governance and Regional financial contributions of 50% funding, the estimated Regional share would be \$0.7M, equivalent to a 0.2% increase to the 2019 approved Regional levy. If the Region assumes all the costs outlined in table 2 below, inclusive of the 50% municipal contribution of \$0.7 M, this would require an additional 0.2% increase to the 2019 approved Regional levy but could be mitigated with reductions in the local levy in Niagara-on-the-Lake, St. Catharines and Niagara Falls. Excluding passenger services, the capital costs were forecasted to be \$20.7M to 2037 (\$2016), with \$4.0M required before 2021.

The total \$1.4M in annual operating costs are net of land lease revenues and airport user fees, and this is an area which can be further explored to grow as a source of revenue to the airport.

Table 2: Niagara District Airport estimated annual operating budget – Base Case Scenario

<i>million \$</i>	2019	2020	2021	2022	2023	2024	2025
Net Operating Cost	0.36	0.37	0.37	0.37	0.38	0.37	0.38
Capital Financing Cost	1.04	1.06	1.08	1.10	1.12	1.15	1.17
Total Operating Impact	1.40	1.43	1.45	1.48	1.50	1.52	1.55

* Revenues exclude Municipal Grant Revenue and expenses exclude capital financing costs. All figures in 2016\$ and include inflation at 2% per year.

The NDA will be eligible to apply through the January 2020 intake for capital grant funding through the Airports Capital Assistance Program (ACAP), administered by Transport Canada. This program recognizes that regional airports play an essential role in Canada's air transportation sector, and provides funding for projects that improve regional airport safety, protect airport assets (such as equipment and runways), and reduce operating costs. The NDA has the most future potential as a Regional asset and would have a long term objective of self-sustaining operations with the correct balance of airport services.

Niagara Central Dorothy Rungeling Airport

The NCDRA is a registered aerodrome with a history dating back to 1941. The capital costs were forecasted to be \$14.6M to 2037 (\$2016), with \$7.2M of this cost required by 2021. Annual funding support, including capital financing, for the airport was estimated at \$0.84M (\$2017). This compared to the 2016 total municipal support of \$0.09M. The original TSC 13-2016 report recommendation was for continued Local Municipal Governance. If the Region assumes the full cost, the \$0.84M would require the equivalent of a 0.2% increase to the 2019 approved Regional levy. The increase may be mitigated through ongoing municipal contributions or reductions in the local levy in Pelham, Port Colborne, Wainfleet and Welland to offset a portion of the total costs.

Table 3: Niagara Central Dorothy Rungeling Airport estimated annual operating budget
– Base Case Scenario

<i>million \$</i>	2019	2020	2021	2022	2023	2024	2025
Net Operating Cost	0.05	0.05	0.05	0.04	0.05	0.05	0.04
Capital Financing Cost	0.79	0.80	0.82	0.84	0.85	0.87	0.89
Total Operating Impact	0.84	0.86	0.86	0.88	0.90	0.91	0.93

* Revenues exclude Municipal Grant Revenue and expenses exclude capital financing costs. All figures in 2017\$ and include inflation at 2% per year.

As the outlined financial implications are based on the information from the 2016 reports and have not adjusted for any capital improvements which may have been done over the last 3 years. The revised financial implications of transferring ownership from the current owners/operators of both the NDA and the NCDRA will be brought forward to Council as part of the final decision on whether or not Niagara Region takes on sole-responsibility of both airports. It is anticipated that the revised financial estimates and options will be made available to Council in a timeframe that will align with the 2020 Regional budget process.

Analysis

Airports as an Economic and Development Asset

Generally, airports are considered to be economic assets which provide community benefit by supporting economic competitiveness and connectivity. Airports support both economic growth through areas such as business development and tourism activities; as well as population and income growth. With the proper investment and strategic vision, the NDA and NCDRA have opportunity to grow this community benefit to a regional level.

It is noted that both airports have land assets which can be leveraged to support on-site airport-related development and employment opportunities. The Region's economic development strategy supports developing the airports and surrounding land to maximize economic impact. A request for proposals (RFP) has been released to contract consulting services to explore business models for the airports that will have the greatest economic benefit to the region.

Partnerships with the Region's hospitality industry and wineries will be essential to support the success and maximize economic impact. For this reason a coordinated dialogue should be initiated forthwith to advance those partnerships.

Niagara District Airport (NDA)

The NDA is a certified airport and is owned and operated through a partnership between the town of Niagara on the Lake, and the cities of St. Catharines and Niagara Falls. On-site services include charters, helicopter & fixed-wing sightseeing, an

approved maintenance operator, flight training, and manufacturing of aerospace and aircraft components.

The NDA is compliant with International Civil Aviation Organization (ICAO) standards, which is a specialized agency of the United Nations that ensures internationally standardized safety regulations. A Nav Canada Flight Service Station is onsite, and is recognized as a Canadian Border Service Agency (CBSA) Airport of Entry (AOE), with customs and immigration services available for incoming flights. Additionally, the airport can accommodate night and inclement weather operations with high intensity LED runway lighting.

The most recent economic impact study undertaken for the NDA estimated an annual impact of \$18M resulting from activity that occurred at the airport. The largest driver of employment and spending at the airport related to the manufacturing, repair and overhaul undertaken by Genaire.

The NDA, as a certified airport, is part of the Southern Ontario Airport Network (SOAN). Toronto's Pearson airport will reach capacity by 2032, and surrounding airports have partnered up with Pearson to work together to ready themselves to take on the excess capacity: Billy Bishop, Hamilton, Kingston, London, Niagara, Oshawa, Peterborough, Simcoe (Barrie), Waterloo, Windsor. By working together, Southern Ontario airports will be in a better position to support local economic development, and in doing so, increase the competitiveness of those in the partnership. As a member of this partnership, NDA has the potential to leverage these future opportunities to further the region-wide benefit for Niagara.

Niagara Central Dorothy Rungeling Airport (NCDRA)

The NCDRA is a registered aerodrome that is owned and operated through a partnership between the cities of Welland and Port Colborne, the town of Pelham, and the township of Wainfleet. On-site activities include skydiving, flight training, aircraft repair & maintenance, and a cadet program.

An economic impact study was undertaken in 2014 for the NCDRA, which estimated the annual economic impact of \$4.5M per year (i.e. direct, indirect and induced spending). The primary driver of the economic impact was the Niagara Skydive Centre, as they contribute to both the direct expenditures that occur at the airport, as well as the indirect expenditures estimated for the visitors to the airport each year.

Transfer of Responsibility of NDA and NCDRA to Niagara Region

In 2016, Regional staff conducted an extensive overview of the Region's role in the operation and ownership of both NDA and NCDRA. The recommendations from staff following this review was to participate in a joint ownership role with local municipal

owners for the NDA based on the regional benefits derived from airport activity (in addition to local benefits), and the airport's long-term ability to explore opportunities that could advance Regional Council's strategic priorities. The recommendations from staff on the NCDRA identified that although some degree of regional benefit is recognized (in addition to the local benefits), given the significant costs relative to those benefits, and the fact that the airport is considered limited in its future opportunities and ability to advance Regional Council's strategic priorities, a Regional role in governance was not recommended. As part of the 2016 work, public consultation was conducted to get an understanding of the public's perceptions and ideas around the future opportunities of the two airports. Three public open houses and an online survey resulted in a total of 613 respondents. Respondents were favourable towards a justification for a Regional role based on the current and potential future role of the airports.

With these recommendations in mind, Regional Council approved a motion that the Region support in principal, pursuit of sole ownership of both airports, and directed that both airports complete a Phase 2 Environmental Assessment (EA). The results of the EAs have indicated that was soil and groundwater contamination identified for both airports. The consultant recommendations regarding contamination at NDA included additional soil sampling and monitoring of wells. It was noted that exceedances in groundwater may be naturally occurring or related to road salting practices. The consultant recommendations regarding contamination at NCDRA included additional soil sampling to estimate a remediation area, if the operator elects to complete a remediation of the metal-impacted soils. It was noted that metals in groundwater may be naturally occurring.

Based on Council's motion, and the completion of these EAs, staff will begin negotiations to transition responsibility of the two airports to Niagara Region, the results of which will be brought back to Regional Council for consideration. It is the understanding of staff that the commissions and owners of both airports are in favour of the Region pursuing sole-responsibility.

Next Steps

Attached in Appendix 1 of this report is an action plan that outlines the activities required to transfer responsibility of the NDA and NCDRA to Niagara Region. During the implementation of this action plan, Regional Council will have an opportunity to review the proposed Terms of Transfer, Operational and Capital Budget impacts, and recommended Governance and Administrative models before final approval is made to transfer ownership solely to Niagara Region.

Upon approval of the Action Plan, staff will work to complete the tasks outlined. As part of this, a Taskforce will be established to inform the terms of transfer negotiations and governance model review. The Taskforce will be made up of two (2) CAOs from the current funding municipalities from the NDA; two (2) CAOs from the current funding

municipalities from the NCDRA; two (2) CAOs from municipalities who are not currently funding partners of either airport; and Niagara Region's CAO, Commissioner of Enterprise Resource Management Services and Commissioner of Planning and Development Services. The Taskforce will be provided support from staff as required to address the terms of transfer and governance model development.

Staff will work to prepare the capital and operating budget scenarios, and it is anticipated that budget options will be brought forward for Council's consideration in alignment with the Region's 2020 budgeting process. Budget options will include short and long term financial outlooks and will outline the expected incremental budget impacts required should the Region move forward with ownership and operation of the airports.

Alternatives Reviewed

Should Regional Council decide not to continue pursuit of sole-responsibility of one or both the NDA and the NCDRA, responsibility would remain with the current owner/operator municipalities.

Relationship to Council Strategic Priorities

Not applicable at this time.

Other Pertinent Reports

- TSC-C 12-2016
- TSC-C 12-2016
- PWC-C 22-2016
- PWC-C 23-2016

Prepared by:

Kristen Delong
Manager, Internal Control &
Organizational Performance
Enterprise Resource Management
Services

Recommended by:

Rino Mostacci, MCIP, RPP
Commissioner
Planning and Development Services

Recommended by:

Todd Harrison
Commissioner
Enterprise Resource Management
Services

Recommended by:

Valerie Kuhns
Director, Economic Development
Office of the CAO

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared with financial input from Heather Talbot, Financial and Special Projects Consultant; and with input from Rino Mostacci, Commissioner of Planning and Development, and Valerie Kuhns, Director of Economic Development; and in consultation with Helen Chamberlain, Director of Financial Management & Planning / Deputy Treasurer.

Appendices

Appendix 1	Airport Project Action Plan
Appendix 2	Airport Project Timeline
Appendix 3	NDA Phase II Environmental Assessment Report
Appendix 4	NCDRA Phase II Environmental Assessment Report

Airport Project Action Plan

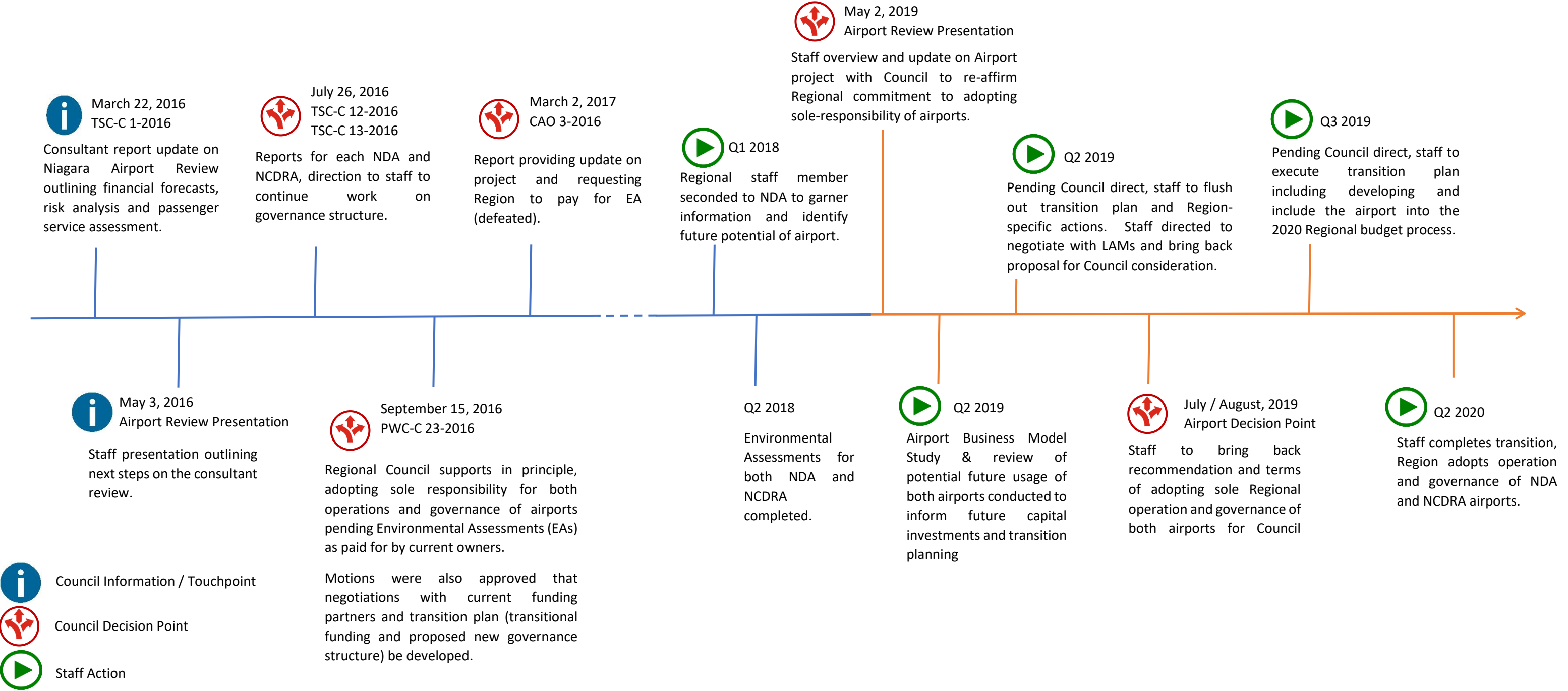
2019

- Regional Council commitment to pursue sole Regional ownership through the approval of the Action Plan
- An Airport Taskforce to be established to provide direction through the Terms of Transfer negotiation and development of the Governance Model
- A cross-functional staff working group has been established to define the transition plan
- Business Model Study to inform future potential based on assets of each airport, commissioned through the Economic Development Division
- Staff to negotiate the Terms of Transfer of both airports to the Region through the Airport Taskforce
- The Terms of Transfer are brought back to Regional Council for direction and approval
- Staff to develop a Transition Plan for Council consideration:
 - Preparation of Capital and Operating budget options with a review of long term financial investment requirements
 - Governance model recommendations based on sole Regional ownership
 - Administrative management model for the operations of both airports
- Capital and Operational Budgets brought forward for Council consideration through Regional budget planning process
- Recommended Governance and Administrative Models brought to Council for final approval

2020

- Upon Council endorsement of the finalized Operating and Capital Budgets, Governance and Administrative Models, staff will execute the Transition Plan bringing both airports to Regional operation

Airport Project Timeline



CAO 04-2019

Appendix 3

Niagara District Airport

Phase II Environmental Assessment Report

NIAGARA DISTRICT AIRPORT

PHASE II ENVIRONMENTAL SITE ASSESSMENT

NIAGARA DISTRICT AIRPORT, 468 NIAGARA
STONE ROAD, NIAGARA-ON-THE-LAKE

OCTOBER 11, 2017





PHASE II ENVIRONMENTAL SITE ASSESSMENT

**NIAGARA DISTRICT AIRPORT,
468 NIAGARA STONE ROAD,
NIAGARA-ON-THE-LAKE**

NIAGARA DISTRICT AIRPORT

ENVIRONMENTAL SITE ASSESSMENT REPORT

PROJECT NO.: 171-08598-00 - 002
DATE: OCTOBER 11, 2017

WSP
SUITE 300
4 HUGHSON STREET SOUTH
HAMILTON, ON, CANADA L8N 3Z1

TEL.: +1 905 529-4414
FAX: +1 905 521-2699
WSP.COM



October 11, 2017

Len O Connor, CEO
Niagara District Airport
468 Niagara Stone Road
Niagara-on-the-Lake, ON L0S 1J0
E-mail: loconnor@niagaradistrictairport.ca

**Subject: Phase II Environmental Site Assessment
Niagara District Airport
468 Niagara Stone Road, Niagara-on-the-Lake, Ontario
Our Project # 171-08598-00 - 002**

Dear Sir,

WSP Canada Inc. is pleased to provide our report documenting the findings of the Phase II Environmental Site Assessment (ESA) completed at the above-noted property.

The assessment was completed in general compliance with the Canadian Standards Association (CSA) Standard Z769-00 Phase II Environmental Site Assessment. The report describes the interpreted environmental conditions at the Site and provides conclusions for your consideration. It is understood that filing of a Record of Site Condition in accordance with Ontario Regulation 153/04 is not required for the subject property at this time.

We trust that this information is sufficient for your current needs. If you have any questions or require further information, please contact the undersigned.

Yours truly,

Rachel Bryan, M.A.Sc., P.Eng.
Project Engineer, Environment

David A. MacGillivray, M.A.Sc., P.Geo., P.Eng.
Senior Engineer, Environment

WSP ref.: 171-08598-00 - 002

SUITE 300
4 HUGHSON STREET SOUTH
HAMILTON, ON, CANADA L8N 3Z1

Tel.: +1 905 529-4414
Fax: +1 905 521-2699
wsp.com

SIGNATURES

PREPARED BY



Rachel Bryan, M.A.Sc., P.Eng., QP_{ESA}
Project Engineer, Environment



REVIEWED BY



David MacGillivray, M.A.Sc., P.Geo., P.Eng., QP_{ESA}, RA
Senior Engineer, Environment

This report was prepared by WSP Canada Inc. (WSP) for the account of Niagara District Airport, in accordance with our proposal dated May 24, 2017. The disclosure of any information contained in this report is the sole responsibility of the intended recipient. The material in it reflects WSP's best judgement in light of the information available to it at the time of preparation. Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the responsibility of such third parties. WSP accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made or actions based on this report. This limitations statement is considered part of this report.

The original of the technology-based document sent herewith has been authenticated and will be retained by WSP for a minimum of ten years. Since the file transmitted is now out of WSP's control and its integrity can no longer be ensured, no guarantee may be given with regards to any modifications made to this document.

TABLE OF CONTENTS

1	EXECUTIVE SUMMARY	1
2	INTRODUCTION	3
2.1	Introduction	3
2.2	Background	3
2.3	Current and Proposed Land Use	4
2.4	Scope of Work	4
2.5	Applicable Site Condition Standard	5
3	PHASE II INVESTIGATION METHOD	6
3.1	General	6
3.2	Utility Locates.....	6
3.3	Drilling	6
3.4	Soil Sampling.....	6
3.5	Field Screening Measurements	7
3.6	Groundwater Monitoring Well Installation.....	7
3.7	Groundwater Sampling	8
3.8	Groundwater: Field Measurement of Water Quality Parameters	8
3.9	Analytical Testing.....	8
3.10	Surveying.....	8
3.11	Quality Assurance and Quality Control Measures.....	9
4	PHASE II REVIEW AND EVALUATION.....	10
4.1	Geology.....	10
4.2	Groundwater Elevations and Flow Direction	10
4.3	Soil Quality.....	10
4.4	Groundwater Quality	11
4.5	Quality Assurance and Quality Control Results	11

5	DISCUSSION AND CONCLUSIONS.....	13
6	LIMITATIONS	15
7	QUALIFICATIONS OF THE ASSESSORS.....	16
8	BIBLIOGRAPHY	17

TABLES

TABLE 3-1	SOIL SAMPLES SUBMITTED FOR CHEMICAL ANALYSIS	6
TABLE 3-2	GROUNDWATER SAMPLES SUBMITTED FOR CHEMICAL ANALYSIS.....	8
TABLE 4-1	JULY 24, 2017 GROUNDWATER ELEVATIONS	10
TABLE 4-2	SUMMARY OF PARAMETER EXCEEDANCES IN SOIL.....	11
TABLE 4-3	SUMMARY OF PARAMETER EXCEEDANCES IN GROUNDWATER.....	11
TABLE 1	SUMMARY OF SOIL ANALYTICAL RESULTS	
TABLE 2	SUMMARY OF GROUNDWATER ANALYTICAL RESULTS	

FIGURES

FIGURE 1	SITE LOCATION MAP
FIGURE 2	SITE PLAN – 2013 AERIAL PHOTO
FIGURE 3	SITE PLAN – AREAS OF POTENTIAL ENVIRONMENTAL CONCERN
FIGURE 4	GROUNDWATER ELEVATIONS AND INFERRED FLOW DIRECTION
FIGURE 5	PARAMETER EXCEEDANCES IN SOIL
FIGURE 6	PARAMETER EXCEEDANCES IN GROUNDWATER

APPENDICES

A	BOREHOLE LOGS
B	LABORATORY CERTIFICATES OF ANALYSIS

1 EXECUTIVE SUMMARY

WSP was retained by Niagara District Airport (NDA) to conduct a Phase II Environmental Site Assessment (ESA) for the NDA property located at 468 Niagara Stone Road, Niagara-on-the-Lake, Ontario, herein referred to as the 'Site'. The Site consists of approximately 130 hectares (322 acres) of land on the north side of Niagara Stone Road (Highway 55), in the Town of Niagara-on-the-Lake, Ontario. The Site is situated approximately 1.6 km east of the City of St. Catharines in an agricultural and rural residential area. The Site operates as a municipal airport including three runways, four taxiways, a terminal apron, terminal building, several aircraft hangars, maintenance facilities, and a refuelling area.

A Phase I ESA was recently completed by WSP for the Site for due diligence purposes prior to the potential sale of the property. The Phase I ESA recommended that a Phase II ESA was required to investigate soil and groundwater conditions in ten areas of potential environmental concern (APECs) identified on the Site. Contaminants of potential concern in soil and groundwater included petroleum hydrocarbons (PHCs), volatile organic compounds (VOCs), polycyclic aromatic hydrocarbons (PAHs), metals and inorganics, polychlorinated biphenyls (PCBs), and perfluoroalkylated substances (PFAS).

Intrusive soil sampling through the advancement of boreholes and groundwater sampling from pre-existing and newly installed monitoring wells were used to investigate the subsurface conditions at the Site. A total of 12 boreholes were advanced on the Site; seven were completed as monitoring wells. One pre-existing monitoring well was also sampled to assess groundwater quality in the fuel storage area.

The boreholes were advanced through a surface layer of either topsoil, sand and gravel, fill, or asphalt. Native silty clay to clayey silt glacial till (Halton Till) was encountered beneath the surface layer. The Halton Till unit extended to the maximum drilling depth of 7.6 mbgs. Regional geological mapping shows bedrock in the area consists of red shale of the Queenston Formation. The overburden drift thickness at the Site is estimated to range from approximately 21 to 30 m.

Shallow groundwater is present within the Halton Till and the inferred groundwater flow direction is to the north towards Lake Ontario.

A total of 25 soil samples and 11 groundwater samples (including duplicates) were submitted for laboratory analysis of contaminants of concern. Analytical results were compared to the Ministry of the Environment and Climate Change (MOECC) Table 2: Full Depth Generic Site Condition Standards in a Potable Ground Water Condition for Industrial/Commercial/Community Property Use with medium and fine textured soils as outlined in the *Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the Environmental Protection Act* (April 15, 2011), hereinafter referred to as the "Table 2 SCS".

Based on the results of the investigation, the following parameter exceedances were observed in the submitted soil and groundwater samples:

Soil

- Samples 17-01 S2 and 17-05 S2 exceeded the applicable Table 2 SCS for conductivity.

Groundwater

- Samples 17-01, 17-06 and 12-1 exceeded the applicable Table 2 SCS for cobalt;
- Samples 17-01, 17-10 and 12-1 exceeded the applicable Table 2 SCS for sodium;
- Sample 17-06 exceeded the applicable Table 2 SCS for selenium; and,
- Samples 17-01, 17-02, 17-05, 17-06, 17-10, 17-11 and 12-1 exceeded the applicable Table 2 SCS for uranium.

Based on the work completed, soil and groundwater quality on the Site do not meet the applicable Table 2 SCS. We note that proposed amendments to O. Reg. 153/04 may eliminate the need to address exceedances for conductivity in soil and sodium in groundwater related to the use of road salt.

The following recommendations are provided for your consideration:

- Additional soil sampling is recommended to characterize the imported fill material within APEC 9.
- The monitoring wells should be re-sampled to confirm the exceedances noted at the Site. We note that the exceedances in groundwater may be naturally occurring or related to road salting practices.
- The monitoring wells at the Site should be maintained in accordance with O. Reg. 903. If they are no longer in use, the monitoring wells should be decommissioned by a licenced well contractor in accordance with O. Reg. 903.

2 INTRODUCTION

2.1 INTRODUCTION

WSP was retained by Niagara District Airport (NDA) to conduct a Phase II Environmental Site Assessment (ESA) for the NDA property located at 468 Niagara Stone Road, Niagara-on-the-Lake, Ontario, herein referred to as the 'Site'. The Site consists of approximately 130 hectares (322 acres) of land on the north side of Niagara Stone Road (Highway 55), in the Town of Niagara-on-the-Lake, Ontario. The Site is situated approximately 1.6 km east of the City of St. Catharines in an agricultural and rural residential area. The Site operates as a municipal airport including three runways, four taxiways, a terminal apron, terminal building, several aircraft hangars, maintenance facilities, and a refuelling area. The remainder of the NDA land is mainly vegetated with grasses, with minimal cultural meadow and thicket habitats. The vegetated area is regularly mowed and maintained as part of the standard airport operations. A Site location map is provided as Figure 1 and site features are shown on the Site Plan provided as Figure 2.

A Phase I ESA was recently completed by WSP for the Site (dated October 10, 2017) for due diligence purposes prior to the potential sale of the property. The Phase I ESA recommended that a Phase II ESA was required to investigate soil and groundwater conditions in ten areas of potential environmental concern (APECs) identified on the Site.

The Phase II ESA has been completed in general accordance with the Canadian Standards Association (CSA) Standard Z769-00, Phase II Environmental Site Assessment. This report has not been prepared to support a Record of Site Condition application for the Site.

2.2 BACKGROUND

A previous Phase I ESA identified ten APECs on the Site, as follows:

APEC	LOCATION OF APEC ON PROPERTY	CONTRIBUTING PCAS	CONTAMINANTS OF POTENTIAL CONCERN	MEDIA POTENTIALLY IMPACTED
1	Majority of Site	3. Airstrips and Hangars Operation	M&I PAHs PHCs VOCs	Soil and Groundwater
2	Vicinity of Building #11	24. Fire Training 34. Metal Fabrication	M&I PAHs PCBs PFAS PHCs VOCs	Soil and Groundwater
3	Refuelling Area	28. Gasoline and Associated Products Storage in Fixed Tanks	PHCs BTEX lead	Soil and Groundwater
4	East of refuelling area	30. Importation of Fill Material of Unknown Quality	M&I PAHs PCBs PHCs VOCs	Soil and Groundwater

APEC	LOCATION OF APEC ON PROPERTY	CONTRIBUTING PCAS	CONTAMINANTS OF POTENTIAL CONCERN	MEDIA POTENTIALLY IMPACTED
5	Southwest of Building # 2	30. Importation of Fill Material of Unknown Quality	M&I PAHs PCBs PHCs VOCs	Soil and Groundwater
6	Vicinity of Building #1	7. Boat Manufacturing	M&I PHCs VOCs	Soil and Groundwater
7	Former refuelling area, east of Building #1	28. Gasoline and Associated Products Storage in Fixed Tanks	PHCs BTEX lead	Soil and Groundwater
8	Vicinity of Building #6	27. Garages and Maintenance and Repair of Railcars, Marine Vehicles and Aviation Vehicles	M&I PHCs VOCs	Soil and Groundwater
9	Eastern portion of the Site on the south side of Runway 06-24	30. Importation of Fill Material of Unknown Quality	M&I PAHs PCBs PHCs VOCs	Soil and Groundwater
10	East of Building #11	28. Gasoline and Associated Products Storage in Fixed Tanks	PHCs BTEX	Soil and Groundwater

Notes:

PHCs – Petroleum hydrocarbons

BTEX – Benzene, toluene, ethylbenzene, xylenes

VOCs – Volatile organic compounds

PAHs – Polycyclic aromatic hydrocarbons

M&I – Metals and inorganic parameters

PCBs – Polychlorinated Biphenyls

PFAS – Perfluoroalkylated substances

2.3 CURRENT AND PROPOSED LAND USE

The Site currently operates as a municipal airport, which is considered an industrial land use under Ontario Regulation 153/04. We are not aware of any proposed change in land use at the Site.

2.4 SCOPE OF WORK

In general, the purpose of the Phase II ESA is to assess the subsurface soil and groundwater conditions at the Site in the ten APECs identified in the previous Phase I ESA.

The scope of work included the advancement of 12 boreholes and the installation of monitoring wells in seven of the boreholes on the Site. Drilling locations and APECs are shown on the site plan provided as Figure 3.

Monitoring wells 12-1 and 12-2, which were installed by Golder Associates in 2012 and are located within APEC 3, were also included in the monitoring program. Groundwater elevations were measured in both wells, and a sample was collected from well 12-1 and submitted for laboratory analysis.

2.5 APPLICABLE SITE CONDITION STANDARD

Analytical results were compared to the Ministry of the Environment and Climate Change (MOECC) Table 2: Full Depth Generic Site Condition Standards in a Potable Ground Water Condition for Industrial/Commercial/Community Property Use with medium and fine textured soils, as outlined in the *Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the Environmental Protection Act* (April 15, 2011), hereinafter referred to as the “Table 2 SCS”. This evaluation standard for the Site was selected for comparison purposes based on the following:

- Six active water supply wells were identified within 250 m of the Site boundaries in the MOECC well records online database. The wells are used for domestic and livestock supply;
- The Site is currently developed for industrial use and there is no proposed change in land use;
- The nearest surface water course is a tributary of Eight Mile Creek and is located approximately 90 m north of the northwest corner of the Site. Several drainage ditches are located around the perimeter and through the center of the Site; however, these drains were constructed for storm water management and are not considered to be permanent water courses;
- The pH values reported from analysis of soil samples collected from the Site ranged from 7.32 to 7.91. These values were within the acceptable range to use the Table 2 SCS;
- Areas of natural significance were not identified on the Site or within 30 m of the Site boundaries; and,
- The Site is not considered to be a shallow soil property, as defined by O. Reg. 153/04.

3 PHASE II INVESTIGATION METHOD

3.1 GENERAL

Subsurface soil sampling and groundwater sampling from the boreholes advanced and the monitoring wells installed as part of the drilling investigation were used to investigate the subsurface conditions at the Site. Details of the investigation are described in the following sections. Drilling, soil sampling, and monitoring well installation activities were supervised by WSP field personnel. Field notes were recorded in a dedicated field book, which is retained on file.

The borehole/monitoring well locations are depicted on the Site Plans provided as Figures 2 and 3.

3.2 UTILITY LOCATES

Ontario One Call was contacted for the public utilities locates for the investigation. Buffalo Locating Inc. was retained by WSP to locate private utilities on-Site for the borehole locations included in the subsurface investigation work.

3.3 DRILLING

The drilling program was completed on July 7 and 10, 2017. Twelve (12) boreholes were advanced on the Site and monitoring wells were installed in seven of the boreholes to allow for groundwater sampling. Boreholes were advanced using a Geoprobe 7822 DT track-mounted drill rig provided by Landshark Drilling. The boreholes were advanced using the direct push method to a depth of 6.1 mbgs with the exception of 17-11, which was advanced to 7.6 mbgs. Seven of the boreholes were then drilled using 108-mm solid stem augers to facilitate the installation of monitoring wells. The remaining five boreholes were backfilled with bentonite pellets to surface.

3.4 SOIL SAMPLING

Continuous direct push soil sampling was conducted using a 32-mm diameter, 1.5-m long stainless steel continuous sampler equipped with disposable PVC liners.

Disposable nitrile gloves were used during sample collection to minimize the potential for cross-contamination. Soil samples were described in the field by WSP staff, and observations were recorded in a dedicated field book. Soil samples selected for chemical analysis were stored at a temperature of less than 10°C and handled under standard chain of custody procedures until received at the laboratory. The soil samples selected for laboratory submission were considered to be representative of worst-case conditions in the boreholes based on field screening results, the location of the APECs, and observations of olfactory and visual characteristics, if any.

A total of 25 soil samples, including six blind field duplicates, were submitted to the laboratory for chemical analysis, as summarized in the following table:

Table 3-1 Soil Samples Submitted for Chemical Analysis

SAMPLE ID	DEPTH (mbgs)	LABORATORY ANALYSES
17-01 S2 and duplicate 17-01 S20	0.76 - 1.52	PAHs, M&I
17-01 S5 and duplicate 17-01 S50	3.05 - 3.81	PHCs, VOCs
17-02 S2 and duplicate 17-02 S20 (PCBs only)	0.76 - 1.52	PAHs, M&I, PCBs
17-02 S8 and duplicate 17-02 S80 (PFAS only)	5.33 - 6.10	PHCs, VOCs, PFAS

SAMPLE ID	DEPTH (mbgs)	LABORATORY ANALYSES
17-03 S5	3.05 - 3.81	PHCs, VOCs, M&I
17-04 S1	0.00 - 0.76	M&I, PCBs
17-05 S2 and duplicate 17-05 S20 (M&I only)	0.76 - 1.52	PAHs, M&I
17-05 S3 and duplicate 17-05 S30 (PHCs and BTEX only)	3.05 - 3.81	PHCs, VOCs
17-06 S5	3.05 - 3.81	PHCs, BTEX, M&I
17-07 S4	2.29 - 3.05	PHCs, BTEX, M&I
17-08 S1	0.00 - 0.76	PHCs, VOCs, PAHs, M&I, PCBs
17-09 S2	0.76 - 1.52	PAHs, M&I
17-09 S7	4.57 - 5.33	PHCs, VOCs
17-10 S1	0.00 - 0.76	PAHs, M&I
17-10 S3	3.05 - 3.81	VOCs
17-10 S7	4.57 - 5.33	PHCs, BTEX
17-11 S2	0.76 - 1.52	PHCs, VOCs, PAHs, M&I, PCBs
17-12 S1	0.00 - 0.76	PAHs, PCBs
17-12 S2	0.76 - 1.52	PHCs, VOCs, M&I

3.5 FIELD SCREENING MEASUREMENTS

Soil samples collected from the boreholes were field screened for total organic vapours (TOV) using a photoionization detector calibrated to isobutylene. The TOV measurements are presented on the borehole logs included in Appendix A.

The field screening results showed generally low TOV readings in the boreholes, ranging from 0 to 5 ppm. Two samples (17-05 S3 and 17-10 S3) showed TOV readings above 20 ppm. These samples were submitted for laboratory analysis of VOCs.

3.6 GROUNDWATER MONITORING WELL INSTALLATION

Groundwater monitoring wells were installed on June 7 and 10, 2017 in seven of the boreholes advanced on the Site. Nitrile gloves were used to handle the well casings to minimize the potential for contamination during installation.

The monitoring wells were constructed using 51 mm Schedule 40 PVC risers and included a 3-m well screen (slot 10). Sand packs were placed in the annular space within the boreholes around the well screens from the bottom of the wells to approximately 0.3 m above the well screens. Bentonite hole plug seals were placed above the sand packs to a depth of 0.3 mbgs. The wells were completed with protective metal casings. The monitoring well construction details are shown on the borehole logs provided as Appendix A.

The monitoring wells were equipped with dedicated 4.3-mm inner diameter LDPE tubing and 4.8-mm inner diameter silicone tubing to facilitate well development and sampling with a peristaltic pump.

The monitoring wells installed at the Site need to be maintained in accordance with the Ontario Water Resources Act, O. Reg. 903. Once the wells are no longer required for monitoring or sampling purposes, these wells will need to be appropriately decommissioned by a licensed well contractor as required by O. Reg. 903.

3.7 GROUNDWATER SAMPLING

Groundwater samples were collected on July 24 and 25, 2017 from each of the seven newly-installed monitoring wells as well as pre-existing monitoring well 12-1. Groundwater sampling was conducted by low-flow sampling techniques using a peristaltic pump using ASTM D6771: Standard Practice for Low-Flow Purging and Sampling for Wells and Devices Used for Ground-Water Quality Investigations, as a general guide. The samples were collected directly into laboratory-supplied bottles, containing preservative where required, stored on ice and submitted under standard chain of custody procedures to the laboratory. Vials used for VOC/BTEX and PHC F1 analysis were filled to achieve zero headspace.

A total of 11 groundwater samples, including three blind field duplicate samples, were submitted to the laboratory for chemical analysis, as summarized in the following table:

Table 3-2 Groundwater Samples Submitted for Chemical Analysis

SAMPLE ID	LABORATORY ANALYSES
17-01	PHCs, VOCs, PAHs, M&I
17-02 and duplicate MW300 (PFAS only)	PHCs, VOCs, PAHs, M&I, PCBs, PFAS
17-03 and duplicate MW200 (PAHs and PCBs only)	PHCs, VOCs, PAHs, M&I, PCBs
17-05	PHCs, VOCs, M&I
17-06	PHCs, BTEX, M&I
17-10 and duplicate MW100	PHCs, VOCs, M&I
17-11	PHCs, VOCs, PAHs, M&I, PCBs
12-1	PHCs, BTEX, M&I

3.8 GROUNDWATER: FIELD MEASUREMENT OF WATER QUALITY PARAMETERS

The field groundwater quality measurements were obtained during low flow sampling. A YSI 556 multi-parameter flow-through cell was used to measure pH, conductivity, redox potential, dissolved oxygen and temperature in the field during low flow sampling. All measurements were recorded in the project field book, which is maintained on file. The groundwater samples collected were described as either clear and colourless or cloudy and brown with no odour detected or visible sheen.

3.9 ANALYTICAL TESTING

PFAS analysis was completed by ALS laboratory in Waterloo, Ontario.

All other laboratory analyses were completed by Maxxam Analytics (Maxxam) in Mississauga, Ontario.

ALS and Maxxam are certified by the Standards Council of Canada (SCC) and the Canadian Association for Laboratory Accreditation Inc. (CALA).

3.10 SURVEYING

Ground surface and top of pipe elevations and UTM coordinates of the monitoring wells and borehole locations were surveyed by WSP personnel using a Sokkia Network GCX2 Rover GPS unit on July 12, 2017.

4 PHASE II REVIEW AND EVALUATION

4.1 GEOLOGY

A brief summary of the subsurface conditions encountered at the Site is presented below. Detailed borehole logs are included in Appendix A.

The boreholes were advanced through a surface layer of either topsoil (17-01, 17-04, 17-05, 17-06, 17-07, 17-08, and 17-10), sand and gravel (17-02 and 17-03), fill (17-11 and 17-12), or asphalt (17-09). Native silty clay to clayey silt glacial till (Halton Till) was encountered beneath the surface layer. The Halton Till unit extended to the maximum drilling depth of 7.6 mbgs.

Regional geological mapping shows bedrock in the area consists of red shale of the Queenston Formation. The overburden drift thickness at the Site is estimated to range from approximately 21 to 30 m.

4.2 GROUNDWATER ELEVATIONS AND FLOW DIRECTION

Groundwater elevations were measured in the monitoring wells on July 24, 2017. The groundwater elevations and depths are summarized in the following table and presented on Figure 4. We note that the water levels measured in 17-02 and 17-06 were still rising and the reported levels in these wells do not represent static conditions.

Table 4-1 July 24, 2017 Groundwater Elevations

MONITORING WELL ID	TOP OF PIPE ELEVATION (mASL)	GROUND SURFACE ELEVATION (mASL)	DEPTH TO GROUNDWATER (mBCS)	GROUNDWATER ELEVATION (mASL)
17-01	98.713	97.83	1.88	95.95
17-02	98.567	97.64	3.94*	93.71
17-03	97.631	97.72	0.61	97.11
17-05	98.798	97.82	0.87	96.95
17-06	97.528	97.61	5.76*	91.86
17-10	98.761	97.77	2.22	95.55
17-11	97.632	96.72	0.98	95.74
12-1	97.468	97.67	0.56	97.11
12-2	97.107	97.36	0.47	96.89

Notes:

* value does not represent the static water level at this location.

Based on the topography of the Site, the direction of shallow groundwater flow is inferred to be to the north.

4.3 SOIL QUALITY

Laboratory analysis results for the submitted soil samples are summarized in the attached Table 1. Laboratory Certificates of Analysis are provided in Appendix B.

The following table summarizes the parameters that exceeded the applicable Table 2 SCS in the submitted soil samples. The exceedances are also depicted on Figure 5.

Table 4-2 Summary of Parameter Exceedances in Soil

SAMPLE ID	PARAMETER	UNITS	TABLE 2 SCS	MEASURED VALUE
17-01 S2	Conductivity	mS/cm	1.4	2
17-05 S2	Conductivity	mS/cm	1.4	2.3

4.4 GROUNDWATER QUALITY

Laboratory analysis results for the submitted groundwater samples are summarized in the attached Table 2. Laboratory Certificates of Analysis are provided in Appendix B.

The following table summarizes the parameters that exceeded the applicable Table 2 SCS in the submitted groundwater samples. The exceedances are also depicted on Figure 6.

Table 4-3 Summary of Parameter Exceedances in Groundwater

SAMPLE ID	PARAMETER	UNITS	TABLE 8 SCS	MEASURED VALUE
17-01	Cobalt	µg/L	3.8	13
	Sodium	µg/L	490000	590000
	Uranium	µg/L	20	69
17-02	Uranium	µg/L	20	55
17-05	Uranium	µg/L	20	69
17-06	Cobalt	µg/L	3.8	7.4
	Selenium	µg/L	10	20
	Uranium	µg/L	20	59
17-10	Sodium	µg/L	490000	680000
	Uranium	µg/L	20	85
17-11	Uranium	µg/L	20	31
12-1	Cobalt	µg/L	3.8	32
	Sodium	µg/L	490000	740000
	Uranium	µg/L	20	100

4.5 QUALITY ASSURANCE AND QUALITY CONTROL RESULTS

Six blind duplicate soil samples and three blind duplicate groundwater samples were submitted for laboratory analysis. The calculated RPDs were assessed against the recommended performance criteria outlined in the 2011 Protocol.

The soil results indicated acceptable correlation between duplicate samples with the following exceptions:

- Barium concentrations of 100 and 180 µg/g were measured in duplicate samples 17-01 S2 and 17-01 S20 (RPD = 57%). Given that the barium concentration was below the applicable Table 2 SCS in both samples, it can be concluded with a reasonable level of confidence that the concentration of barium in soil at this location met the applicable Table 2 SCS despite some variability.
- Conductivity values of 2.3 and 0.94 mS/cm were measured in duplicate samples 17-05 S2 and 17-05 S20 (RPD = 84%). The applicable Table 2 SCS for conductivity is 1.4 µg/g. In this case, there is disagreement between the duplicate

samples as to whether the soil meets the applicable standard. For the purposes of this due diligence assessment we have considered this sample to exceed the Table 2 SCS.

The groundwater results indicated acceptable correlation between duplicate samples, and were therefore suitable for interpretation.

A trip blank (distilled water sample), prepared by the laboratory, travelled along with the groundwater samples and was analyzed by the laboratory for VOCs. All concentrations were below the RDL, indicating no contamination from the sample containers, preservatives, and transportation and storage conditions. The results also indicate that the laboratory instrument was not detecting false interference.

ALS and Maxxam also carried out internal QA/QC measures including process recoveries, blanks, and replicate samples. The laboratory QA/QC results are provided on the Certificates of Analysis in Appendix B. The results were acceptable and therefore suitable for interpretation.

5 DISCUSSION AND CONCLUSIONS

Based on the results of the investigation, the following conclusions are presented:

- Native soil at the Site consists of silty clay to clayey silt glacial till (Halton Till). The boreholes were terminated within the Halton Till unit at depths of 6.1 mbgs or 7.6 mbgs.
- At boreholes 17-11 and 17-12, 1.5 m and 2.4 m of imported fill material was observed overlying the native soil.
- Shallow groundwater was measured between depths of 0.47 and 5.76 mbgs and the groundwater flow direction is inferred to be to the north towards Lake Ontario.

Soil Quality

- The submitted soil samples met the applicable Table 2 SCS for the contaminants of concern with the exception the following two samples:
 - Samples 17-01 S2 and 17-05 S2, collected at a depth of 0.76 to 1.52 mbgs, exceeded the applicable Table 2 SCS for conductivity. These boreholes were located within APEC 1 (airstrips and hangars) and APEC 6 (boat manufacturing). The conductivity exceedances in these samples may be related to these activities or road salting practices.

Groundwater Quality

- Seven of the eight groundwater samples submitted for laboratory analysis exceeded the Table 2 SCS for one or more parameters. The following analysis and interpretation of the exceedances is provided:
 - Samples 17-01, 17-06 and 12-1 exceeded the applicable Table 2 SCS for cobalt. These wells are located on the south side of the Site, spread over a distance of approximately 590 m. The source of elevated cobalt in the groundwater is not known; it may be naturally occurring, or it may be an anthropogenic source such as aircraft and truck exhaust or industrial processes.
 - Samples 17-01, 17-10 and 12-1 exceeded the applicable Table 2 SCS for sodium. These wells are located on the south side of the Site, spread over a distance of approximately 630 m. The elevated sodium in groundwater may be caused by the application of road salt to paved surfaces on and around the Site.
 - Selenium was measured at a concentration of 20 µg/L in sample 17-06, exceeding the applicable Table 2 SCS of 10 µg/L. This well is located within APEC 7 (former refuelling area). The source of elevated selenium in the groundwater at this location is not known but it may be naturally occurring. Selenium is not considered to be a contaminant of concern related to fuel storage and handling activities, which occurred at this location. We note that with the exception of well 17-02, where selenium was measured at a concentration of 2.6 µg/L, selenium was not detected in any of the other monitoring wells on-site.
 - Uranium in groundwater exceeded the applicable Table 2 SCS of 20 µg/L at seven of the eight monitoring wells, with concentrations ranging from 31 to 100 µg/L. Well 17-03 was the only location that did not exceed the applicable standard. The source of elevated uranium in the groundwater is not known; however, given its widespread distribution across the Site, and the absence of any known anthropogenic sources, it is most likely naturally-occurring due to the dissolution of uranium bearing minerals in the soil.

Based on the work completed, soil and groundwater quality on the Site do not meet the applicable Table 2 SCS. We note that proposed amendments to O. Reg. 153/04 may eliminate the need to address exceedances for conductivity in soil and sodium in groundwater related to the use of road salt.

The following recommendations are provided for your consideration:

- Additional soil sampling is recommended to characterize the imported fill material within APEC 9.
- The monitoring wells should be re-sampled to confirm the exceedances noted at the Site. We note that the exceedances in groundwater may be naturally occurring or related to road salting practices.
- The monitoring wells at the Site should be maintained in accordance with O. Reg. 903. If they are no longer in use, the monitoring wells should be decommissioned by a licenced well contractor in accordance with O. Reg. 903.

6 LIMITATIONS

This report has been prepared for the addressee. Release to any other company, concern, or individual is solely the responsibility of the addressee. WSP reserves the right to amend and/or supplement this report in the event additional information, documentation or evidence becomes available.

The information and conclusions contained in this report are based upon work undertaken by trained professional and technical staff in accordance with generally accepted engineering and scientific practices current at the time the work was performed. Any use that a third party makes of this report, or any reliance on decisions made based on it, is the responsibility of such third parties. WSP accepts no responsibility for damages, if any, suffered by any third party as a result of decisions made, or actions taken, based on this report.

Conclusions presented in this report should not be construed as legal advice and represent the best technical judgment of WSP staff. The conclusions are based on the Site conditions observed by WSP at the time the work was performed at the specific testing and/or sampling locations, and can only be extrapolated to an undefined limited area around these locations. The extent of the limited area depends on the soil and groundwater conditions, as well as the history of the Site reflecting natural, construction and other activities. In addition, analysis has been carried out for a limited number of chemical parameters, and it should not be inferred that other chemical species are not present. Due to the nature of the investigation and the limited data available, WSP cannot warrant against undiscovered environmental liabilities or adverse impacts off-Site.

If any conditions become apparent that differ significantly from our understanding of conditions as presented in this report, we request that we be notified immediately to reassess the conclusions and recommendations provided herein.

7 QUALIFICATIONS OF THE ASSESSORS

Ms. Rachel Bryan, M.A.Sc., P.Eng., QP_{ESA}, is a Project Engineer in the Hamilton, Ontario office of WSP. She has experience in conducting Phase I and II Environmental Site Assessments on numerous residential, commercial, and industrial properties. Ms. Bryan also has experience in completing soil and groundwater contaminant delineation programs and is a Qualified Person (QP_{ESA}) with the MOECC under Ontario Regulation 153/04. She has also directed the implementation of soil remediation programs, verification sampling, and site restoration activities.

Mr. David A. MacGillivray, P.Eng., P.Geo., QP_{ESA,RA}, is the National Discipline Lead for Contaminated Lands and Environmental Site Assessments for WSP Canada. He is responsible for the operations of the environment group at WSP's Hamilton location. Mr. MacGillivray's career experience has included assignments involving Brownfields such as Phase One and Two ESAs, Record of Site Conditions, Risk Assessments, and Risk Management Plans. He has worked extensively in the area of groundwater resource development and groundwater impact assessment. Mr. MacGillivray also provides expertise in the completion of geotechnical and groundwater control studies for civil projects including subdivisions, transportation, buildings, and servicing. Mr. MacGillivray is a Qualified Person (QP_{ESA,RA}) with the Ministry of the Environment to complete Risk Assessments and submit Records of Site Condition under Ontario Regulation 153/04 (Brownfield Regulation).

8 BIBLIOGRAPHY

- Canadian Standards Association (CSA). July 2002. Phase II Environmental Site Assessment Standard Z769-00.
- Ministry of the Environment. 2004. Ontario Regulation 153/04 as amended by Ontario Regulation 511/09 – Records of Site Condition.
- Protocol for Analytical Methods Used in the Assessment of Properties under Part XV.1 of the *Environmental Protection Act*. Laboratory Services Branch, Ministry of the Environment. March 9, 2004, amended as of July 1, 2011. PIBS # 4696e01
- Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the *Environmental Protection Act*. Ministry of the Environment. April 15, 2011. PIBS # 7382e01

CAO 04-2019

Appendix 4

Niagara Central Dorothy Rungeling Airport
Phase II Environmental Assessment Report



**PHASE II ENVIRONMENTAL SITE ASSESSMENT
NIAGARA CENTRAL DOROTHY RUNGELING AIRPORT
435 RIVER ROAD
PELHAM, ONTARIO**

Submitted to:

**NIAGARA CENTRAL DOROTHY RUNGELING AIRPORT
435 River Road
Pelham, Ontario
L3B 5N6**

Submitted by:

**Amec Foster Wheeler Environment & Infrastructure,
a Division of Amec Foster Wheeler Americas Limited
3300 Merrittville Hwy, Unit #5,
Thorold, Ontario
L2V 4Y6**

October 11, 2017

TG171098

Distribution:

- Niagara Central Dorothy Rungeling Airport – 1 electronic copy; and
- Amec Foster Wheeler – 1 electronic copy.

TABLE OF CONTENTS

SECTION	PAGE
1.0 INTRODUCTION.....	1
1.1 Background	1
1.2 Objective and Scope of Work.....	3
2.0 WORK PROGRAM AND METHODOLOGY.....	5
2.1 Field Preparation	5
2.1.1 Subsurface Utility Locates.....	5
2.2 Subsurface Investigations and Soil Sampling.....	5
2.2.1 Borehole Drilling and Soil Sampling.....	5
2.2.2 Surface Soil Sampling.....	6
2.2.3 Field Screening Measurements.....	6
2.2.4 Sample Logging and Handling.....	6
2.3 Monitoring Well Installations.....	7
2.3.1 Well Development, Ground Water Level Measurement, Purging and Sampling.....	8
3.0 RESULTS OF THE FIELD INVESTIGATION.....	9
3.1 Site Geology	9
3.2 Field Measurements.....	9
3.2.1 Staining and Odours	9
3.2.2 COV and TOV Concentrations.....	9
3.2.3 LNAPL and DNAPL	10
4.0 REGULATORY FRAMEWORK.....	11
5.0 LABORATORY ANALYSES	13
5.1 Soil Sample Analyses	13
5.2 Ground Water Sample Analyses	14
5.3 Quality Assurance Program	15
5.3.1 Accreditation.....	15
5.3.2 Data Validation.....	15
6.0 CONCLUSIONS.....	17
7.0 LIMITATIONS	20
8.0 CLOSURE.....	21

LIST OF FIGURES

- Figure 1 Site Location Plan
Figure 2 Borehole and Monitoring Well Location Plan

LIST OF TABLES

- Table 1 Summary of Soil Analyses for General Inorganics and Metals
Table 2 Summary of Soil Analyses for PHCs and VOCs/BTEX
Table 3 Summary of Soil Analyses for PAHs
Table 4 Summary of Soil Analyses for OCs
Table 5 Summary of Ground Water Analyses for Metals
Table 6 Summary of Ground Water Analyses for PHCs and VOCs
Table 7 Summary of Ground Water Analyses for OCs

LIST OF APPENDICES

- Appendix A Borehole Logs and Grain Size Analyses
Appendix B Laboratory Certificates of Analysis
Appendix C Limitations

1.0 INTRODUCTION

Amec Foster Wheeler Environment & Infrastructure, a division of Amec Foster Wheeler Americas Limited (Amec Foster Wheeler), was retained by Mr. Richard Rybiak of Niagara Central Dorothy Rungeling Airport (the CLIENT or NCDRA) to conduct a Phase II Environmental Site Assessment (ESA) of the property located at 435 River Road in Pelham, Ontario (the Site). A key plan showing the location of the Site is provided in **Figure 1**. At the time of the Phase II ESA, the Site was owned by an airport commission consisting of four municipalities (Pelham, Welland, Port Colborne and Wainfleet). It was occupied by NCDRA, as well as various tenants including Niagara Sky Dive Centre Inc., the Royal Canadian Air Cadets (RCAC) and various private individuals which own the eleven (11) on-Site hangars. Reportedly, these private individuals rent the land from NCDRA and can construct, own and occupy the hangar structures. In addition, farmland around the perimeters of the Site are leased to neighbouring land owners for agricultural purposes, while a small area on the south side of the Site is leased to a weather company who utilizes this area as a weather recording station. **Figure 2** illustrates the lot configuration of the Site.

The CLIENT retained Amec Foster Wheeler to provide an evaluation of known and possible environmental issues at the Site for due diligence purposes prior to potentially transitioning ownership of the Site to the Regional Municipality of Niagara (RMON).

1.1 Background

Amec Foster Wheeler completed a Phase I ESA at the Site entitled, “*Phase I Environmental Site Assessment, Niagara Central Dorothy Rungeling Airport, 435 River Road, Pelham, Ontario*” (Phase I ESA) draft report dated October 5, 2017 and prepared for the Client (reference # TG171038). There were no changes in ownership or occupancy of the Site between completion of the Phase I and II ESAs.

The following conclusions were presented in the Phase I ESA:

Based on a review of the available information sources, including discussions with the Site representatives, it appears that the Site was utilized for agricultural purposes until the early 1940s when, during the Second World War, it was developed for the purposes of training RCAF pilots. After the war, the airport continued to be utilized for the training of private pilots and soon became a recreational and commercial airport facility. At the time of the reconnaissance, the Site was owned by an airport commission consisting of four municipalities (Pelham, Welland, Port Colborne and Wainfleet). It was occupied by NCDRA, as well as various tenants including Niagara Sky Dive Centre Inc., the RCAC and various private individuals which own the eleven (11) on-Site hangars. Reportedly, these private individuals rent the land from NCDRA and can construct, own and occupy the hangar structures. In addition, farmland around the perimeters of the Site are leased to neighbouring land owners for agricultural purposes, while a small area on the south side of the Site is leased to a weather company who utilizes this area as a weather recording station.

The following potentially significant environmental issues were identified concerning the Site:

- *The Site has been utilized as an airport facility since the early 1940s. As part of this activity, it is presumed that various fuel tanks (for fueling planes and building heating purposes) and maintenance chemicals have been present on the Site. Currently, there are three (3) aboveground storage tanks (ASTs) utilized for heating fuel and two (2) underground storage tanks (USTs) utilized for aviation fuel present at the Site.*
- *Falls Aviation Limited at the Site was listed as an industrial waste generator (ON6036283) for waste oils and lubricants (waste class 252) in 2003, 2004, 2010, 2011 and 2012. This is presumed to be associated with the plane maintenance and repair operations that occur at the Site.*
- *A maintenance shop was historically present (i.e., early 1940s to early 1970s) on the south side of the Site. Discussions with the Site representatives confirmed that this was a full mechanical garage with pits utilized for the purposes of servicing vehicles.*
- *Historically, barracks, along with an incinerator (which is still present) were also located at the Site. The historic heating fuel utilized in the barracks is unknown. Additionally, it is unknown what materials were historically incinerated in the incinerator.*
- *As per discussion with the Site representatives and the Ontario Spills database, a plane collision in October 2016 resulted in 2,400 pounds of aviation fuel being spilled to the ground. Based on the ERIS report and discussions with the Site representatives, all the spilled aviation fuel was contained and properly cleaned up; however, a report detailing the clean-up activities was not provided to Amec Foster Wheeler for review.*
- *Based on the original date of construction of Hangars 1 and 3 and the pump house (i.e., early 1940s), as well as Hangar 2 (i.e., 1970s), asbestos containing materials (ACMs), lead containing paint and polychlorinated biphenyls (PCBs) in fluorescent light ballasts may be present.*

Based on a review of the available information sources, the properties surrounding the Site have always been utilized for agricultural and residential purposes. Based on a review of the available information sources and on observations of current and historical surrounding properties (from publicly accessible locations), it is Amec Foster Wheeler's opinion that no significant environmental issues were identified concerning the Site's surrounding land use activities.

Based on the Phase I ESA completed by Amec Foster Wheeler, there is evidence of potential contamination associated with the Site. A Phase II ESA is recommended to address these potential concerns.

In addition, to address potential operational / management issues, Amec Foster Wheeler offers the following recommendation:

- *A Designated Substances Survey (DSS) is required if future repair, renovation or demolition activities are planned which could affect possible ACMs, LCPs and PCB containing fluorescent light ballasts. A DSS is required to fulfil the Owner's requirements under Section 30 of the Ontario Occupational Health and Safety Act, (the OHSA), Revised Statutes of Ontario 1990, (as amended). The building owner must provide the DSS report to all contractors working on the Property. Subsequently, all contractors must provide the DSS report to their subcontractors.*

1.2 Objective and Scope of Work

Amec Foster Wheeler's scope of work for the Phase II ESA included the drilling of seven boreholes (with associated soil sampling and analytical programs), installation of five ground water monitoring wells (with associated ground water sampling and analytical program) and collection of a surface soil sample, in an effort to determine Site characteristics and contaminants of potential concern (COPCs) including, metals, including hydrides, mercury, general inorganics (including electrical conductivity [EC], sodium adsorption ratio [SAR] and cyanide, free), fractionized petroleum hydrocarbons (PHCs) in the F1 to F4 ranges, volatile organic compounds (VOCs) or benzene, toluene, ethyl benzene and xylenes (collectively referred to as BTEX, a short list of VOC parameters typically associated with PHCs), polycyclic aromatic hydrocarbons (PAHs) and organochlorine pesticides (OCs). The surface sample, boreholes and monitoring wells were placed in exterior areas of the Site to address concerns identified in the Phase I ESA, as follows:

- BH/MW1 – in front (west) of old maintenance shop;
- BH/MW2 – behind the Air Cadets hangar, adjacent to a fuel oil aboveground storage tank (AST);
- BH/MW3 – in front (west) of current maintenance shop;
- BH/MW4 – adjacent to the Jet A fuel underground storage tanks (USTs);
- BH5 – adjacent to the east runway;
- BH/MW6 – on the abandoned (central) runway;
- BH7 – off the main (west) runway, in an area where a spill had previously occurred in October 2016; and
- SS101 – in the area of the former on-Site incinerator.

It is Amec Foster Wheeler's understanding that the Phase II ESA is not required for filing a Record of Site Condition (RSC) under Ontario Regulation 153/04 (*O. Reg. 153/04*, as amended). As such all work completed under this project was performed in general accordance with standard engineering practices and the following documents:

- Ministry of the Environment (MOE) document entitled "*Guide for Completing Phase Two Environmental Site Assessments under Ontario Regulation 153/04*" dated June 2011;
- Ministry of the Environment and Energy (MOEE) document entitled "*Guidance on Sampling and Analytical Methods for Use at Contaminated Sites in Ontario*", dated December 1996;
- MOE document entitled "*Protocol for Analytical Methods Used in the Assessment of Properties under Part XV.1 of the Environmental Protection Act*" issued by the Laboratory Services Branch of the MOE and dated March 9, 2004, amended as of July 1, 2011 (Analytical Protocol); and
- All analytical results were compared to the appropriate standards identified in the Ministry of the Environment and Climate Change (MOECC) document entitled; "*Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the Environmental Protection Act*" dated April 15, 2011 (MOECC SCS).

All work completed during the Phase II ESA was carried out in accordance with the Terms of Reference as provided in Amec Foster Wheeler's proposal dated August 4, 2017 and signed by the Client on August 14, 2017. It must be noted that the scope of work completed by Amec Foster Wheeler, as part of this assessment, may not be sufficient (in and of itself) to meet the reporting requirements for the submission of a RSC in accordance with *O. Reg. 153/04*, as amended. If a RSC is an intended product of work conducted at the Site, further consultation and/or work is required.

2.0 WORK PROGRAM AND METHODOLOGY

This section describes the methods used during this subsurface investigation work, including all drilling, and soil and ground water sampling activities. Laboratory quality assurance/quality control (QA/QC) procedures are also discussed.

Borehole drilling, soil sampling and ground water monitoring well installation activities were undertaken on September 11 and 12, 2017. Ground water monitoring well development and sampling activities were undertaken between September 19 and 21, 2017.

All borehole and monitoring well locations in the investigation area are illustrated on **Figure 2**. The borehole locations were selected to address areas of potential environmental concern identified during the Phase I ESA, as noted in Section 1.1.

The borehole drilling, monitoring well installation and soil and ground water sampling procedures used are detailed below.

2.1 Field Preparation

2.1.1 Subsurface Utility Locates

The locations of all buried and overhead services were obtained prior to the initiation of the subsurface investigation. Peninsula Video and Sound (PVS), located some of the public utilities on-Site (telephone, natural gas, hydro), as per their contract with Ontario-One-Call and the service providers. Niagara Locates Inc., a specialist private utility locating firm, was retained to undertake the private subsurface utility locates (for utilities not located by the above-referenced service providers).

2.2 Subsurface Investigations and Soil Sampling

2.2.1 Borehole Drilling and Soil Sampling

Under the supervision of Amec Foster Wheeler, a total of seven boreholes were drilled and five ground water monitoring wells were installed on September 11 and 12, 2017 by Direct Environmental Drilling (DED) of St. Thomas, Ontario (MOE License Number 7320). The boreholes were advanced to a maximum depth of between 3.0 and 6.7 metres below ground surface (mbgs) using a Geoprobe 7822 DT track mounted drill rig. Continuous samples were obtained in 1.5 m intervals throughout the borehole advancement. Soil cuttings generated during the investigation were minimal and left on-Site in a 208 Litre (L) steel drum. The locations of the boreholes and monitoring wells are shown on **Figure 2**. Details of the borehole drilling, as well as soil sampling, are provided in the borehole logs in **Appendix A**. All drilling activities were completed under the supervision of Amec Foster Wheeler field staff.

2.2.2 Surface Soil Sampling

On September 11, 2013, Amec Foster Wheeler collected one (1) grab (discrete) surface soil sample (SS101) from the topsoil located in the immediate vicinity of the former on-Site incinerator. The approximate sampling location is shown on **Figure 2**. The soil sample was placed in a labeled, laboratory-provided container, and was stored on ice in an insulated cooler for shipment to the laboratory.

2.2.3 Field Screening Measurements

All soil samples collected during drilling were screened in the field for gross evidence of negative environmental impact including staining and odours. Soil sample headspace screening was also performed to facilitate sample selections for laboratory analysis and to provide an assessment of the vertical contaminant distributions at each location. The duplicate soil sample fractions were screened for combustible organic vapour (COV) and total organic vapour (TOV) concentrations using the sample headspace method. COV and TOV concentrations were measured using an RKI EAGLE 2™ combustible vapour analyzer equipped with dual sensors and calibrated to known hexane and isobutylene standards and operated in methane elimination mode. The RKI EAGLE 2™ can detect 0-11,000 parts per million (ppm) and 0-100 % Lower Explosive Limit (LEL) with an accuracy of $\pm 5\%$ and the calibration standard is Hexane. The equipment is calibrated every day prior to the commencement of fieldwork.

The TOV/COV screening measures the cumulative organic/combustible vapour present within sample headspace. TOV/COV results are semi-quantitative at best and are generally only used for relative sample comparison purposes when selecting samples from individual boreholes for laboratory analysis.

The soil vapour concentrations are included in the borehole logs in **Appendix A**.

2.2.4 Sample Logging and Handling

The soil samples retrieved during the field investigations were examined, classified, and logged per soil type, moisture content, colour, consistency, and presence of visual and/or olfactory indicators of negative impact.

All soil samples were collected in accordance with strict environmental sampling protocols to minimize loss of volatile organics and to ensure reliable and representative results. All soil sampling equipment was thoroughly decontaminated between soil sample locations to prevent potential cross-contamination. Decontamination activities included:

- Physical removal of any adhered debris;
- Wash/scrub in “Alconox” soap solution;

- Distilled water rinse; and
- Methanol rinse/air drying.

Soil samples were split into duplicate fractions upon recovery. The primary sample fractions were placed into glass jars with Teflon-lined lids supplied by the laboratory with no preservative and samples that were potentially going to be submitted for analysis for PHC F1 and VOC/BTEX were sampled using dedicated laboratory prepared syringes into a 40 millilitre (mL) vial preserved with methanol and delivered to the laboratory within 48 hours. All samples were subsequently stored in coolers on ice for future potential laboratory analysis. The duplicate sample fractions were placed in resealable plastic sample bags. Each sample was labeled using a unique identifier (borehole of origin and depth interval below grade). All samples were delivered to the laboratory under continuous Chain of Custody documentation.

All laboratory chemical analyses were conducted by Paracel Laboratories Limited (Paracel), an ISO 17025-accredited laboratory located in Ottawa, Ontario, except for OCs. The OC samples were subcontracted by Paracel to Testmark Laboratories Ltd., an ISO 17025-accredited laboratory located in Garson, Ontario.

The criteria for the selection of soil samples for laboratory analysis were based visual/olfactory observations and TOV/COV readings. The soil samples were submitted for pH determination, and analysis of metals including hydrides, mercury, general inorganics (EC, SAR and cyanide, free), PHCs, VOCs or BTEX, PAHs and OCs. The specific borehole/monitoring well locations and depth intervals of samples selected for analysis and the parameters they were submitted for are included in the Tables appendix at the end of this report.

2.3 Monitoring Well Installations

Overburden monitoring wells were installed at five locations, BH/MW1, BH/MW2, BH/MW3, BH/MW4 and BH/MW6 (**Figure 2**). These wells were installed to obtain hydrogeologic and ground water quality information from the hydrostratigraphic zone. These locations were selected for the monitoring wells as they represent the areas on the Site with the highest potential for ground water impact (refer to Section 1.2).

The monitoring wells were constructed using 51-millimetre (mm) diameter, schedule 40, flush-joint threaded PVC monitoring well supplies. The wells were completed with a 3.05 m length of #10 mill slotted intake screen. The top of the intake screen was then extended to the ground surface using solid riser pipe. A silica sand filter pack was placed between the intake screen and the wall of the borehole. The filter pack was extended approximately 0.3 m above the top of the well screen. A bentonite seal was placed above the sand pack to surface. The wells were completed with flush mount protective casings. Details of the monitoring well construction are included in the borehole logs in **Appendix A**.

2.3.1 Well Development, Ground Water Level Measurement, Purging and Sampling

The ground water monitoring wells installed at the Site during the investigation were instrumented with dedicated Waterra™ foot valve inertial pumps fitted with polyethylene tubing to facilitate well development. The newly installed wells were developed on September 19, 2017 by purging three well volumes using dedicated instrumentation (i.e., foot valve and tubing) or by purging dry two times. The monitoring wells were subsequently purged using low flow sampling techniques on September 21, 2017 until various parameters (including pH, conductivity and temperature) had reached stabilization criteria. During development and purging, an oil/water interface meter was used to measure potential accumulations of Light Non-Aqueous Phase Liquids (LNAPL) or Dense Non-Aqueous Phase Liquids (DNAPL), and ground water levels in the well.

Following monitoring and purging activities, Amec Foster Wheeler collected a ground water sample from each monitoring well into labelled, laboratory-provided containers using the low flow sampling system with dedicated instrumentation. The samples were stored in a cooler on ice after collection and during transportation to the laboratory where they were delivered under continuous Chain of Custody documentation. The sampling methodology including jar, bottle and preservative requirements followed the Analytical Protocol.

The representative ground water samples collected during the investigation was submitted for laboratory analysis of suspect COPCs including metals, EC, SAR, PHCs, VOCs or BTEX and OCs. All laboratory chemical analyses were conducted by Paracel.

3.0 RESULTS OF THE FIELD INVESTIGATION

3.1 Site Geology

The subsurface conditions encountered at the Site are described in the borehole logs provided in **Appendix A**.

In general, the surficial conditions encountered at the Site during the borehole drilling program consisted of surface structure (asphalt over granular fill at BH6, topsoil at BH/MW2 and BH/MW5, and sandy gravel fill at all other boreholes) extending to depths between 0.1 and 0.3 mbgs, overlying a layer of fill to a maximum of 1.7 mbgs. The fill layer generally consisted of silty clay / clayey silt fill, with traces of fine to medium gravel, organics and/or silty sand, and black, grey or light brown seams. Pieces of brick were also observed in the fill in BH/MW4.

The fill was found to overly a native brown silty clay / clayey silt with traces of silty sand, fine to medium gravel, and/or organics, and grey, red or light brown seams to the maximum drilled depth of 6.7 mbgs.

All boreholes were open and dry upon completion of the drilling program. The ground water levels measured in the five monitoring wells prior to development ranged from 1.5 to 5.4 mbgs and prior to sampling ranged from 3.9 to 5.8 mbgs.

3.2 Field Measurements

3.2.1 Staining and Odours

Visual and/or olfactory evidence of petroleum hydrocarbon or any other chemical-like impact was not observed during the drilling program except for some dark staining (no odour detected) in BH/MW3 (0.1-1.5 mbgs). The dark staining was inferred to be natural organics (confirmed by laboratory analysis, refer to Section 5.1).

3.2.2 COV and TOV Concentrations

COV concentration headspace measurements recorded in the soil samples collected from the boreholes ranged from non-detectable to 70 parts per million (ppm) in all samples except for BH/MW3-4 and BH/MW6-4 (190 ppm and 260 ppm, respectively). TOV concentration headspace measurements recorded in the soil samples collected from the boreholes ranged from non-detectable to 2 ppm. The COV and TOV concentrations headspace measurements are summarized in the borehole logs in **Appendix A**.

It is Amec Foster Wheeler's opinion that the results of the screening program suggest a low potential for the presence of significant combustible soil headspace vapour levels in the soil/fill samples collected from the boreholes, except for BH/MW3-4 and BH/MW6-4, which had a slightly higher potential for the presence of significant combustible soil headspace vapour. Laboratory analysis was performed to confirm and quantify these results.

3.2.3 LNAPL and DNAPL

During the development, purging and sampling of the monitoring wells, no LNAPL or DNAPL were observed.

4.0 REGULATORY FRAMEWORK

The SCS applicable to the Site have been evaluated based on the following rationale:

- The Site is occupied by an airport, which is classified as industrial use in accordance with *O. Reg. 153/04*;
- Grain size analyses was completed on a representative sample of the soils encountered on-Site (a composite of BH/MW1-3, BH/MW3-1, BH/MW3-2). The results of the grain size analyses indicated the sample is classified as medium and fine grained (i.e., contains 50% or more by mass of particles that are smaller than 75 μm (*O. Reg. 153/04, s.42 (2)*) with 97% passing the 75 μm sieve. As such, the Site has been classified as having medium and fine textured soils;
- No wells are present on the Site; however, the Site is in a rural area where water service is not available, and based on a search of the MOECC interactive well record mapping tool completed for the Phase I ESA, domestic wells are present at various properties within 250 m of the Site. As such, the SCS for use in a potable ground water condition are applicable to the Site;
- In accordance with *O. Reg. 153/04*, the Site includes land that is within 30 m of a “water body” (i.e., Welland River);
- Based on the boreholes drilled for the Phase II ESA, the depth to bedrock is greater than 2 m; and
- The Site was evaluated against the criteria for *Environmentally Sensitive Areas*, as defined by *O. Reg. 153/04* as amended:
 - Soil pH values were reported between 7.2 and 7.6 in the four soil/fill samples submitted from the borehole samples. The reported soil pH for all soil samples was within 5.0 to 9.0 units for surface soil (surface to 1.5 mbgs) and 5.0 to 11.0 units for subsurface soil (below 1.5 mbgs) (**Table 2**).
 - The Site, and lands within 30 m of the Site, were assessed for *Areas of Natural Significance*, as defined by *O. Reg. 153/04* as amended. The Site is classified as an Area of Natural Significance as:
 - Based on a review of the Niagara Region Core Natural Heritage Map, lands to the northeast, northwest and southwest of the Site are identified as Core Natural Areas (*Environmental Conservation Areas* and *Environmental Protection Areas*).

- Based on a review of the Town of Pelham Official Plan, Schedule B, the lands noted above are identified as Provincially Significant Wetlands (PSW), and lands to the northwest and east of the Site area classified as Deer Wintering Areas (Significant Wildlife Habitat). The woodlot northwest of the Site was labelled "*Welland Airport Woodlot*", and the lands south of the Site were identified as E.C. Brown Conservation Area.

Based on the above site characteristics (specifically, the presence of an Area of Natural Significance within 30 m of the Site), the SCS currently applicable to the Site, if a RSC were to be filed for the Site, are the Table 1 Full Depth Background Site Condition Standards, residential/parkland/institutional/industrial/commercial/community property use and medium and fine textured soils (Table 1 SCS). However, it is noted that all borehole/monitoring well locations are located greater than 30 m from any Areas of Natural Significance and greater than 30 m from any water body and there is no intent to file a RSC for the Site. As such, as this Phase II ESA is being completed for due diligence purposes, the results have been compared to the Table 2 Full Depth Generic Site Condition Standards in a Potable Ground Water Condition, industrial/commercial/community property use and medium and fine textured soils (Table 2 SCS). The results have also been compared to the Table 1 SCS for reference.

5.0 LABORATORY ANALYSES

5.1 Soil Sample Analyses

The results of the soil sample analyses, and their respective Tables 1 and 2 SCS, are summarized in **Tables 1 through 4**. The laboratory certificates of analysis are included in **Appendix B**.

The results of the analyses are summarized below:

- Seven samples from the borehole drilling program (BH/MW1-1c, B/H/MW2-1c, BH/MW2-4d, BH/MW4-1c and its field duplicate Dup B, BH5-1A and BH/MW6-1Bc) were submitted for pH determination. The pH ranged from 7.2 to 7.6 for surficial soils and was 7.6 for subsurface soils.
- Seven samples from the borehole drilling program (BH/MW1-1c, B/H/MW2-1c, BH/MW3-1c, BH/MW4-1c and its duplicate Dup B, BH5-1A, BH/MW6-1Bc) were submitted for EC and SAR analyses. EC and SAR were below the Table 2 SCS in all samples.
 - When compared to the Table 1 SCS, the following exceedance was identified:
 - EC in BH/MW6-1bc (943 microSiemens per centimetre [$\mu\text{S}/\text{cm}$]) versus the Table 1 SCS of 570 $\mu\text{S}/\text{cm}$.
- One sample from the borehole drilling program (BH/MW1-1c) was submitted for Cyanide, free analyses. Cyanide, free was not detected above the laboratory method detection limit (MDL) and was therefore below the Tables 1 and 2 SCS in this sample.
- Eight samples from the borehole drilling program (BH/MW1-1c, B/H/MW2-1c, BH/MW3-1c, BH/MW4-1c and its duplicate Dup B, BH5-1A, BH/MW6-1Bc, BH7-1bc) and one surface soil sample (SS101) were submitted for metals analyses. Concentrations of metals parameters were not detected above the laboratory MDLs and/or were below the Table 2 SCS in all samples with the following exceptions:
 - Lead in SS101 (257 micrograms per gram [$\mu\text{g}/\text{g}$]) versus the Table 2 SCS of 120 $\mu\text{g}/\text{g}$.
 - When compared to the Table 1 SCS, in addition to the lead noted above (Table 1 SCS for lead is also 120 $\mu\text{g}/\text{g}$), the following exceedances were identified:
 - Antimony in SS101 (5.2 $\mu\text{g}/\text{g}$ versus the Table 1 SCS of 1.3 $\mu\text{g}/\text{g}$); and
 - Zinc in SS101 (327 $\mu\text{g}/\text{g}$ versus the Table 1 SCS of 290 $\mu\text{g}/\text{g}$).

- Two samples from the borehole drilling program (BH/MW3-4d and BH/MW6-4d) were submitted for VOC analyses, five samples were submitted for PHC and BTEX analyses (BH/MW1-1d, BH/MW2-4d, BH/MW3-1d, BH/MW4-1d, BH7-1bd) and one sample (BH/MW4-2AD) was submitted for PHC analyses. Concentrations of PHC and VOC/BTEX parameters were not detected above the laboratory MDLs or were below the Table 2 SCS in all samples.
 - When compared to the Table 1 SCS, all submitted samples were below the Table 1 SCS for VOCs/BTEX, however, the following exceedances for PHCs were identified:
 - F3 and F4 range PHCs in BH/MW1-1d (307 µg/g and 149 µg/g respectively versus the Table 1 SCS of 240 µg/g and 120 µg/g, respectively); and
 - F4 range PHCs in BH/MW4-2AD (545 µg/g versus the Table 1 SCS of 120 µg/g).
- One surface sample (SS101) was submitted for PAH analyses. PAHs were not detected above the laboratory MDLs or were present at levels below the Tables 1 and 2 SCS.
- Three samples from the borehole drilling program (B/H/MW2-1d, BH/MW6-1A and BH7-1A) were submitted for OCs analyses. Concentrations of OCs parameters were not detected above the laboratory MDLs and were below the Tables 1 and 2 SCS in all samples.

5.2 Ground Water Sample Analyses

The results of the ground water sample analyses, and their respective Table 2 SCS, are summarized in **Tables 5 through 7**. The laboratory certificates of analysis are included in **Appendix B**.

The results of the analyses are summarized below:

- Five ground water samples (BH/MW1, BH/MW2, BH/MW3, BH/MW4 and BH/MW6) were submitted for metals analysis. Concentrations of metals parameters were not detected above the laboratory MDLs and/or were below the Table 2 SCS with the following exceptions:
 - Cobalt in BH/MW4 (6.2 micrograms per Litre [µg/L]) versus the Table 2 SCS of 3.8 µg/L;
 - Sodium in BH/MW6 (568,000 µg/L) versus the Table 2 SCS of 490,000 µg/L; and

- Uranium in BH/MW3, BH/MW4 and BH/MW6 (34.5, 35.4 and 36.6 µg/L respectively) versus the Table 2 SCS of 20 µg/L.
- When compared to the Table 1 SCS, in addition to the exceedances noted above (Table 1 SCS for cobalt and sodium are the same as Table 2 SCS; Table 1 SCS for uranium is 8.9 µg/L), the following exceedances were identified:
 - Uranium in BH/MW2 (19.5 µg/L) versus the Table 1 SCS of 8.9 µg/L.
- Four ground water samples (BH/MW2, BH/MW3, BH/MW4 and its field duplicate DUP A) were submitted for PHCs and VOCs analysis and an additional two ground water samples (BH/MW1 and BH/MW6) were submitted for PHC and BTEX analysis. Concentrations of PHC and VOC/BTEX parameters were not detected above the laboratory MDLs and were therefore below both the Tables 1 and 2 SCS in all samples.
- Five ground water samples (BH/MW1, BH/MW2, BH/MW3, BH/MW4 and BH/MW6) were submitted for OCs analysis. OCs were not detected above the laboratory MDL or were present at levels below both the Tables 1 and 2 SCS in all samples.

5.3 Quality Assurance Program

5.3.1 Accreditation

The analytical laboratory employed to perform the laboratory analyses (Paracel) is accredited by the Standards Council of Canada/Canadian Association for Laboratory Accreditation Standards in accordance with ISO/IEC 17025:2005 – “*General Requirements for the Competence of Testing and Calibration Laboratories*” for the tested parameters and has met the standards for proficiency testing developed by the Standards Council of Canada for parameters set out in the Soil, Ground Water and Sediment Standards.

5.3.2 Data Validation

Field QA/QC Program

The field QA/QC program consisted of analyzing one blind field duplicate soil sample for metals, pH, EC and SAR (Dup B, a field duplicate of BH/MW4-1c) and a blind field duplicate ground water sample for PHCs and VOCs (Dup A, a field duplicate of BH/MW4). The RPDs for the soil and ground water field duplicate samples were non-calculable or within acceptable limits except for EC in the BH/MW4-1c and Dup B (38% vs 10%). It is noted that the RPD values in the Analytical Protocol are for duplicate samples collected at the laboratory and are used for comparison to the RPDs calculated for field duplicates.

A field blank sample was submitted for analysis of VOCs. Field blanks are samples of laboratory provided reverse osmosis deionized (RODI) water, which is poured into a set of sample bottles at the same time and in the same general area as the samples are collected. The field blank is used to determine if there is presence of contamination because of field handling. The field blank was non-detectable for all parameters analyzed, indicating that the field activities did not bias the reported results.

A trip blank was submitted for analysis for VOCs. A trip blank is a sample of RODI water prepared and filled into the relevant sample bottles by the laboratory. The sample is sent with the bottle shipment, taken out to the field and then shipped back with the collected samples for analysis (not opened at any time by field staff). All parameters were found to be non-detectable in the trip blank.

A trip spike was submitted for analysis for VOCs. A trip spike is a sample of RODI water to which a known amount of analyte of interest and appropriate preservative has been added by the laboratory. This sample is also sent with the bottle shipment, taken out to the field and then shipped back with the collected samples for analysis (not opened at any time by field staff). The trip spike recoveries were considered within the acceptable ranges.

All fieldwork was conducted in accordance with the applicable sampling guidelines, which included dedicated sampling equipment, disposable gloves, and sample preservation, where required.

Laboratory QA/QC Program

All sample analyses were performed within the required sample/extract hold times.

The analytical results reported for all laboratory duplicate, blank and spike samples were acceptable except as specified on the laboratory certificates of analyses (**Appendix B**).

In general, no information provided in the QA/QC results for soil and ground water samples would impact the findings of the Phase II ESA.

6.0 CONCLUSIONS

The Phase II ESA included the drilling of seven boreholes, installation of five ground water monitoring wells (with associated sampling and analytical programs) and collection of one surface sample to determine Site characteristics and COPCs including, metals, general inorganics, PHCs, VOC/BTEX, PAHs and OCs. The surface sample, boreholes and monitoring wells were placed in exterior areas of the Site to address concerns identified in the Phase I ESA, as follows:

- BH/MW1 – in front (west) of old maintenance shop;
- BH/MW2 – behind the Air Cadets hangar, adjacent to a fuel oil AST;
- BH/MW3 – in front (west) of current maintenance shop;
- BH/MW4 – adjacent to the Jet A fuel USTs;
- BH5 – adjacent to the east runway;
- BH/MW6 – on the abandoned (central) runway;
- BH7 – off the main (west) runway, in an area where a spill had previously occurred; and
- SS101 – in the area of the former on-Site incinerator.

In general, the surficial conditions encountered at the Site during the borehole drilling program consisted of surface structure (asphalt over granular fill at BH6, topsoil at BH/MW2 and BH/MW5, and sandy gravel fill at all other boreholes) extending to depths between 0.1 and 0.3 mbgs, overlying a layer of fill to a maximum of 1.7 mbgs. The fill layer generally consisted of silty clay / clayey silt fill, with traces of fine to medium gravel, organics and/or silty sand, and black, grey or light brown seams. Pieces of brick were also observed in the fill in BH/MW4.

The fill was found to overly a native brown silty clay / clayey silt with traces of silty sand, fine to medium gravel, and/or organics, and grey, red or light brown seams to the maximum drilled depth of 6.7 mbgs. All boreholes were open and dry upon completion of the drilling program. The ground water levels measured in the five monitoring wells prior to development ranged from 1.5 to 5.4 mbgs and prior to sampling ranged from 3.9 to 5.8 mbgs.

Visual and/or olfactory evidence of petroleum hydrocarbon or any other chemical-like impact was not observed during the drilling program except for some dark staining (no odour detected) in BH/MW3 (0.1-1.5 mbgs). The dark staining was inferred to be natural organics (confirmed by laboratory analysis, refer to Section 5.1).

During the development, purging and sampling of the monitoring wells, no LNAPL or DNAPL were observed.

Based on the presence of an Area of Natural Significance within 30 m of the Site, the SCS currently applicable to the Site, if a RSC were to be filed for the Site, are the Table 1 Full Depth Background Site Condition Standards, residential/parkland/institutional/industrial/commercial/community property use and medium and fine textured soils (Table 1 SCS). However, it is noted that all borehole/monitoring well locations are located greater than 30 m from any Areas of Natural Significance and greater than 30 m from any water body and there is no intent to file an RSC for the Site. As such, as this Phase II ESA is being completed for due diligence purposes, the results have been compared to the Table 2 Full Depth Generic Site Condition Standards in a Potable Ground Water Condition, industrial/commercial/community property use and medium and fine textured soils (Table 2 SCS). The results have also been compared to the Table 1 SCS for reference.

The results of the soil and ground water chemical analyses indicated that the concentrations of all general inorganics, metals, PHC, VOC/BTEX, PAH and OC parameters in all samples were below the Table 2 SCS with the following exceptions:

- Lead in soil in surface samples SS101 (257 µg/g versus the Table 2 SCS of 120 µg/g). SS101 was a grab sample of topsoil collected near the on-Site incinerator representing a depth of 0 to 0.2 mbgs.
- Cobalt in ground water sample BH/MW4 (6.2 µg/L versus that Table 2 SCS of 3.8 µg/L);
- Sodium in ground water sample BH/MW6 (568,000 µg/L versus the Table 2 SCS of 490,000 µg/L); and
- Uranium in ground water samples BH/MW3, BH/MW4 and BH/MW6 (34.5, 35.4 and 36.6 µg/L respectively) versus the Table 2 SCS of 20 µg/L.

In addition to the above, the following additional exceedances were noted when the results were compared to the more stringent Table 1 SCS:

- EC in soil sample BH/MW6-1bc (943 µS/cm) versus the Table 1 SCS of 570 µS/cm;
- Antimony and zinc in surface soil sample SS101 (5.2 µg/g and 327 µg/g respectively, versus the Table 1 SCS of 1.3 µg/g and 290 µg/g, respectively);
- F3 and F4 range PHCs in soil sample BH/MW1-1d (307 µg/g and 149 µg/g respectively versus the Table 1 SCS of 240 µg/g and 120 µg/g, respectively);

- F4 range PHCs in soil sample BH/MW4-2AD (545 µg/g versus the Table 1 SCS of 120 µg/g); and
- Uranium in BH/MW2 (19.5 µg/L) versus the Table 1 SCS of 8.9 µg/L.

To determine the area of concern for elevated metals near the on-Site incinerator, Amec Foster Wheeler recommends the collection and submission of additional surface samples (both at surface and at depth for vertical delineation) for metals analyses. This would allow us to estimate a remediation area, if the Client elects to complete a remediation of the metal-impacted soils.

In addition, Amec Foster Wheeler recommends that additional intrusive investigations be completed in order to adequately address all of the potential environmental issues identified in the Phase I ESA. Additional boreholes with associated soil sampling and laboratory analysis are recommended in the following areas: in the vicinity of the existing USTs, in the general location of former ASTs or USTs (if these can be identified), within the footprint of the former maintenance shop (specifically in pits, previous oil or chemical storage locations and for general coverage), in the location of the former barracks, additional coverage in the area of the 2016 fuel spill, and for general coverage in the developed portions of the Site.

It has been Amec Foster Wheeler's experience on other properties near the Site that cobalt, sodium and uranium can be naturally elevated above the Tables 1 or 2 SCS in wells installed in native silty clay. As this is also the case at this Site, it is inferred that these metals in ground water are more likely naturally occurring rather than elevated because of on-Site activities.

It is our understanding that the CLIENT will review the findings of this Phase II ESA and determine the future course of action.

Should the ground water monitoring wells no longer be required, they must be maintained or abandoned in accordance with the requirements of Section 21(3) of Ontario Regulation 903 – Wells which states *“the well owner shall immediately abandon the well if it is not being used or maintained for future use as a well”*.

7.0 LIMITATIONS

This report was prepared for the exclusive use of Niagara Central Dorothy Rungeling Airport and is intended to provide a Phase II ESA of the property at 435 River Road, in Pelham, Ontario at the time of the Site visit. Any use which a third party makes of this report, or any reliance on or decisions to be made based on it, are the responsibility of the third party. Should additional parties require reliance on this report, written authorization from Amec Foster Wheeler will be required. With respect to third parties, Amec Foster Wheeler has no liability or responsibility for losses of any kind whatsoever, including direct or consequential financial effects on transactions or property values, or requirements for follow-up actions and costs.

The investigation undertaken by Amec Foster Wheeler with respect to this report and any conclusions or recommendations made in this report reflect Amec Foster Wheeler's judgment based on the Site conditions observed at the time of the Site inspections set out in this report and on information available at the time of preparation of this report. This report has been prepared for specific application to this Site and it is based, in part, upon visual observation of the Site, subsurface investigation at discrete locations and depths, and specific analysis of specific chemical parameters and materials during a specific time interval, all as described in this report. Unless otherwise stated, the findings cannot be extended to previous or future Site conditions, portions of the Site, which were unavailable for direct investigation, subsurface locations, which were not investigated directly, or chemical parameters, materials or analysis which were not addressed. Amec Foster Wheeler has used its professional judgment in analysing this information and formulating these conclusions.

Amec Foster Wheeler makes no other representations whatsoever, including those concerning the legal significance of its findings, or as to other legal matters touched on in this report, including, but not limited to, ownership of any property, or the application of any law to the facts set forth herein. With respect to regulatory compliance issues, regulatory statutes are subject to interpretation and change. Such interpretations and regulatory changes should be reviewed with legal counsel.

This Report is also subject to the further Standard Limitations contained in **Appendix C**.

8.0 CLOSURE

We trust that the information presented in this report meets your current requirements. Should you have any questions, or concerns, please do not hesitate to contact the undersigned.

Yours truly,

**Amec Foster Wheeler Environment & Infrastructure,
a Division of Amec Foster Wheeler Americas Limited.**

Prepared by:

DRAFT

Tracy Wolowidnek, B.Sc.
Environmental Scientist

Reviewed by:

DRAFT

Patrick Shriner, P.Geo.
Associate Environmental Geoscientist

MEMORANDUM

CL-C 33-2019

Subject: Provincial Review of Regional Government

Date: April 25, 2019

To: Regional Council

From: Ann-Marie Norio, Regional Clerk

On January 15, 2019, the Province announced that a review of Regional government would be undertaken.

At the Committee of the Whole meeting held on March 7, 2019, Committee considered COTW-C 02-2019 being a letter from the local area Mayors respecting undertaking a procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the local municipalities on government relations, public polling and communications in regard to the Provincial government review of Regional government.

At the Regional Council meeting on March 28, 2019, a memorandum from the Chief Administrative Officer, indicated that staff were moving forward in accordance with the direction of COTW-C 02-2019.

As part of the consultation process, the Province has set up meetings in each area to hear from delegations that registered to speak prior to April 9, 2019. The Special Advisors will be conducting the Niagara session on May 1 in our Council Chamber. The Province will report back on what they heard during the consultation process this fall.

The Province has advised that Council members affected by the review are welcome and encouraged to participate in the ongoing open consultation process and share their ideas and opinions via a written submission by May 21, 2019. The Province has noted that if a Council wishes to provide a written submission, they would also be considered.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

Attachments: COTW-C 02-2019
CAO 02-2019
CWCD 146-2019
Regional Government Input



OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

March 6, 2019

Niagara Region
c/o Ron Tripp
Acting CAO

Dear Region of Niagara;
Re: Provincial Review of Regional Government

Following the recent conference call among the heads of Council of the lower tier municipalities including the Regional Municipality of Niagara it was agreed that the 12 Mayors and Chair, whom have signed below, request that the Region, on behalf of the 13 Municipalities undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government.

Further, this item be included in the Committee of the Whole Agenda for [Thursday, March 7, 2019](#) at 6:30pm at Regional Headquarters.

The CAO's will coordinate this effort. They will advise on appropriate companies to be considered. The CAO's will also act in the capacity of selecting said company and preparing sample questions in advance to be used for the public polling.

In their capacity as signing officers, the CAO's in their guidance to the Heads of Council will liaise with the successful bidder throughout the procurement process to ensure a successful conclusion.

Heads of Council will ensure that their own Councils and Regional Council members are kept apprised of the process.



OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

We are the Mayors and Regional Chair of the Region of Niagara and are in support of this request.

Mayor Wayne Redekop

Fort Erie

Mayor Jim Diodati

Niagara Falls

Mayor Bill Steele

Port Colborne

Mayor Jeff Jordan

Grimsby

Lord Mayor Betty Disero

Niagara-on-the-Lake

Mayor Walter Sendzik

St. Catharines

Mayor Sandra Easton

Lincoln

Mayor Marvin Junkin

Pelham

Mayor Terry Ugolini

Thorold

Mayor Kevin Gibson

Wainfleet

Mayor Frank Campion

Welland

Mayor David Bylsma

West Lincoln

Chair Jim Bradley

Niagara Region

MEMORANDUM

CAO 2-2019

Subject: Provincial Review of Regional Government

Date: March 28, 2019

To: Regional Council

From: Ron Tripp, Acting Chief Administrative Officer

This is to provide a follow up to Correspondence COTW-C 02-2019 and to make Regional Council aware that ten of the local area municipalities (LAM) have since passed resolutions in support of the actions proposed in that document. Two of the LAMs have received the document for information. The respective resolutions of municipal Councils have been attached as Appendix A to the memorandum.

Staff has also canvassed Regional peer organizations in order to understand their disposition in this matter and to provide further background and context. The following is a summary of the responses received to date:

- Halton Region - adopted a resolution March 27, 2019 that the province not undertake any action (content to be confirmed)
- Region of Waterloo – notice of motion for March 27, 2019, desire to hold a public meeting to allow citizens to speak to the matter
- York Region – intention to present a report to Council April 18, 2019 with recommendation for Chair to send a letter to the province (content to be confirmed)
- Region of Peel - no plans to bring this matter to Regional Council, each of their local municipalities will be taking reports to their respective Councils

The Provincial Review was discussed at the Niagara CAO's meeting of March 8, 2019, the day following Regional Council's COTW meeting. In anticipation of support from each of the respective local municipal Councils, a sub-committee of CAOs was established at that meeting. The planning and execution of the actions articulated in COTW-C 02-2019 was established as the mandate for this group.

Subject to any further comments and/or direction from Regional Council, Staff will proceed in accordance with the direction of COTW-C 02-2019. Staff can confirm that the funding for this work can be accommodated in the 2019 Operating Budget.

Respectfully submitted and signed by

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

Appendix A: Summary of Local Area Municipal Resolutions

c.c.: Local Area Municipal Chief Administrative Officers

Response Summary
Provincial Review of Regional Government
Minute Item 6.2, COTW 1-2019, March 7, 2019
[COTW-C 02-2019](#)
[CLK-C 2019-072](#)

Municipality	Dated	Response
<u>Fort Erie</u>	2019-03-19	Receive for information
<u>Grimsby</u>	2019-03-27	Support
<u>Lincoln</u>	2019-03-19	Support
<u>Niagara Falls</u>	2019-03-27	Receive for information
<u>Niagara-on-the-Lake</u>	2019-03-13	Support
<u>Pelham</u>	2019-03-25	Support
<u>Port Colborne</u>	2019-03-26	Support
<u>St. Catharines</u>	2019-03-19	Support
<u>Thorold</u>	2019-03-21	Support
<u>Wainfleet</u>	2019-03-27	Support
<u>Welland</u>	2019-03-25	Support
<u>West Lincoln</u>	2019-03-26	Support

Last updated: Thursday, March 28, 2019



Community Services

Legislative Services

March 19, 2019

File #120203

Sent via Email: ann-marie.norio@niagararegion.ca

Ann-Marie Norio, Regional Clerk
Niagara Region
1815 Sir Issac Brock Way, P.O. Box 1042
Thorold, ON L2V 4T7

Dear Ms. Norio:

Re: Niagara Region – Provincial Review of Regional Government

Please be advised the Municipal Council of the Town of Fort Erie at its meeting of March 18, 2019 received your correspondence dated March 8, 2019 and supported the letter from the Local Area Municipal Mayors dated March 6, 2019 respecting Provincial Review of Regional Government.

Trusting this information will be of assistance to you.

Yours very truly,

Carol Schofield, Dipl.M.A.
Manager, Legislative Services/Clerk
cschofield@forterie.ca

CS:dlk

c.c. Niagara Local Area Municipalities *Sent via email*

TOWN OF GRIMSBY



TELEPHONE: (905) 945-9634
FAX: (905) 945-5010
www.town.grimsby.on.ca

160 LIVINGSTON AVENUE
P.O. BOX 159
GRIMSBY, ONTARIO
L3M 4G3

PLEASE REFER TO FILE NO.

March 27, 2019

SENT VIA EMAIL

Region of Niagara
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Attention: Ann-Marie Norio, Regional Clerk

RE: REGIONAL COUNCIL REQUEST – PROVINCIAL REVIEW OF REGIONAL GOVERNMENT

Please be advised that Town of Grimsby Council passed the following motion on March 18, 2019:

THAT the correspondence from the Regional Clerk dated March 8, 2019 (see attached Appendix A) regarding Provincial Review of Regional Government be received for information; and

THAT Council endorse the request from Regional Council (see attached Appendix A)

"THAT the Region undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 local area municipalities on government relations, public polling and communications in regard to the Provincial Government Review of Regional Government", and

THAT the Acting Clerk for the Town of Grimsby be directed by Council to circulate a copy of this resolution to the Local Area Municipalities and the Regional Clerk.

Sincerely,

Sarah Kim
Acting Town Clerk

cc.: Local Area Municipal Clerks (Sent via Email)
M. Cain, Fire Chief

REPORT TO: Mayor J. Jordan
Members of Council

SUBJECT: Regional Council Request – Provincial Review of Regional Government

Recommendation

"RESOLVED That Report TM(A) 19-04 dated March 15, 2019 be received and that the recommendations of this report be approved for implementation as follows:

- The correspondence from the Regional Clerk dated March 8, 2019 (see attached Appendix A) regarding Provincial Review of Regional Government be received for information; and specifically,
- That Council endorse the request from Regional Council (see attached Appendix A),
 - "THAT the Region undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 local area municipalities on government relations, public polling and communications in regard to the Provincial Government Review of Regional Government", and
- That the Acting Clerk for the Town of Grimsby be directed by Council to circulate a copy of this resolution to the Local Area Municipalities and the Regional Clerk."

Purpose

The purpose of this report is to provide Council with the correspondence issued by Regional Council regarding the Provincial Regional Government Review and affirm Council's support of the Regional resolution contained in COTW 1 – 2019 (see attached Appendix A).

Background

The Province has undertaken a Regional Government Review. The review will consider issues of governance, decision-making and service delivery in eight Regional Municipalities (Durham, Halton, Muskoka District, Niagara, Oxford County, Peel, Waterloo and York), Simcoe County and their respective lower tier municipalities. In total, there are 82 upper and lower tier that are party to this review. Additional information about the review may be obtained from the Ontario website: <https://www.ontario.ca/page/regional-government-review#section-2>. The website also outlines the appointment of Special Advisors and their Terms of Reference, as well as, a provincial contact email address to forward questions or seek additional information. It is understood that Grimsby has already been afforded time with the Special Advisors.

On February 4, 2019, the Niagara Regional Mayors including the Regional Chair issued a formal Statement:

"Niagara's Mayors are united in support for improving governance, transparency and accountability in local government. It has been nearly 50 years since Niagara Region was formed and our communities, economy and the populations we serve have changed significantly in that time. With change comes opportunity, and we agree with the provincial government that there is room for improvement in the way Niagara works."

We share the same goals in this review: to make it easier to access services, create more efficient local government, reduce duplication and be open for business. We also agree that there are a number of ways to achieve these goals and we expect that local voices and local solutions will truly be considered.

We are already working together as Team Niagara to be open for business and attract investment, jobs, and economic development. Many local agencies and municipal services are already working together to find efficiencies and reduce duplication. We are working together to build an integrated transit system that works for all of Niagara. And we know we can do more. As Mayors, we will work together to ensure that Niagara is given an opportunity to present made-in-Niagara solutions through this regional governance review."

On March 6, 2019, further correspondence, signed by all 12 Mayors and the Regional Chair, was issued to Regional Council (forming part of Appendix A to this report). The correspondence requested the Region undertake the procurement of and facilitation for finances to hire a Government Relations / Communications firm to advise the 13 municipalities on matters relevant to the ongoing Provincial Regional Government Review. At the March 7, 2019 Committee of the Whole, the following motion, as approved by Regional Council, was forwarded to the Clerk on or about March 8, 2019:

"That Correspondence Item COTW-C 02-2019, being a letter from the Local Area Municipal Mayors, dated March 6, 2019, respecting Provincial Review of Regional Government, BE RECEIVED and BE CIRCULATED to the Local Area Municipalities for consideration by their respective Councils at their next meeting for comment back to Niagara Region by March 28, 2019."

The March 6, 2019 correspondence further identified the Mayors & Regional Chair direction that the CAO's will serve to coordinate the process of procurement, selection and liaison with the bidders and successful company throughout the process, on behalf of the respective Heads of Council. At the March 8, 2019 meeting of CAO's, a subcommittee was created for this purpose.


Financial Implications

There are no financial implications to the Town, as the Region will address the financial obligations of this project.

Conclusion

The recommendation contained in this report are intended to establish Council's support of the 12 Mayors and Regional Chair, specifically for Region to undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 local area municipalities on government relations, public polling and communications in regard to the Provincial Government Review of Regional Government.

Respectfully submitted,



Michael Cain
Fire Chief
MC/ew

APPENDIX A



Administration

Office of the Regional Clerk

1815 Sir Isaac Brock Way, PO Box 1042, Thorold, ON L2Y 4T7

Telephone: 905-685-4225 Toll-free: 1-800-263-7215 Fax: 905-687-4977

www.niagararegion.ca

March 8, 2019

COTW 1-2019, March 7, 2019

LOCAL AREA MUNICIPALITIES

SENT ELECTRONICALLY

**RE: Provincial Review of Regional Government
COTW 1-2019 Minute Item 6.2**

Committee of the Whole at its meeting held on Thursday, March 7, 2019, passed the following resolution:

That Correspondence Item COTW-C 02-2019, being a letter from the Local Area Municipal Mayors, dated March 6, 2019, respecting Provincial Review of Regional Government, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities for consideration by their respective Councils at their next meeting for comment back to Niagara Region by March 28, 2019.

A copy of Correspondence Item COTW-C 02-2019 is attached for your reference.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann-Marie Norio".

Ann-Marie Norio
Regional Clerk

CLK-C 2019-072



COTW-C 02-2019

OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

March 6, 2019

Niagara Region
c/o Ron Tripp
Acting CAO

Dear Region of Niagara;
Re: Provincial Review of Regional Government

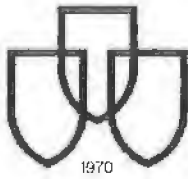
Following the recent conference call among the heads of Council of the lower tier municipalities including the Regional Municipality of Niagara it was agreed that the 12 Mayors and Chair, whom have signed below, request that the Region, on behalf of the 13 Municipalities undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government.

Further, this item be included in the Committee of the Whole Agenda for Thursday, March 7, 2019 at 6:30pm at Regional Headquarters.

The CAO's will coordinate this effort. They will advise on appropriate companies to be considered. The CAO's will also act in the capacity of selecting said company and preparing sample questions in advance to be used for the public polling.

In their capacity as signing officers, the CAO's in their guidance to the Heads of Council will liaise with the successful bidder throughout the procurement process to ensure a successful conclusion.

Heads of Council will ensure that their own Councils and Regional Council members are kept apprised of the process.



COTW-C 02-2019

OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

We are the Mayors and Regional Chair of the Region of Niagara and are in support of this request.

Mayor Wayne Redekop

Fort Erie

Mayor Jim Diodati

Niagara Falls

Mayor Jeff Jordan

Grimsby

Lord Mayor Betty Disero

Niagara-on-the-Lake

Mayor Sandra Easton

Lincoln

Mayor Marvin Junkin

Pelham

Mayor Terry Ugolini

Thorold

Mayor Bill Steele

Port Colborne

Mayor Walter Sendzik

St. Catharines

Mayor Frank Campion

Welland

Mayor David Bylsma

West Lincoln

Mayor Kevin Gibson

Wainfleet

Chair Jim Bradley

Niagara Region



4800 SOUTH SERVICE RD
BEAMSVILLE, ON L0R 1B1

905-563-8205

March 19, 2019

SENT VIA EMAIL

Region of Niagara
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Attention: Ann-Marie Norio, Regional Clerk

**RE: REQUEST FROM REGIONAL COUNCIL – PROVINCIAL REVIEW OF
REGIONAL GOVERNMENT**

Please be advised that Council for the Corporation of the Town of Lincoln passed the following motion on March 18, 2019:

THAT correspondence attached as Appendix A, dated March 8, 2019, from the Regional Clerk regarding Provincial Review of Regional Government be received for information; and

THAT Council of the Town of Lincoln endorse the request from Regional Council:

“THAT the Region undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 local area municipalities on government relations, public polling and communications in regard to the Provincial Government Review of Regional Government”; and

THAT Council of the Town of Lincoln support the CAO to participate on the subcommittee to assist in coordinating efforts for the Town; and

Council direct the Clerk to circulate a copy of this resolution to the Local Area Municipalities and Regional Clerk.

Carried

Regards,



Julie Kirkelos
Town Clerk
jkirkelos@lincoln.ca

cc: Local Area Municipal Clerks



March 27, 2019

Niagara Region
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Ms. Ann-Marie Norio:

Sent via E-mail

Re: Niagara Region – Provincial Review of Regional Government

Please be advised that City Council at its meeting of March 19, 2019 **received your correspondence** dated March 8, 2019, including the letter from the Local Area Municipal Mayors dated March 6, 2019 respecting Provincial Review of Regional Government, **for information”**

If you have any questions, please contact me directly.

Sincerely,

Bill Matson
City Clerk

March 13, 2019

SENT ELECTRONICALLY

Regional Municipality of Niagara
1815 Sir Issac Brock Way, PO Box 1042
Thorold ON L2V 4T7

Attention: Ann-Marie Norio, Regional Clerk

Dear Ms. Norio:

RE: Report CAO-19-001 - Provincial Review of Regional Government

Please be advised the Council of The Corporation of the Town of Niagara-on-the-Lake, at its regular meeting held on March 11, 2019 approved Report CAO-19-001, attached, which included the following recommendations:

- 1.1 That the correspondence attached to this report, from the Regional Clerk dated March 8, 2019 regarding Provincial Review of Regional Government, be received;
- 1.2 That the Council of the Town of Niagara-on-the-Lake support the request from Regional Council "that the Region undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government".

If you have any questions or require further information please contact our office at 905-468-3266.

Yours sincerely,



Peter Todd, Town Clerk



The Town of Niagara-On-The-Lake

Telephone (905) 468-3266
Facsimile (905) 468-2959

1593 Four Mile Creek Road
P.O. Box 100
Virgil, Ontario
L0S 1T0

Report: CAO-19-001

Committee Date:

Due in Council:

March 11, 2019

Report To: Lord Mayor and Council

Subject: Request from Regional Council
Provincial Review of Regional Government

1. RECOMMENDATION

It is respectfully recommended:

- 1.1 That the correspondence attached to this report, from the Regional Clerk dated March 8, 2019 regarding Provincial Review of Regional Government, be received;
- 1.2 That the Council of the Town of Niagara-on-the-Lake support the request from Regional Council "that the Region undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government".

2. PURPOSE / PROPOSAL

The purpose of this report is to provide Council with correspondence from Regional Council regarding the Provincial Review of Regional Government.

3. BACKGROUND

The Mayors of the Region and the Regional Chair prepared a Statement from Niagara Mayors dated February 4, 2019 (attached) which stated:

"Niagara's Mayors are united in support for improving governance, transparency and accountability in local government. It has been nearly 50 years since Niagara Region was formed and our communities, economy and the populations we serve have changed significantly in that time. With change comes opportunity, and we agree with the provincial government that there is room for improvement in the way Niagara works.

We share the same goals in this review: to make it easier to access services, create more efficient local government, reduce duplication and be open for business. We also agree that there are a number of ways to achieve these goals and we expect that local voices and local solutions will truly be considered.

We are already working together as Team Niagara to be open for business and attract

investment, jobs, and economic development. Many local agencies and municipal services are already working together to find efficiencies and reduce duplication. We are working together to build an integrated transit system that works for all of Niagara. And we know we can do more. As Mayors, we will work together to ensure that Niagara is given an opportunity to present made-in-Niagara solutions through this regional governance review."

The Mayors held a conference call recently and a letter was signed by all of them (part of Regional correspondence), on Mayor Easton's letterhead who took the lead on preparing the letter which was publicly dealt with at Regional Council on March 7, 2019.

4. DISCUSSION / ANALYSIS

The following motion as approved by Regional Council was forwarded to the Clerk on March 8th, 2019 as follows:

"That Correspondence Item COTW-C 02-2019, being a letter from the Local Area Municipal Mayors, dated March 6, 2019, respecting Provincial Review of Regional Government, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities for consideration by their respective Councils at their next meeting for comment back to Niagara Region by March 28, 2019."

Attached to the letter from the Regional Clerk is a letter signed by all Mayors and Regional Chair. The letter outlines there was a recent conference call among the heads of Council of the lower tier municipalities including the Regional Chair whereby it was agreed that they "request the Region, on behalf of the municipalities undertake the procurement the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government."

As noted Regional Council passed a motion to receive this correspondence and that it be circulated to the Local Area Municipalities for consideration by their respective Councils by March 28, 2019.

Council's next meeting is April 11th, therefore necessitating a report be prepared for this evening's Council meeting, March 11th.

An area CAOs meeting was held on March 8th, whereby one of the items of discussion was the Regional Council motion and correspondence regarding the Provincial Government Review. All CAOs will be putting forward a report before March 28th and notify the Regional Clerk of their Council's decision.

At the area CAOs meeting a subcommittee of the CAOs was created to carry out the duties of hiring a Government Relations/Communications firm as outlined in the correspondence as follows:

"The CAOs will coordinate this effort. They will advise on appropriate companies to be considered. The CAOs will also act in the capacity of selecting said company and

preparing sample questions in advance to be used for the public polling. In their capacity as signing officers, the CAOs in their guidance to the Heads of Council will liaise with the successful bidder throughout the procurement process to ensure a successful conclusion."

For Council's information, the CAO of Niagara-on-the-Lake will be sitting on the subcommittee of CAOs to coordinate these efforts as identified in the correspondence.

5. STRATEGIC PLAN

N/A

6. OPTIONS

7. FINANCIAL IMPLICATIONS

At this time it does not appear to have any financial implications to the Town as the Region is being tasked with the financial implication of this project.

8. COMMUNICATIONS

Following the meeting, the Clerk will advise the Regional Clerk, by way of letter, of Council's decision.

9. CONCLUSION

That Council support the 12 Mayors and Regional Chair to be part of the Region undertaking the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government.

Respectfully submitted,



Holly Dowd
Chief Administrative Officer

ATTACHMENTS



CLK-C 2019-072 Provincial Review of Regional Government.pdf Statement from Niagara's Mayors.pdf



WEB ATTACHMENTS

ATTACHMENTS FOR LINK

First Capital of Upper Canada - 1792

Administration

Office of the Regional Clerk

1815 Sir Isaac Brock Way, PO Box 1042, Thorold, ON L2V 4T7

Telephone: 905-685-4225 Toll-free: 1-800-263-7215 Fax: 905-687-4977

www.niagararegion.ca

March 8, 2019

COTW 1-2019, March 7, 2019**LOCAL AREA MUNICIPALITIES****SENT ELECTRONICALLY****RE: Provincial Review of Regional Government
COTW 1-2019 Minute Item 6.2**

Committee of the Whole at its meeting held on Thursday, March 7, 2019, passed the following resolution:

That Correspondence Item COTW-C 02-2019, being a letter from the Local Area Municipal Mayors, dated March 6, 2019, respecting Provincial Review of Regional Government, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities for consideration by their respective Councils at their next meeting for comment back to Niagara Region by March 28, 2019.

A copy of Correspondence Item COTW-C 02-2019 is attached for your reference.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann-Marie".

Ann-Marie Norio
Regional Clerk

CLK-C 2019-072



OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

March 6, 2019

Niagara Region
c/o Ron Tripp
Acting CAO

Dear Region of Niagara;
Re: Provincial Review of Regional Government

Following the recent conference call among the heads of Council of the lower tier municipalities including the Regional Municipality of Niagara it was agreed that the 12 Mayors and Chair, whom have signed below, request that the Region, on behalf of the 13 Municipalities undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government.

Further, this item be included in the Committee of the Whole Agenda for [Thursday, March 7, 2019](#) at 6:30pm at Regional Headquarters.

The CAO's will coordinate this effort. They will advise on appropriate companies to be considered. The CAO's will also act in the capacity of selecting said company and preparing sample questions in advance to be used for the public polling.

In their capacity as signing officers, the CAO's in their guidance to the Heads of Council will liaise with the successful bidder throughout the procurement process to ensure a successful conclusion.

Heads of Council will ensure that their own Councils and Regional Council members are kept apprised of the process.



OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

We are the Mayors and Regional Chair of the Region of Niagara and are in support of this request.

Mayor Wayne Redekop

Fort Erie

Mayor Jim Diodati

Niagara Falls

Mayor Bill Steele

Port Colborne

Mayor Jeff Jordan

Grimsby

Lord Mayor Betty Disero

Niagara-on-the-Lake

Mayor Walter Sendzik

St. Catharines

Mayor Sandra Easton

Lincoln

Mayor Marvin Junkin

Pelham

Mayor Terry Ugolini

Thorold

Mayor Kevin Gibson

Wainfleet

Mayor Frank Campion

Welland

Mayor David Bylsma

West Lincoln

Chair Jim Bradley

Niagara Region

Statement from Niagara Mayors

February 4, 2019

Niagara's Mayors are united in support for improving governance, transparency and accountability in local government. It has been nearly 50 years since Niagara Region was formed and our communities, economy and the populations we serve have changed significantly in that time. With change comes opportunity, and we agree with the provincial government that there is room for improvement in the way Niagara works.

We share the same goals in this review: to make it easier to access services, create more efficient local government, reduce duplication and be open for business. We also agree that there are a number of ways to achieve these goals and we expect that local voices and local solutions will truly be considered.

We are already working together as Team Niagara to be open for business and attract investment, jobs, and economic development. Many local agencies and municipal services are already working together to find efficiencies and reduce duplication. We are working together to build an integrated transit system that works for all of Niagara. And we know we can do more. As Mayors, we will work together to ensure that Niagara is given an opportunity to present made-in-Niagara solutions through this regional governance review.

Niagara's Mayors,

Dave Bylsma, Mayor of West Lincoln

Jeff Jordan, Mayor of Grimsby

Frank Campion, Mayor of Welland

Marvin Junkin, Mayor of Pelham

Jim Diodati, Mayor of Niagara Falls

Wayne Redekop, Mayor of Fort Erie

Betty Disero, Lord Mayor of Niagara-on-the-Lake

Walter Sendzik, Mayor of St. Catharines

Sandra Easton, Mayor of Lincoln

Bill Steele, Mayor of Port Colborne

Kevin Gibson, Mayor of Wainfleet

Terry Ugulini, Mayor of Thorold

March 25, 2019

Niagara Region
Office of the Regional Clerk
1815 Sir Isaac Brock Way
PO Box 1042
Thorold, Ontario
L2V 4T7

Attention: Ann-Marie Norio, Regional Clerk

Dear Ms. Norio:

Provincial Review of Regional Government

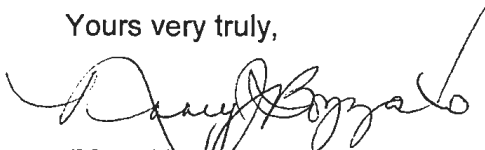
At their regular meeting of March 18th, 2019, Council of the Town of Pelham received your correspondence and endorsed the following:

BE IT RESOLVED THAT Council receive Regional Report COTW 1-2019, Minute Item 6.2 - Provincial Review of Regional Government; and

THAT Council endorse and support the letter from the Local Area Municipal Mayors requesting that the Region undertake a procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 Niagara Municipalities on government relations, public polling and communications with regard to the provincial government review of regional government.

On behalf of Council, thank you for your correspondence.

Yours very truly,



(Mrs.) Nancy J. Bozzato, Dipl.M.M., AMCT
Town Clerk

/hw

cc: Local Area Clerks



CITY OF PORT COLBORNE

Municipal Offices
66 Charlotte Street
Port Colborne, Ontario
L3K 3C8
www.portcolborne.ca

CORPORATE SERVICES DEPARTMENT, CLERK'S DIVISION

March 26, 2019

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

Dear Ann-Marie Norio,

Re: Region of Niagara Re: Provincial Review of Regional Government

Please be advised that, at its meeting of March 25, 2019, the Council of The Corporation of the City of Port Colborne resolved as follows:

That the letter received from the Region of Niagara regarding a letter from the Local Area Municipal Mayors, dated March 6, 2019 respecting Provincial Review of Regional Government, for consideration by respective Councils, be supported.

For more information, please contact Amber LaPointe at 905-835-2901 ext. 106 or cityclerk@portcolborne.ca.

Sincerely,

Amber LaPointe
City Clerk

ec: Local Area Municipalities



March 19, 2019

Ann-Marie Norio
Regional Clerk Niagara Region
1815 Sir Isaac Brock Way, P.O. Box 1042 Thorold, ON
L2V 4T7
Sent via email to Ann-Marie.Norio@niagararegion.ca

Re: Communications Market Research Polling Firm Procurement

Dear Ms. Norio,

Please be advised that at its meeting held on March 18, 2019, St. Catharines City Council approved the following motion:

That the City of St. Catharines City Council endorses the request from the Region of Niagara Mayors, regarding their request to undertake the procurement of a Communications Market Research Polling firm to poll the area municipalities at no cost to the City; and

That the area CAOs coordinate sample questions for the public polling; and

That the CAO work with corporate communications to share the public polling information with residents and taxpayers and report back to Council on the outcomes of the consultation and polling and next steps in the provincial governance review; and

That that the poll involve questions particular to the City of St. Catharines; and

Further, that staff consult with the Task Force regarding questions to be asked; and

That Council recommend the Region of Niagara select a consulting firm that is not associated with any political party.

If you have any questions, please contact the Office of the City Clerk at extension 1524.

A handwritten signature in black ink, appearing to read "Bonnie Nistico-Dunk".

Bonnie Nistico-Dunk, City Clerk
Legal and Clerks Services, Office of the City Clerk
:kn



March 21, 2019

Office of the Regional Clerk
Niagara Region
1815 Sir Isaac Brock Way, P.O. Box 1044
Thorold, ON L2V 4Y6

Ann-Marie.Norio@niagararegion.ca

Attention: Ann-Marie Norio, Regional Clerk

Dear Ms. Norio:

Re: Provincial Review of Regional Governance

Please be advised Thorold City Council, at its March 19, 2019 meeting, adopted the following recommendations of Chief Administrative Officer's Report CAO2019-03:

1. That Thorold City Council support the letter received from the Niagara Region's Committee of the Whole meeting held on Thursday, March 7, 2019 about a joint letter from Local Area Municipal Mayors, dated March 6, 2019 respecting Provincial Review of Regional Government.
2. That the Chief Administrative Officer be directed to forward Council's decision on this matter to the Niagara Region before March 28, 2019.

Yours truly,

Donna Delvecchio,
City Clerk

DD:cd

ec: M. Dilwaria, Chief Administrative Officer



Township of Wainfleet

"Wainfleet - find your country side!"

March 27, 2019

Niagara Region
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Sent Electronically

Attention: Ann-Marie Norio, Clerk

Dear Ms. Norio,

**RE: Provincial Government Review of Regional Government
COTW 1-2019 Minute Item 6.2**

Please be advised that, at its meeting of March 26, 2019, the Council of the Corporation of the Township of Wainfleet enacted the following resolution regarding Administration Staff Report ASR-011/2019 (copy attached) relating to the Request from Niagara Regional Council re: Provincial Review of Regional Government:

THAT this report be received; and

THAT the correspondence dated March 8, 2019, attached as Appendix "A", from Niagara Region regarding Provincial Review of Regional Government be received; and

THAT the Council of the Township of Wainfleet endorse the request from Regional Council:

***"THAT** the Region undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 local area municipalities on government relations, public polling and communications in regard to the Provincial Government Review of Regional Government"; and*

THAT the Council of the Township of Wainfleet direct the CAO to coordinate efforts for the Township in this endeavour; and

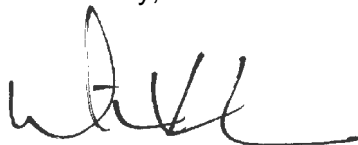
THAT a copy of this resolution be forwarded to the Local Area Municipalities and Niagara Region.

In supporting the resolution, Wainfleet Council also requested that the following comments and concerns be shared with Regional Council and with the Councils of the Local Area Municipalities:

- the need to be wary of any potential duplication of expertise or capacity that may arise between the proposed Government Relations/Communications firm and expertise/capacity that may otherwise already be available within the workforce(s) of the Region and/or Local Area Municipalities;
- the need for appropriate cost containment, as even though Niagara Region has been identified as the funding source of the exercise: there is really only a single property taxpayer within the Region; and
- the need to ensure that Niagara Region and Local Area Municipalities receive true value for the services to be rendered.

The Council of the Corporation of the Township of Wainfleet respectfully requests your consideration of the above.

Yours Truly,

A handwritten signature in black ink, appearing to read 'W. Kolasa', with a stylized flourish at the end.

William J. Kolasa
Chief Administrative Officer

ADMINISTRATION STAFF REPORT

ASR-011/2019

TO: Mayor Gibson & Members of Council

FROM: W. Kolasa, Chief Administrative Officer/Clerk

DATE OF MEETING: March 26, 2019

SUBJECT: Request from Niagara Regional Council re: Provincial Review of Regional Government

RECOMMENDATION(S):

THAT this report be received; and

THAT the correspondence dated March 8, 2019, attached as Appendix "A", from Niagara Region regarding Provincial Review of Regional Government be received; and

THAT the Council of the Township of Wainfleet endorse the request from Regional Council:

***"THAT** the Region undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 local area municipalities on government relations, public polling and communications in regard to the Provincial Government Review of Regional Government"; and*

THAT the Council of the Township of Wainfleet direct the CAO to coordinate efforts for the Township in this endeavour; and

THAT a copy of this resolution be forwarded to the Local Area Municipalities and Niagara Region.

EXECUTIVE SUMMARY:

The purpose of this report is to provide Council with details of a resolution from Niagara Region's Committee of the Whole regarding the ongoing Provincial Review of Regional Government.

BACKGROUND:

On February 4, 2019, the Mayors of the local area municipalities of Niagara Region and the Regional Chair issued a Statement (attached) that announced:

"Niagara's Mayors are united in support for improving governance, transparency and accountability in local government. It has been nearly 50 years since Niagara Region was formed and our communities, economy and the populations we serve have changed significantly in that time. With change comes opportunity, and we agree with the provincial government that there is room for improvement in the way Niagara works.

We share the same goals in this review: to make it easier to access services, create more efficient local government, reduce duplication and be open for business. We also agree that there are a number of ways to achieve these goals and we expect that local voices and local solutions will truly be considered.

We are already working together as Team Niagara to be open for business and attract investment, jobs, and economic development. Many local agencies and municipal services are already working together to find efficiencies and reduce duplication. We are working together to build an integrated transit system that works for all of Niagara. And we know we can do more. As Mayors, we will work together to ensure that Niagara is given an opportunity to present made-in-Niagara solutions through this regional governance review."

Recently, the Mayors held a conference call and a letter was issued, signed by all of them (forming part of Regional correspondence), on Mayor Easton's letterhead who took the lead on preparing the letter which was publicly dealt with at Regional Council on March 7, 2019.

OPTIONS/DISCUSSION:

The following motion as approved by Regional Council was forwarded to the Clerk on March 8th, 2019:

"That Correspondence Item COTW-C 02-2019, being a letter from the Local Area Municipal Mayors, dated March 6, 2019, respecting Provincial Review of Regional Government, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities for consideration by their respective Councils at their next meeting for comment back to Niagara Region by March 28, 2019."

Attached to the correspondence from Niagara Region is a letter signed by all Mayors and Regional Chair. The letter outlines that there was a recent conference call among the heads of Council of the lower tier municipalities, including the Regional Chair, whereby it was agreed that they "request the Region, on behalf of the municipalities, to undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government."

As noted, Regional Council passed a motion to receive this correspondence and that it be circulated to the Local Area Municipalities for consideration by their respective Councils by March 28, 2019.

At a meeting of regional chief administrative officers held on March 8th, the Regional Council motion and correspondence regarding the Provincial Government Review was considered and all CAOs concluded to present a report to their respective Councils, before March 28th, and notify the Regional Clerk of each Council's decision. Further, a subcommittee of the CAOs was created to implement the provided direction and carry out the duties of hiring a Government Relations/Communications firm as outlined in the Mayor's correspondence as follows:

"The CAOs will coordinate this effort. They will advise on appropriate companies to be considered. The CAOs will also act in the capacity of selecting said company and preparing sample questions in advance to be used for the public polling. In their capacity as signing officers, the CAOs in their guidance to the Heads of Council will liaise with the successful bidder throughout the procurement process to ensure a successful conclusion."

FINANCIAL CONSIDERATIONS:

At this time, there do not appear to be any direct financial implications to the Township as Niagara Region is being tasked with the financial implementation of this project.

OTHERS CONSULTED:

Niagara Region Chief Administrative Officers

ATTACHMENTS:

Appendix "A":

- Niagara Region Correspondence re: Provincial Review of Regional Government (March 8, 2019)
- Local Area Municipal Mayors Correspondence re: Provincial Review of Regional Government (March 6, 2019)
- Statement from Niagara Mayors (February 4, 2019)

Respectfully submitted by,

William J. Kolasa,
Chief Administrative Officer/Clerk



Administration

Office of the Regional Clerk

1815 Sir Isaac Brock Way, PO Box 1042, Thorold, ON L2V 4T7

Telephone: 905-685-4225 Toll-free: 1-800-263-7215 Fax: 905-687-4977

www.niagararegion.ca

March 8, 2019

COTW 1-2019, March 7, 2019

LOCAL AREA MUNICIPALITIES

SENT ELECTRONICALLY

**RE: Provincial Review of Regional Government
COTW 1-2019 Minute Item 6.2**

Committee of the Whole at its meeting held on Thursday, March 7, 2019, passed the following resolution:

That Correspondence Item COTW-C 02-2019, being a letter from the Local Area Municipal Mayors, dated March 6, 2019, respecting Provincial Review of Regional Government, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities for consideration by their respective Councils at their next meeting for comment back to Niagara Region by March 28, 2019.

A copy of Correspondence Item COTW-C 02-2019 is attached for your reference.

Yours truly,

A handwritten signature in black ink, appearing to read "Ann-Marie".

Ann-Marie Norio
Regional Clerk

CLK-C 2019-072



OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

March 6, 2019

Niagara Region
c/o Ron Tripp
Acting CAO

Dear Region of Niagara;
Re: Provincial Review of Regional Government

Following the recent conference call among the heads of Council of the lower tier municipalities including the Regional Municipality of Niagara it was agreed that the 12 Mayors and Chair, whom have signed below, request that the Region, on behalf of the 13 Municipalities undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government.

Further, this item be included in the Committee of the Whole Agenda for [Thursday, March 7, 2019](#) at 6:30pm at Regional Headquarters.

The CAO's will coordinate this effort. They will advise on appropriate companies to be considered. The CAO's will also act in the capacity of selecting said company and preparing sample questions in advance to be used for the public polling.

In their capacity as signing officers, the CAO's in their guidance to the Heads of Council will liaise with the successful bidder throughout the procurement process to ensure a successful conclusion.

Heads of Council will ensure that their own Councils and Regional Council members are kept apprised of the process.



OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

We are the Mayors and Regional Chair of the Region of Niagara and are in support of this request.

Mayor Wayne Redekop

Fort Erie

Mayor Jim Diodati

Niagara Falls

Mayor Bill Steele

Port Colborne

Mayor Jeff Jordan

Grimsby

Lord Mayor Betty Disero

Niagara-on-the-Lake

Mayor Walter Sendzik

St. Catharines

Mayor Sandra Easton

Lincoln

Mayor Marvin Junkin

Pelham

Mayor Terry Ugolini

Thorold

Mayor Kevin Gibson

Wainfleet

Mayor Frank Campion

Welland

Mayor David Bylsma

West Lincoln

Chair Jim Bradley

Niagara Region

Statement from Niagara Mayors

February 4, 2019

Niagara's Mayors are united in support for improving governance, transparency and accountability in local government. It has been nearly 50 years since Niagara Region was formed and our communities, economy and the populations we serve have changed significantly in that time. With change comes opportunity, and we agree with the provincial government that there is room for improvement in the way Niagara works.

We share the same goals in this review: to make it easier to access services, create more efficient local government, reduce duplication and be open for business. We also agree that there are a number of ways to achieve these goals and we expect that local voices and local solutions will truly be considered.

We are already working together as Team Niagara to be open for business and attract investment, jobs, and economic development. Many local agencies and municipal services are already working together to find efficiencies and reduce duplication. We are working together to build an integrated transit system that works for all of Niagara. And we know we can do more. As Mayors, we will work together to ensure that Niagara is given an opportunity to present made-in-Niagara solutions through this regional governance review.

Niagara's Mayors,

Dave Bylsma, Mayor of West Lincoln

Jeff Jordan, Mayor of Grimsby

Frank Campion, Mayor of Welland

Marvin Junkin, Mayor of Pelham

Jim Diodati, Mayor of Niagara Falls

Wayne Redekop, Mayor of Fort Erie

Betty Disero, Lord Mayor of Niagara-on-the-Lake

Walter Sendzik, Mayor of St. Catharines

Sandra Easton, Mayor of Lincoln

Bill Steele, Mayor of Port Colborne

Kevin Gibson, Mayor of Wainfleet

Terry Ugolini, Mayor of Thorold



City of Welland
Legislative Services
Office of the City Clerk
60 East Main Street, Welland, ON L3B 3X4
Phone: 905-735-1700 Ext. 2280 | Fax: 905-732-1919
Email: clerk@welland.ca | www.welland.ca

March 25, 2019

File No. 19-48

SENT VIA EMAIL

Niagara Region
1815 Sir Isaac Brock Way
P.O. Box 1042
Thorold, ON L2V 4T7

Attention: Ann-Marie Norio, Regional Clerk

Dear Ms. Norio:

Re: March 19, 2019 – WELLAND CITY COUNCIL

At its meeting of March 19, 2019, Welland City Council passed the following motion:

“THAT THE COUNCIL OF THE CITY OF WELLAND receives for information the correspondence from the Regional Municipality of Niagara, COTW 1-2019, regarding the Provincial Review of Regional Government attached to Report CAO-2019-02 as Appendix I; and further THAT Welland City Council supports the Regional Municipality of Niagara in undertaking the procurement of and facilitation for finances to hire a Government Relations/Communications firm to conduct public polling and provide related communications with Niagara residents regarding the provincial government review of regional government.”

Yours truly,



Tara Stephens
City Clerk

TS/cap

c.c.: Local Area Municipal Clerks, sent via email
G. Long, Chief Administrative Officer

Bridging the past, present and future

COUNCIL
OFFICE OF THE CAO

APPROVALS	
GENERAL MANAGER	
CFO	
CAO	

19-59

REPORT CAO-2019-02
MARCH 19, 2019

SUBJECT: PROVINCIAL REVIEW OF REGIONAL GOVERNMENT – UPDATE

AUTHOR: GARY LONG, CAO

RECOMMENDATIONS:

THAT THE COUNCIL OF THE CITY OF WELLAND receives for information the correspondence from the Regional Municipality of Niagara, COTW 1-2019, regarding the Provincial Review of Regional Government attached to Report CAO-2019-02 as Appendix I; and further

THAT Welland City Council supports the Regional Municipality of Niagara in undertaking the procurement of and facilitation for finances to hire a Government Relations/Communications firm to conduct public polling and provide related communications with Niagara residents regarding the provincial government review of regional government.

ORIGIN AND BACKGROUND:

The Minister of Municipal Affairs and Housing, the Honourable Steve Clark, announced on January 15, 2019, that the province will be reviewing regional governments in Ontario. This review is limited to the following nine upper tiers and lower tier municipalities: Waterloo Region, Niagara Region, Halton Region, Peel Region, York Region, Durham Region, Oxford County, Simcoe County, and Muskoka District. Minister Clark has indicated that the focus of the review is governance, decision-making, and service delivery.

Michael Fenn and Ken Seiling have been appointed as special advisors to conduct this review and provide advice and recommendations to the Minister this summer. Mr. Fenn is a former Ontario Deputy Minister, previous municipal CAO in several Ontario cities, and founding CEO of Metrolinx. Mr. Seiling is a former Chair of Waterloo Region who held that position from 1985 to 2018 and was a Councillor and Mayor in Woolwich.

The twelve mayors in Niagara and the Regional Chair had individual meetings with the special advisors on February 11, 2019, to provide their input and perspective.

COMMENTS AND ANALYSIS:

As a follow-up to the meetings with the special advisors, a consensus was achieved by the Heads of Council of the Local Area Municipalities, including the Regional Municipality of Niagara, to hire a government relations/communications firm to engage the local area Councils, members of the public, and business sector to seek their opinion on the Regional Government Review. The Area CAOs will coordinate this initiative and oversee the procurement process to select the successful bidder. In addition, the Area CAOs will craft sample questions to be used for public engagement.

City of Welland Council and Welland Regional Councillors will be provided regular updates by the Head of Council throughout this process.

FINANCIAL CONSIDERATIONS:

Costs associated with this initiative will be borne by the Regional Municipality of Niagara.

OTHER DEPARTMENT IMPLICATIONS:

The City's Corporate Leadership Team continues to stay informed and engaged in this process and look forward to working with Council. City staff will also be kept informed.

SUMMARY AND CONCLUSION:

Staff recommend that Welland City Council supports that the Regional Municipality of Niagara undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise Local Area Municipalities on public relations and undertake public engagement with respect to the Province's review of regional government in Niagara.

ATTACHMENTS:

Appendix I – Region of Niagara Correspondence COTW 1-2019, March 7, 2019

**Administration**

Office of the Regional Clerk

1815 Sir Isaac Brock Way, PO Box 1042, Thorold, ON L2V 4T7

Telephone: 905-685-4225 Toll-free: 1-800-263-7215 Fax: 905-687-4977

www.niagararegion.ca

March 8, 2019

COTW 1-2019, March 7, 2019

LOCAL AREA MUNICIPALITIES**SENT ELECTRONICALLY****RE: Provincial Review of Regional Government
COTW 1-2019 Minute Item 6.2**

Committee of the Whole at its meeting held on Thursday, March 7, 2019, passed the following resolution:

That Correspondence Item COTW-C 02-2019, being a letter from the Local Area Municipal Mayors, dated March 6, 2019, respecting Provincial Review of Regional Government, **BE RECEIVED** and **BE CIRCULATED** to the Local Area Municipalities for consideration by their respective Councils at their next meeting for comment back to Niagara Region by March 28, 2019.

A copy of Correspondence Item COTW-C 02-2019 is attached for your reference.

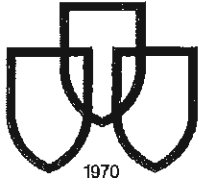
Yours truly,

A handwritten signature in cursive script, appearing to read "Ann-Marie".

Ann-Marie Norio
Regional Clerk

CLK-C 2019-072

COTW-C 02-2019



OFFICE OF THE MAYOR
 4800 SOUTH SERVICE ROAD
 BEAMSVILLE, ON L0R 1B1
 Phone: 905-563-8205
 Fax: 905-563-6566
www.lincoln.ca

March 6, 2019

Niagara Region
 c/o Ron Tripp
 Acting CAO

Dear Region of Niagara;
Re: Provincial Review of Regional Government

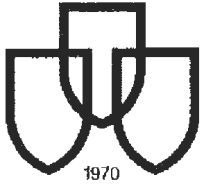
Following the recent conference call among the heads of Council of the lower tier municipalities including the Regional Municipality of Niagara it was agreed that the 12 Mayors and Chair, whom have signed below, request that the Region, on behalf of the 13 Municipalities undertake the procurement of and facilitation for finances to hire a Government Relations/Communications firm to advise the 13 municipalities on government relations, public polling and communications in regard to the provincial government review of regional government.

Further, this item be included in the Committee of the Whole Agenda for Thursday, March 7, 2019 at 6:30pm at Regional Headquarters.

The CAO's will coordinate this effort. They will advise on appropriate companies to be considered. The CAO's will also act in the capacity of selecting said company and preparing sample questions in advance to be used for the public polling.

In their capacity as signing officers, the CAO's in their guidance to the Heads of Council will liaise with the successful bidder throughout the procurement process to ensure a successful conclusion.

Heads of Council will ensure that their own Councils and Regional Council members are kept apprised of the process.



OFFICE OF THE MAYOR
4800 SOUTH SERVICE ROAD
BEAMSVILLE, ON L0R 1B1
Phone: 905-563-8205
Fax: 905-563-6566
www.lincoln.ca

We are the Mayors and Regional Chair of the Region of Niagara and are in support of this request.

Mayor Wayne Redekop
Fort Erie

Mayor Jim Diodati
Niagara Falls

Mayor Bill Steele
Port Colborne

Mayor Kevin Gibson
Wainfleet

Mayor Jeff Jordan
Grimsby

Lord Mayor Betty Disero
Niagara-on-the-Lake

Mayor Walter Sendzik
St. Catharines

Mayor Frank Campion
Welland

Chair Jim Bradley
Niagara Region

Mayor Sandra Easton
Lincoln

Mayor Marvin Junkin
Pelham

Mayor Terry Ugolini
Thorold

Mayor David Bylsma
West Lincoln

CLERK'S DEPARTMENT

March 26, 2019

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

Dear Ms. Norio,

Re: Provincial Review of Regional Government – COTW 1-2019 Minute Item 6.2

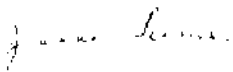
This is to confirm that on Monday, March 26, 2019, West Lincoln Township Council adopted the following resolution:

Resolution:

That, the correspondence from the Office of the Regional Clerk, dated March 8, 2019, relating to a letter (Item COTW-C 02-2019) from the Local Area Municipal Mayors requesting Niagara Region to hire a Government Relations/ Communications firm to advise the 13 municipalities on government relations, public polling and communications as it relates to the Provincial Review of Regional Government; be received and supported.

If you require further information or clarification do not hesitate to contact me.

Sincerely,



Joanne Scime
Clerk

cc. Local Area Municipal Clerks

From: [Regional Government Review \(MMA\)](#)
To: [Norio, Ann-Marie](#)
Subject: Regional Government Review Inputt
Date: Thursday, April 18, 2019 4:36:55 PM

CAUTION: This email originated from outside of the Niagara Region email system. Use caution when clicking links or opening attachments unless you recognize the sender and know the content is safe.

Dear Members of Regional Municipality of Niagara Council,

We are reaching out as we have received questions on how council members may participate in the review consultations. Council members affected by the review are welcome to participate in the ongoing open consultation process for the review. We have already received a few direct submissions from some individual members of council included in the review, and we want to encourage this to continue. Understanding the diversity of opinion and experience continues to be of vital importance to the review process so if any council members want to share their ideas and opinions with us as a written submission, we encourage them to do so.

Some Councils may wish to provide written submissions and these would be received as well by us as the Special Advisors. We want to provide the Minister of Municipal Affairs and Housing with the best advice on regional governance, so the full range of perspectives and thoughts on how to improve governance, decision-making and service delivery are important as we consider our recommendations to the Minister.

More information about the submission process, can be found on the ministry's [review webpage](#). As always, any questions about the review can be directed to regionalgovreview@ontario.ca

Sincerely,

Ken Seiling and Michael Fenn

Special Advisors to the Minister of Municipal Affairs and Housing's Regional Government Review

Minute Item No. 7.1
AC-C 39-2018
Consideration of Reimbursement for Expense

That legal costs in the total amount of \$6,823.45 requested for reimbursement (AC-C 39-2018) including accumulated interest, **BE APPROVED** pursuant to section 4.9(d) of the Regional Council Expense Policy; and

That staff **BE DIRECTED** to issue payment of \$6,823.45 to Aird Berlis LLP.

Minute Item No. 5.1
AC-C 17-2019
2018 Audited Consolidated Financial Statements

That Report AC-C 17-2019, dated May 6, 2019, respecting 2018 Audited Consolidated Financial Statements, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the audited consolidated financial statements of the Regional Municipality of Niagara (the "Niagara Region"), including the sinking fund financial statements and the trust fund financial statements, Appendix 2 of Report AC-C 17-2019, for the year ended December 31, 2018, **BE APPROVED**; and
2. That the audit findings report pertaining to the audited consolidated financial statement, Appendix 3 of Report AC-C 17-2019, of the Niagara Region for the year ended December 31, 2018 **BE RECEIVED** for information.

Minute Item No. 6
Consent Items for Information

That the following items **BE RECEIVED** for information:

AC-C 14-2019
Q2 2019 Follow-up Status of Internal Audit Recommendations

AC-C 15-2019
Internal Audit Plan Progress Update Dashboard

AC-C 18-2019
Niagara Regional Housing 2019 Draft Audited Financial Statements

**THE REGIONAL MUNICIPALITY OF NIAGARA
AUDIT COMMITTEE
OPEN SESSION**

**AC 03-2019
Monday, May 6, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Bradley (Regional Chair), Redekop, Rigby (Committee Chair), Whalen (Committee Vice Chair)

Absent/Regrets: Foster, Gale, Sendzik

Staff: H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, X. Gao, Internal Audit Analyst, T. Harrison, Commissioner/Treasurer, Enterprise Resource Management Services, M. Jurczyk, Director, Internal Control & Organizational Performance, F. Marcella, Internal Auditor, B. Menage, Director, Procurement & Strategic Acquisitions, S. Muhic, Program Financial Specialist, A.-M. Norio, Regional Clerk, M. Trennum, Deputy Regional Clerk, R. Tripp, Acting Chief Administrative Officer, A. Wheaton, Corporate Reporting Supervisor

1. CALL TO ORDER

Committee Chair Rigby called the meeting to order at 1:07 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

There were no presentations.

4. DELEGATIONS

There were no delegations.

There being no objection, an Item of other business respecting the Consideration of Reimbursement for Expense (Agenda Item 7.1) was considered at this time.

7. **OTHER BUSINESS**

7.1 **Consideration of Reimbursement for Expense**

Committee considered a request for reimbursement of an expense outside of the Regional Council Expense Policy attached to these minutes as Correspondence Item AC-C 39-2018.

Moved by Councillor Whalen
Seconded by Councillor Redekop

That legal costs in the total amount of \$6,823.45 requested for reimbursement (AC-C 39-2018) including accumulated interest, **BE APPROVED** pursuant to section 4.9(d) of the Regional Council Expense Policy; and

That staff **BE DIRECTED** to issue payment of \$6,823.45 to Aird Berlis LLP.

Carried

5. **ITEMS FOR CONSIDERATION**

5.1 **AC-C 17-2019**

2018 Audited Consolidated Financial Statements

Beth Brens, Associate Director, Reporting and Analysis, and Trevor Ferguson, Partner, Deloitte, provided information respecting 2018 Audited Consolidated Financial Statements. Topics of the presentation included:

- Year-end Overview
- 2018 Audit Plan Highlights
- Presentation Reconciliation and Reconciliation of Surplus
- Statement of Financial Position
- Audit Findings Report
- Next Steps

Moved by Councillor Whalen
Seconded by Councillor Redekop

That Report AC-C 17-2019, dated May 6, 2019, respecting 2018 Audited Consolidated Financial Statements, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the audited consolidated financial statements of the Regional Municipality of Niagara (the “Niagara Region”), including the sinking fund financial statements and the trust fund financial statements, Appendix 2 of Report AC-C 17-2019, for the year ended December 31, 2018, **BE APPROVED**; and
2. That the audit findings report pertaining to the audited consolidated financial statement, Appendix 3 of Report AC-C 17-2019, of the Niagara Region for the year ended December 31, 2018 **BE RECEIVED** for information.

Carried

6. CONSENT ITEMS FOR INFORMATION

Moved by Councillor Whalen
Seconded by Councillor Redekop

That the following items **BE RECEIVED** for information:

AC-C 14-2019
Q2 2019 Follow-up Status of Internal Audit Recommendations

AC-C 15-2019
Internal Audit Plan Progress Update Dashboard

AC-C 18-2019
Niagara Regional Housing 2019 Draft Audited Financial Statements

Carried

8. NEXT MEETING

The next meeting will be held on Monday, June 24, 2019 at 1:00 p.m. in the Council Chamber.

9. ADJOURNMENT

There being no further business, the meeting adjourned at 1:51 p.m.

Tim Rigby
Committee Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk

MEMORANDUM

AC-C 39-2018

Subject: Consideration of Reimbursement for Expense

Date: September 10, 2018

To: Audit Committee

From: Ann-Marie Norio, Regional Clerk

Regional staff are in receipt of an expenditure for a Councillor expense that falls outside of the Regional Council Expense Policy. This expenditure occurred during the “old” expense policy, however, was submitted under the “current” expense policy.

Under the policy, any expenditures submitted but not processed in accordance with this policy can be submitted to the Audit Committee to provide a recommendation on reimbursement to Council.

The particular expenditure to be considered by Audit Committee relates to expenditures for legal costs and as such Section 4.9 (d) of the policy applies:

d) Requests for reimbursement of legal costs outside this policy or the legal indemnification policy shall be submitted to the Audit Committee for recommendation to Council.

It is being requested that Audit Committee recommend to Council that this expenditure for legal fees in the amount of \$ 6732.00 be approved.

Respectfully submitted and signed by

Ann-Marie Norio
Regional Clerk

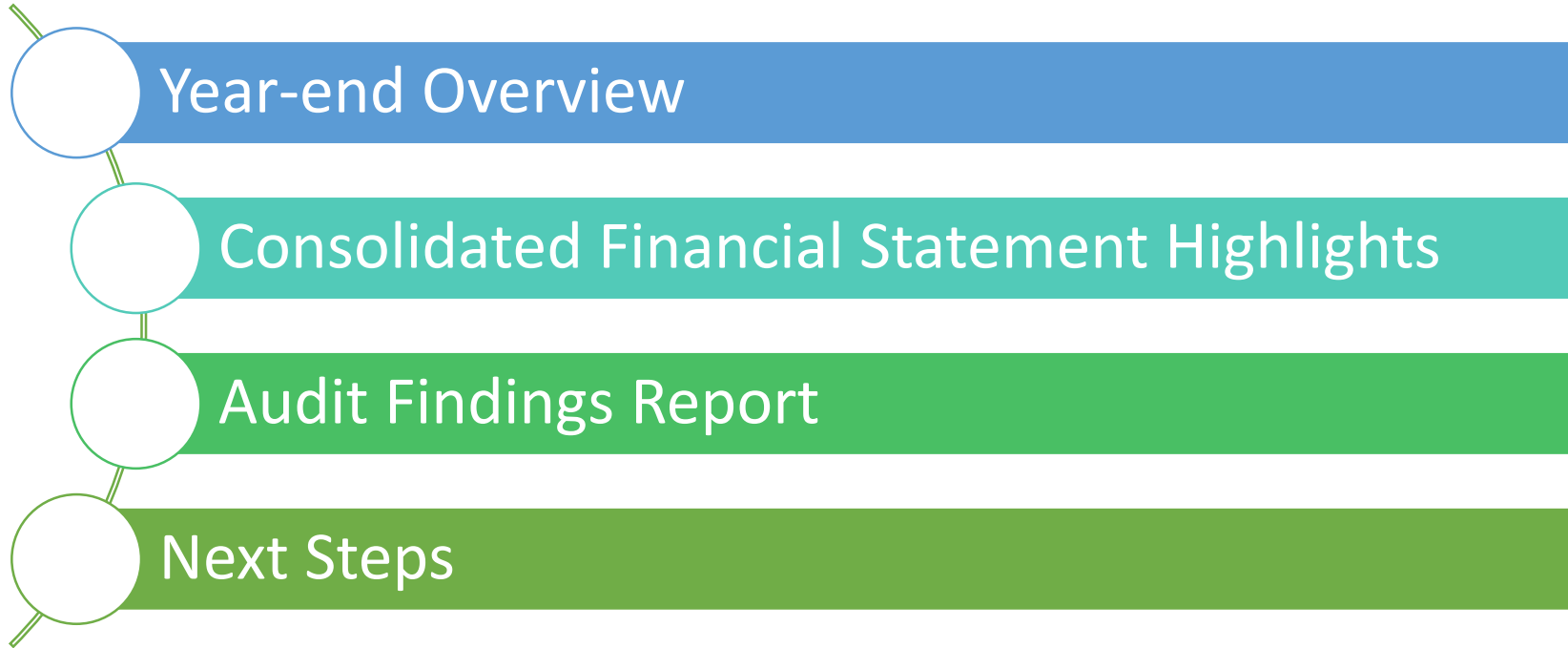
2018

2018 Consolidated Financial Statement Highlights

Audit Committee

May 6, 2019

Agenda



Year-end Overview

Activity	2018	2017
Audit Planning Report	AC – Sept. 10, 2018	AC – Sept. 18, 2017
Q1 Financial Update	CSC – June 6, 2018 Council – June 14, 2018	N/A N/A
Q2 Financial Update	CSC – Sept. 5, 2018 Council – Sept. 13, 2018	CSC – Sept. 6, 2017 Council – Sept. 14, 2017
Q3 Financial Update	CSC – Jan. 9, 2019* Council – Jan. 17, 2019	CSC – Nov. 29, 2017 Council – Dec. 7, 2017
Q4 Financial Update & Year-end Transfer report	CSC – Mar. 20, 2019 Council – Mar. 28, 2019	CSC – Mar. 7, 2018 Council – Mar. 22, 2018
Audit Committee Review	May 6, 2019	May 7, 2018
Council Approval	May 16, 2019	May 24, 2018

*Memorandum only

Year-end Overview

2018 Year-end Statistics

715 active
Dept ID's
across
14 Lines of
Business

Journal Entries Approved

2018 – 3,677
2017 – 3,646

PO's greater than \$25k

2018 – 1,184
2017 – 1,023

Invoices Paid

2018 – 102,407
2017 – 96,075

Basis for **20**
financial
statement
audit reports
(including
ABC's)

2018 Audit Plan Highlights

- **Control Reliance Approach**
 - Deloitte tested our controls in order to place reliance on them
- **Risk Based Approach**
 - Significant risks were assessed and resulted in specific audit procedures
- **Materiality**
 - Determined on a basis of total revenues
 - Misstatements greater than 5% of materiality reported to audit committee
 - No corrected or uncorrected misstatements identified or corrected
 - Financial statements are free from material misstatements

Presentation Reconciliation

Key highlights between what you see at Council vs. Audited PSAS financials

Budget Financials	Audited Financials
Functional basis – Levy, Rate, Capital	Canadian Public Sector Accounting Standards
Used for setting tax rates	Used for credit rating, annual report, MBN
Encumbrance accounting	Accrual accounting
Reserve accounting	Excludes reserve transfers
Excludes unfunded liabilities (i.e. EFB, landfill)	Includes all liabilities
Capital is based on funding sources	Capital is expensed through depreciation
Not consolidated	Consolidated
Budget created to manage at program level	Audited statements summarized at overall financial position

Reconciliation of Surplus

(in thousands)	2018	2017
Water & Wastewater Surplus	\$ 2,079	\$ 89
Waste Management Surplus	1,551	5,682
Levy Surplus (Deficit)	<u>1,828</u>	<u>(3,654)</u>
Operating Surplus (per Quarterly Financial Update)	5,458	2,117
Net Capital Activity	(48,924)	(57,970)
Net Funding Activity	99,998	102,269
Change in unfunded liabilities	<u>15,296</u>	<u>1,247</u>
Annual Surplus per PSAS Consolidated financial statements	\$ 71,828	\$ 47,663

Statement of Operations (Page 6)

Revenues

Budget to Actual (in thousands)	Change
Budget revenues per Financial Statements	\$ 973,834
<u>Significant changes</u>	
Requisitions on local governments (higher supplemental taxes)	3,498
User charges (higher NRH rental revenue, higher parent fee contributions)	2,114
Government transfers, Ontario (SAEO – lower funding as caseloads stabilized)	(5,896)
Development charges (timing of development charge revenue for CSO)	(5,090)
Other/Miscellaneous (investment income, proceeds on sale of surplus properties, NPCA differential)	<u>10,669</u>
Actual revenues	\$ 979,129

Statement of Operations (Page 6)

Expenses

Budget to Actual (in thousands)	Change
Budget expenses per Financial Statements	\$929,683
<u>Significant changes</u>	
Higher expenses in General government (labour relations)	665
Lower expenses in Transportation services (savings in personnel costs)	(2,260)
Lower expenses in Environmental Services (Combined Sewer Overflow/utilities)	(18,240)
Lower expenses in Social and family services (lower SAE0 benefits/stabilized caseloads)	(5,915)
Lower expenses in Social housing (provider payments)	(517)
Higher expenses in Planning and development (grant payments)	4,457
Other	(572)
Actual expenses	\$ 907,301

Statement of Financial Position (Page 5)

Employee Future Benefits (Note 4, Page 13) & Landfill Liability (Note 6, Page 19)

(in thousands)	2018	
	Employee Future Benefits	Landfill
Liability	\$ 104,421	\$ 61,397
Reserves	\$ 34,539	\$ 8,288
Funded Status	33%	14%

- These liabilities are unfunded and are only adjusted annually – no adjustments are made for quarterly reporting purposes

Statement of Financial Position (Page 5)

Long-term Liabilities (Note 8, Page 20)

(in thousands)	2018	2017	Change
Long-term liabilities	\$662,658	\$631,922	\$ 30,736
Less: Debt recoverable from LAMS	<u>(305,684)</u>	<u>(285,412)</u>	<u>(20,272)</u>
Net Region long-term liabilities	<u>\$356,974</u>	<u>\$346,510</u>	<u>\$ 10,464</u>

- Issued \$39.0 million in Regional debt; repaid \$26.6 million
- New debt issued for police, roads, health, housing programs, water and waste management
- Debt of \$48.2 million issued on behalf of the LAM's; repaid \$28.0 million

Audit Findings Report – Trevor Ferguson

- Audit Findings report included (Appendix 3)
- Unqualified audit opinion
- No 2018 Management letter to Audit Committee

Next Steps

Financial Statement Approval

Consolidated Financial Statements

- Approval from Audit Committee
- Final Audit Report to be issued by Deloitte

Program Financial Statements

- Sent to Audit Committee for information in June and September

Annual Report

- To be published in May

Questions?

Beth Brens

Associate Director, Reporting & Analysis

905-980-6000 x 3612

beth.brens@niagararegion.ca

Subject: 2018 Audited Consolidated Financial Statements

Report to: Audit Committee

Report date: Monday, May 6, 2019

Recommendations

1. That the audited consolidated financial statements of the Regional Municipality of Niagara (the “Niagara Region”), including the sinking fund financial statements and the trust fund financial statements attached as Appendix 2, for the year ended December 31, 2018 **BE APPROVED**; and
2. That the audit findings report pertaining to the audited consolidated financial statement, attached as Appendix 3, of the Niagara Region for the year ended December 31, 2018 **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to comply with the Audit Committee terms of reference that the Audit Committee satisfy itself, on behalf of the Regional Council, that Niagara Region’s annual consolidated financial statements are fairly presented in accordance with generally accepted accounting principles and to recommend to Council whether the annual financial statements should be approved.
- The requirement for an annual audit is established in the Municipal Act, 2001, S.O. 2001, c.25 paragraphs 294.1 through 296.1.
- Niagara Region received an unqualified audit opinion and no management letter points for the year ended December 31, 2018.
- Year-end funding surplus results were reported in CSD 21-2019 Year End Results and Transfer Report and are consistent with the results reported in the consolidated financial statements adjusted for accrual accounting presentation required of Public Sector Accounting Standards (PSAS). A reconciliation of the two presentation methodologies is provided in Appendix 1.

Financial Considerations

The consolidated financial statements have been prepared in compliance with legislation and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

The Niagara Region budget to actual results (funding surplus) are prepared and reported on a quarterly basis on (used as a tool to manage funding requirements))

whereas the consolidated financial statements are prepared using PSAS. Appendix 1 reconciles the surplus per the audited Consolidated Statement of Operations to the funding surplus based on the budget approach previously presented and significant variances explained in CSD 21-2019.

A draft copy of the Niagara Region's consolidated financial statements for the year ended December 31, 2018 is attached (Appendix 2). In addition, Deloitte audit findings report for the year end December 31, 2018 is also attached (Appendix 3).

Analysis

The consolidated financial statements of the Niagara Region, including the sinking fund financial statements and the trust fund financial statements, for the year ended December 31, 2018 have been audited.

The Region's external auditor (Deloitte) has indicated that in their opinion, the consolidated financial statements present fairly, in all material respects. The fair presentation as of December 31, 2018 includes the consolidated statement of financial position, consolidated statement of operations and accumulated surplus, consolidated changes in net debt, as well as the consolidated cash flows for the year then ended in accordance with Canadian PSAS.

The consolidated financials reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Region and which are owned or controlled by the Region. These entities and organizations include:

- Niagara Regional Housing
- Court Services Operations
- Niagara Regional Police Services

The consolidated financial statements are prepared using PSAS making them comparable to other municipalities in Canada.

During the course of the consolidated financial statement audit, the external auditor (Deloitte) makes note of any observed internal control weaknesses and makes suggestions for improvements through management letter comments. There are no management letter points for the 2018 consolidated financial statement audit.

In June 2010 the Niagara Region issued sinking fund debentures by way of bylaw 76-

2010. The first payment into the sinking fund occurred in June 2011. The Municipal Act, 2001, S.O. 2001, c 25 paragraphs 409.6 requires the municipal auditor to certify the balance in the sinking fund each year.

As per Ontario Regulation 79/10, section 241.(10) of the Long Term Care Homes Act, 2007, every licensee of a long-term care home must have each resident trust account audited annually.

In accordance with Canadian Auditing Standards, the consolidated financial statements will be dated on the date in which the recognized authority with respect to the financial statements has approved the statements. In the case of the Region, this authority lies with Council, and as such, the signed Auditor's report will be received on the date when the statements are approved by Council. Until that approval is received the consolidated financial statements are marked draft.

Upon completion of the 2018 Annual Report, the financial statements will be available to the public on the Niagara Region website:

<http://www.niagararegion.ca/business/finance/annual-reports/default.aspx>

Alternatives Reviewed

The consolidated financial statements are prepared using Public Sector Accounting Standards therefore no alternative available.

Relationship to Council Strategic Priorities

One of the previous Council's strategic priorities was Advancing Organizational Excellence. Organization Excellence was achieved through receiving an unqualified audit opinion on our Consolidated Financial Statements and by not receiving a management letter indicating opportunities for process improvements from Deloitte for 2018.

Other Pertinent Reports

- CSD 21-2019, Corporate Services Committee, March 20, 2019

Prepared by:

Beth Brens, CPA, CA
Acting Associate Director, Reporting &
Analysis
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 reviewed by Helen Chamberlain, CPA, CA, Director of Financial Management and Planning.

Appendices

Appendix 1	Annual Surplus Reconciliation	5
Appendix 2	Draft 2018 Consolidated Financial Statements	6
Appendix 3	2018 Deloitte Audit Findings Report	51

Appendix 1: Annual Surplus Reconciliation

(in thousands)	<u>Approved Budget</u>	<u>2018</u>	<u>2017</u>
Based on budget approach			
Water & Wastewater surplus	\$ -	\$ 2,079	\$ 89
Waste Management surplus	-	1,551	5,682
Levy surplus (deficit)	-	1,828	(3,654)
Operating Surplus based on CSD 21-2019	-	5,458	2,117
PSAS Presentation Adjustments:			
Capital			
Recognize amortization	(82,301)	(82,301)	(85,944)
Recognize in year capital program revenues	44,722	44,969	35,233
Recognize capital fund expenditures resulting in operating expenses	(9,033)	(9,154)	(9,261)
Recognize operating fund expenditures resulting in capital assets	1,794	1,794	9,003
Recognize proceeds & loss on disposal of assets	(4,232)	(4,232)	(6,998)
Capital Subtotal	(49,050)	(48,924)	(57,967)
Funded			
Remove principal debt repayments	39,665	26,571	28,297
Remove net transfers to reserves (including interest allocation)	38,662	72,976	73,558
Recognize interest earned on sinking fund investments	-	452	411
Funded Subtotal	78,327	99,998	102,266
Unfunded			
Recognize change in landfill liability	17,794	17,794	1,170
Recognize contaminated site liability	-	-	-
Recognize power dams liability	-	422	422
Recognize change in unfunded employee future benefits liability	(2,920)	(2,920)	(345)
Unfunded Subtotal	14,874	15,296	1,247
Annual surplus per PSAS consolidated financial statements	\$ 44,151	\$ 71,828	\$ 47,663

A balanced operating budget, developed for the purposes of setting tax rates and user fees, was approved by Council on December 7, 2017. The operating surplus presented at the top of the chart represents the actual financial results of the Region compared to the operating budget. Since the Region is required to report its annual surplus using Public Sector Accounting standards (PSAS), a number of adjustments are required in order for the financial results to conform with PSAS. For example, in the operating budget capital projects are recognized when funding is allocated, however in order to conform with PSAS an adjustment is required as capital projects should be expensed over time through amortization, rather than immediately.

CONSOLIDATED FINANCIAL STATEMENTS OF

THE REGIONAL MUNICIPALITY OF NIAGARA

For the year ended December 31, 2018

THE REGIONAL MUNICIPALITY OF NIAGARA

INDEX

December 31, 2018

CONSOLIDATED FINANCIAL STATEMENTS

Managements Responsibility for the Consolidated Financial Statements	2
Independent Auditors' Report on Consolidated Financial Statements	3
Consolidated Statement of Financial Position	5
Consolidated Statement of Operations	6
Consolidated Statement of Change in Net Debt	7
Consolidated Statement of Cash Flows	8
Notes to Consolidated Financial Statements	9

SINKING FUND FINANCIAL STATEMENTS

Independent Auditors' Report on Sinking Fund Financial Statements	35
Sinking Fund Statement of Financial Position	37
Sinking Fund Statement of Financial Activities and Fund Balances	38
Sinking Fund Statement of Cash Flows	39
Notes to Sinking Fund Financial Statements	40

TRUST FUNDS FINANCIAL STATEMENTS

Independent Auditors' Report on Trust Fund Financial Statements	41
Trust Fund Statement of Financial Position	43
Trust Fund Statement of Financial Activities in Fund Balance	44
Trust Fund Statement of Cash Flows	45
Notes to Trust Fund Financial Statements	46

THE REGIONAL MUNICIPALITY OF NIAGARA

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of The Regional Municipality of Niagara (the "Region") are the **responsibility of the Region's management and have been prepared in accordance with** Canadian Public Sector Accounting Standards. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of consolidated **financial statements necessarily involves the use of estimates based on management's** judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Region's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Region. The accompanying Independent **Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Region's** consolidated financial statements.

Todd Harrison,

Commissioner of Enterprise Resource Management Services/Treasurer

May 6, 2019

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
the Regional Municipality of Niagara

Opinion

We have audited the consolidated financial statements of Regional Municipality of Niagara (the "Region"), which comprise the consolidated statement of financial position as at December 31, 2018, and the consolidated statements of operations and changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Region as at December 31, 2018, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Region in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Region's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Region's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Region's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Region to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Region to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants
Licensed Public Accountants
April __, 2019

THE REGIONAL MUNICIPALITY OF NIAGARA

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2018 (In thousands of dollars)

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 106,902	\$ 143,765
Investments (note 2)	585,420	480,130
Accounts receivable (note 3)	80,713	78,582
Other current assets	329	212
Tangible capital assets held for sale	756	3,515
Debt recoverable from others (note 8)	305,684	285,412
	<u>1,079,804</u>	<u>991,616</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	114,195	122,221
Employee future benefits and post-employment liabilities (note 4)	104,421	101,403
Deferred revenue (note 5)	178,320	142,222
Landfill closure and post-closure liability (note 6)	61,397	79,191
Long-term liabilities (note 8)	662,658	631,922
	<u>1,120,991</u>	<u>1,076,959</u>
Net debt	(41,187)	(85,343)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 9)	1,755,117	1,731,150
Inventory	7,360	7,319
Prepaid expenses	20,836	17,172
	<u>1,783,313</u>	<u>1,755,641</u>
Accumulated surplus (note 10)	\$ 1,742,126	\$ 1,670,298

The accompanying notes are an integral part of these consolidated financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31, 2018 (In thousands of dollars)

	2018 Budget (note 18)	2018 Actual	2017 Actual
REVENUES			
Taxation and user charges:			
Levies on area municipalities	\$ 359,806	\$ 363,304	\$ 350,157
User charges	214,527	216,641	217,219
	574,333	579,945	567,376
Government transfers (note 16):			
Government of Canada	23,549	24,986	25,915
Province of Ontario	329,447	322,020	294,769
Other municipalities	514	608	1,967
	353,510	347,614	322,651
Other:			
Development charges earned	18,477	13,387	11,761
Investment income	15,679	16,613	15,993
Provincial offences	6,740	7,336	6,812
Miscellaneous	5,095	14,234	9,952
	45,991	51,570	44,518
Total revenues	973,834	979,129	934,545
EXPENSES (Note 17)			
General government	42,842	43,507	42,100
Protection to persons and property	190,067	189,911	185,360
Transportation services	68,323	66,063	63,688
Environmental services	142,020	123,780	143,508
Health services	98,915	98,499	92,751
Social and family services	303,891	297,976	279,678
Social housing	64,612	64,095	67,130
Planning and development	19,013	23,470	12,667
Total expenses	929,683	907,301	886,882
Annual surplus	44,151	71,828	47,663
Accumulated surplus, beginning of year	1,670,298	1,670,298	1,622,635
Accumulated surplus, end of year	\$ 1,714,449	\$ 1,742,126	\$ 1,670,298

The accompanying notes are an integral part of these consolidated financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT

For the year ended December 31, 2018 (In thousands of dollars)

	2018 Budget (note 18)	2018 Actual	2017 Actual
Annual surplus	\$ 44,151	\$ 71,828	\$ 47,663
Acquisition of tangible capital assets	(104,040)	(104,039)	(116,971)
Contributed tangible capital assets	(3,615)	(3,615)	(428)
Transfers from tangible capital assets held for sale	(2,758)	(2,759)	(6,792)
Amortization of tangible capital assets	82,301	82,301	85,944
Loss on sale of tangible capital assets	1,295	1,295	2,042
Proceeds on sale of tangible capital assets	2,850	2,850	5,127
Change in inventory	-	(41)	(414)
Change in prepaid expenses	-	(3,664)	(1,670)
Change in net debt	20,184	44,156	14,501
Net debt, beginning of year	(85,343)	(85,343)	(99,844)
Net debt, end of year	\$ (65,159)	\$ (41,187)	\$ (85,343)

The accompanying notes are an integral part of these consolidated financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2018 (In thousands of dollars)

	2018	2017
OPERATING ACTIVITIES		
Annual surplus	\$ 71,828	\$ 47,663
Items not involving cash:		
Amortization of tangible capital assets	82,301	85,944
Loss on sale of tangible capital assets	1,295	2,042
Contributed tangible capital assets	(3,615)	(428)
Change in employee future benefits and post-employment liabilities	3,018	339
Change in landfill closure and post-closure liability	(17,794)	(1,170)
Change in non-cash assets and liabilities:		
Accounts receivable	(2,131)	6,065
Other current assets	(117)	57
Accounts payable and accrued liabilities	(8,026)	(2,590)
Deferred revenue	36,098	29,222
Inventory	(41)	(414)
Prepaid expenses	(3,664)	(1,670)
Net change in cash from operating activities	159,152	165,060
CAPITAL ACTIVITIES		
Proceeds on sale of tangible capital assets	2,850	5,127
Cash used to acquire tangible capital assets	(104,039)	(116,971)
Net change in cash from capital activities	(101,189)	(111,844)
INVESTING ACTIVITIES		
Proceeds on sale of investments	35,135	56,692
Purchase of investments	(140,425)	(98,237)
Net change in cash from investing activities	(105,290)	(41,545)
FINANCING ACTIVITIES		
Proceeds on debt issued and assumed	38,999	59,796
Long-term debt repaid	(26,759)	(29,815)
Increase in sinking fund assets	(1,776)	(411)
Net change in cash from financing activities	10,464	29,570
Net change in cash	(36,863)	41,241
Cash, beginning of year	143,765	102,524
Cash, end of year	\$ 106,902	\$ 143,765
Cash paid for interest	12,993	12,430
Cash received from interest	15,175	15,256
Investing and financing activities on behalf of others:		
Debt issued on behalf of others	48,230	50,247
Repayment made on behalf of others	27,956	27,386

The accompanying notes are an integral part of these consolidated financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

1. Significant accounting policies:

The Regional Municipality of Niagara (the "Region") is an upper-tier municipality in the Province of Ontario (the "Province"), Canada. The provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation guide its operations.

The consolidated financial statements of The Regional Municipality of Niagara are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant accounting policies adopted by the Region are as follows:

(a) Basis of consolidation:

(i) Consolidated entities:

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity. The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Region and which are owned or controlled by the Region. These entities and organizations include:

Niagara Regional Police Services

Niagara Regional Housing

Court Services Operations

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.

(ii) Trust funds:

Trust funds and their related operations administered by the Region are not included in these consolidated financial statements.

(b) Basis of accounting:

The Region follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(c) Investments:

Investments consist of bonds and money market notes and are stated at the lower of cost and market value. Gains and losses on investments are recorded when incurred.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

1. Significant accounting policies (continued):

(f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life - Years
Landfill and land improvements	3 – 50
Building and building improvements	3 – 60
Vehicles, machinery and equipment	- Vehicles 4 – 20
	- Machinery and equipment 3 – 60
Water and wastewater infrastructure	25 – 100
Roads infrastructure	- Base 40
	- Bridge and culvert 60
	- Surface 10

Landfill sites are amortized using the units of production method based upon capacity used during the year.

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction (work in progress) are not amortized until the asset is in service.

(ii) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

(iii) Intangible assets:

Intangible assets and natural resources that have not been purchased are not recognized as assets in the consolidated financial statements.

(iv) Interest capitalization:

The Region's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of a tangible capital asset.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

1. Significant accounting policies (continued):

(f) Non-financial assets (continued):

(v) Leases:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

(vi) Inventories:

Inventories held for consumption are recorded at the lower of cost and replacement cost.

(g) Reserves and reserve funds:

Certain amounts, as approved by Regional Council are set aside in reserves for future operating and capital purposes. Transfers to and/or from reserves are an adjustment to the respective reserve when approved. Reserves are presented on the consolidated statement of financial position in accumulated surplus.

(h) Government transfers:

Government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made, except when and to the extent that stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

(i) Deferred revenue:

Deferred revenues represent development charges collected under the Development Charges Act (1997), grants, user charges and fees which have been collected but for which the related services have yet to be performed. These amounts are recognized as revenues in the fiscal year the services are performed.

(j) Taxation revenue:

Property tax revenue is recognized on an accrual basis when the tax is authorized by the passing of the tax levy by-law. Taxes are levied on properties listed on the assessment roll at the time the by-law is passed based on approved budget and tax rates. Supplementary taxation is recognized as additional billings are issued for properties that are added to the assessment roll during the year.

At year end, the Region evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes the liability if the amount can be reasonably estimated.

(k) Investment income:

Investment income earned on surplus current fund, capital fund, reserves and reserve funds (other than development charge reserve funds) are reported as revenue in the period earned. Investment income earned on development charge reserve funds is added to the fund balance and forms part of the deferred development charges balance.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

1. Significant accounting policies (continued):

(l) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for tax write-offs, accrued liabilities, landfill closure and post-closure liability, contaminated site liability, certain payroll liabilities and in performing actuarial valuations of employee future benefits and post-employment liabilities. Amounts recorded for amortization of tangible capital assets are based on estimates of useful service life. Actual results could differ from these estimates.

(m) Municipal cost-sharing:

The Region acts as an intermediary to administer capital projects for the acquisition of assets belonging to local area municipalities. Funding received and expenses incurred relating to the local area municipalities share of these projects amounted to \$982 (2017 - \$4,312) and is not reflected in these consolidated financial statements.

2. Investments:

Investments reported on the consolidated statement of financial position at the lower of cost or market have market values as follows:

	2018		2017	
	Cost	Market Value	Cost	Market Value
Investments	\$ 585,420	\$ 594,219	\$ 480,130	\$ 490,658

The Region has purchased \$5,961 (2017- \$5,141) of its own debentures issued on behalf of itself and local area municipalities which have not been cancelled. This investment in own debentures is included in investments on **the consolidated statement of financial position. The Region's share of the gross outstanding amount of these** debentures is \$39,742 (2017 - \$917). Coupon rates for these debentures ranged from 3.10% to 3.95%.

3. Accounts receivable:

Accounts receivable are reported net of a valuation allowance of \$643 (2017 - \$1,128).

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

4. Employee future benefits and post-employment liabilities:

The Region provides certain employee benefits which will require funding in future periods. These benefits include benefits **under the Workplace Safety and Insurance Board ("WSIB") Act**, sick leave, life insurance, extended health and dental benefits for early retirees.

	2018	2017
Workplace Safety & Insurance Board	\$ 42,407	\$ 41,394
Accumulated Sick Leave	13,544	14,149
Retiree benefits	34,909	34,267
Vacation pay	9,587	8,953
Other post-employment liabilities	3,974	2,640
Total employee future benefits and post-employment liabilities	\$ 104,421	\$ 101,403

Employee future benefits and post-employment benefits reported on the consolidated statement of financial position by entity consist of the following:

	2018	2017
Niagara Regional Police Services	\$ 59,976	\$ 57,006
Niagara Regional Housing	1,738	1,390
Niagara Region	42,707	43,007
Total	\$ 104,421	\$ 101,403

The Region has established reserve funds to mitigate the future impact of these obligations. These reserves were created under municipal by-law and do not meet the definition of a plan asset under PSAS PS3250 Retirement Benefits. Therefore, for the purposes of these financial statements, the plans are considered unfunded. These reserve funds are presented in the consolidated statement of financial position within accumulated surplus. Reserves relating to these liabilities are summarized by entity below:

	2018	2017
Niagara Regional Police Services	\$ 8,902	\$ 8,702
Niagara Regional Housing	793	793
Niagara Region	24,845	24,994
Total (Note 10)	\$ 34,539	\$ 34,489

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

4. Employee future benefits and post-employment liabilities (continued):

Information about the Region's benefit plans is as follows:

2018				
	Niagara Regional Police	Niagara Regional Housing	Niagara Region	Total
Accrued benefit obligation:				
Balance, beginning of year	\$ 59,187	\$ 1,779	\$ 37,098	\$ 98,064
Current benefit cost	5,370	344	2,481	8,195
Interest	1,724	51	826	2,601
Actuarial loss (gain)	3,761	(1,591)	11,584	13,754
Benefits paid	(5,184)	(123)	(2,809)	(8,116)
Balance, end of year	64,858	460	49,180	114,498
Unamortized actuarial gain (loss)	(4,882)	1,278	(6,473)	(10,077)
Liability	\$ 59,976	\$ 1,738	\$ 42,707	\$ 104,421

2017				
	Niagara Regional Police	Niagara Regional Housing	Niagara Region	Total
Accrued benefit obligation:				
Balance, beginning of year	\$ 58,125	\$ 1,462	\$ 36,671	\$ 96,259
Current benefit cost	2,865	344	1,966	5,175
Interest	1,774	45	845	2,664
Actuarial loss (gain)	1,349	35	395	1,779
Benefits paid	(4,926)	(107)	(2,779)	(7,813)
Balance, end of year	59,187	1,779	37,098	98,064
Unamortized actuarial gain (loss)	(2,181)	(389)	5,909	3,339
Liability	\$57,006	\$1,390	\$43,007	\$101,403

Included in expenses is \$338 (2017 - \$313) for amortization of the actuarial gain. The unamortized actuarial gain is amortized over the expected average remaining service life as listed below:

Accumulated Sick Leave Benefit Plan entitlements	6 - 12 years
Retiree benefits	16 - 21 years

The most recent actuarial valuation was completed as at December 31, 2018 with estimates to December 31, 2021.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

4. Employee future benefits and post-employment liabilities (continued):

Workplace Safety and Insurance Board ("WSIB")

With respect to responsibilities under provisions of the Workplace Safety and Insurance Act the Region has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities of the Region under the provisions of the Workplace Safety and Insurance Act has been completed and forms the basis for the estimated liability reported in these financial statements.

The unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 11 years.

The main actuarial assumptions employed for the valuation are as follows:

Discount rate

The obligation of the present value of future liabilities as at December 31, 2018 and the expense for the year ended December 31, 2018, were determined using a discount rate of 3.75% (2017 – 2.9%).

Administration costs

Administration costs were assumed to be 32% (2017 – 34.3%) of the compensation expense.

Compensation expense

Compensation costs include loss of earnings benefits, health care costs and non-economic loss awards, were assumed to increase at a rate of 2.0% per annum (2017 – 2.0%).

Accumulated sick leave

Under the accumulated sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the **Region's** employment.

The main actuarial assumptions employed for the valuation are as follows:

Discount rate

The obligation as at December 31, 2018, of the present value of future liabilities and the expense for the year ended December 31, 2018, were determined using a discount rate of 3.75% (2017 – 2.9%).

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

4. Employee future benefits and post-employment liabilities (continued):

Retiree benefits

The Region pays certain life insurance benefits on behalf of retired employees as well as extended health and dental benefits for early retirees to age 65 and Health Care Spending Accounts for certain retirees until the age of 70 or 75 depending on year of retirement. The Region recognizes these post-retirement costs in the period in which the employees rendered the services.

The unamortized actuarial loss on retiree benefits is amortized over the expected average remaining service life of 10 years.

The main actuarial assumptions employed for the valuations are as follows:

Discount rate

The obligation as at December 31, 2018, of the present value of future liabilities and the expense for the year ended December 31, 2018, were determined using a discount rate of 3.75% (2017 - 3.0%).

Medical costs

Medical costs were assumed to increase at the rate of 3.42% (2017 - 6.25%) per year, reducing to 2.75% in 2022 and thereafter.

Dental costs

Dental costs were assumed to increase at the rate of 2.75% (2017 - 3%) per year.

Inflation

Inflation was assumed to be 1.75% (2017 – 2.0%) per year.

Other pension plans

The Region makes contributions to the Ontario Municipal Employees Retirement Fund ("OMERS"), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Region accounts for its participation in OMERS as a defined contribution plan. The OMERS Plan ended 2018 with a funding deficit of \$4.2 billion. The funded ratio has increased to 96% from 94% in 2017. The funded ratio has increased for the sixth consecutive year.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

4. Employee future benefits and post-employment liabilities (continued):

Other pension plans (continued)

The amount contributed to OMERS for 2018 was \$30,473 (2017 - \$29,459) for current service and is included as an expense **on the consolidated statement of operations**. **Employees' contribution to OMERS in 2018** were \$30,453 (2017 - \$29,459).

Contributions for employees with a normal retirement age of 65 were being made at rate of 9.0% (2017 – 9.0%) for earnings up to the yearly maximum pensionable earnings of \$55.90 (2017 - \$55.30) and at a rate of 14.6% (2017 – 14.6%) for earnings greater than the yearly maximum pensionable earnings. For uniformed police officers with a normal retirement age of 60, those rates were 9.2% (2017 - 9.2%) and 15.8% (2017 - 15.8%) respectively.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

5. Deferred revenue:

In accordance with PSAS, obligatory reserve funds are reported as deferred revenue. The Region treats development charges and gas tax as obligatory reserve funds. The Region has obligatory reserve funds in the amount of \$154,762 (2017 - \$116,321). These reserve funds are considered obligatory as Provincial and Federal legislation restricts how these funds may be used, and under certain circumstances, how these funds may be refunded.

Amounts related to development charges collected are recognized as revenue when the Region has approved and incurred the expenses for the capital works for which the development charges were raised. These funds have been set aside, as required by the Development Charges Act (1997), to defray the cost of growth related capital projects associated with new development.

In 2008, Investing in Ontario approved a total funding of \$20,157 for capital infrastructure. Revenue is recognized as expenses are incurred. The remaining balance of \$10,617 has been set aside for the construction of the South Niagara East-West Corridor. This project is planned for 2020 - 2021.

The deferred revenues, reported on the consolidated statement of financial position, are made up of the following:

	2018	2017
Development charges	\$ 134,530	\$ 97,197
Gas tax	20,232	19,124
Obligatory reserve funds	154,762	116,321
Investing in Ontario Grant	10,617	10,617
Other deferred revenue	12,941	15,284
Balance, end of year	\$ 178,320	\$ 142,222

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

5. Deferred revenue (continued):

The continuity of obligatory reserve funds are summarized below:

Development charges:

	2018	2017
Balance, beginning of year	\$ 97,197	\$ 81,591
Externally restricted inflows	48,817	26,521
Revenue earned	(13,387)	(11,761)
Investment income	1,903	846
Balance, end of year	\$ 134,530	\$ 97,197

Gas tax:

	2018	2017
Balance, beginning of year	\$ 19,124	\$ 12,181
Externally restricted inflows	14,416	14,110
Revenue earned	(13,630)	(7,315)
Investment income	323	148
Balance, end of year	\$ 20,233	\$ 19,124

6. Landfill closure and post-closure liability:

The Region owns and monitors 14 landfill sites, two of which are open and operating. The liability for closure of operational sites and post-closure care has been recognized based upon the usage of the site's capacity during the year. Landfill closure and post-closure care are activities that are expected to occur in perpetuity and requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The costs were based upon the 2018 budget and inflation adjusted at a rate of 1.75% per annum (2017 – 2.0%) until the end of contamination. These costs were then discounted to December 31, 2018 using a discount rate of 3.75% (2017 – 3.1%). Post-closure care is estimated to be required for the contaminating lifespan of landfill sites up to 40 years (2017 – 40 years). The liability for closure and post-closure care as at December 31, 2018 is \$61,397 (2017 - \$79,191). Estimated total expenditures for closure and post-closure care are \$75,440 (2017 - \$101,893). The liability remaining to be recognized is \$14,043 (2017 - \$22,702). It is estimated that the life of open landfill sites range from 32 to 47 years with an estimated total remaining capacity of 3,473 cubic meters.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

7. Contaminated site liability:

A liability for the remediation of contaminated sites is recognized as the best estimate of the amount required to remediate the contaminated sites when the following criteria are met: contamination exceeding an environmental standard exists, the Region is either directly responsible or accepts responsibility for the remediation, it is expected that the future economic benefit will be given up, and a reasonable estimate of the amount is **determinable**. If the likelihood of the Region's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the notes to the financial statements.

As at December 31, 2018 there are no contaminated sites that meet the specified criteria and no liability (2017 - \$nil) for contaminated sites has been recorded in the consolidated financial statements.

8. Net long-term liabilities:

- (a) As well as incurring long-term liabilities for regional purposes, the Region also incurs long-term liabilities on behalf of the area municipalities. The responsibility for raising the amounts required to service this debt lies with the respective area municipalities.

The balance of net long-term liabilities reported on the consolidated statement of financial position is made up of the following:

	2018	2017
Long-term liabilities incurred by the Region (including capital lease)	\$ 676,851	\$ 644,083
Less: Sinking fund assets	(14,193)	(12,161)
Long-term debt	\$ 662,658	\$ 631,922
Debt recoverable from others net of sinking fund assets (long-term liabilities incurred by the Region for which other entities have assumed responsibility)	(305,684)	(285,412)
Net long-term debt, end of year	\$ 356,974	\$ 346,510

- (b) The long-term liabilities in (a) issued in the name of the Region have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

8. Net long-term liabilities (continued):

- (c) The Region issued sinking fund debentures of \$78,079 payable on June 30, 2040 and bearing interest at the rate of 5.2% per annum. The sinking fund debentures are included in long-term liabilities in (a) and include \$9,333 borrowed on behalf of the City of St. Catharines and shown as debt recoverable from others. The City of St. Catharines share of the sinking fund assets have been removed from the debt recoverable from others in (a). Annual principal payments into the sinking fund of \$1,512 are due June 30 of each year. These payments are reflected as principal repayments in (e).
- (d) The Region is contingently liable for long-term liabilities with respect to debt issued for area municipalities, school boards, tile drainage and shoreline property assistance. The total amount outstanding as at December 31, 2018 is \$305,684 (2017 - \$285,412) and is reported on the consolidated statement of financial position as debt recoverable from others.
- (e) Principal payments to be funded by the Region, including sinking fund payments and capital lease obligations, due in each of the next five years are as follows:

	2018
2019	33,936
2020	27,745
2021	23,366
2022	23,061
2023	22,625
Thereafter	226,241
	<u>\$ 356,974</u>

- (f) Total interest on net long-term liabilities which are reported on the consolidated statement of operations amounted to \$13,212 in 2018 (2017 - \$12,740). The long-term liabilities bear interest at rates ranging from 1.20% to 4.90%. The interest on long-term liabilities assumed by the municipalities or by individuals in the case of tile drainage and shoreline property assistance loans are not reflected in these consolidated financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

9. Tangible capital assets:

	2018							
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Work in progress	Total
Cost								
Balance, beginning of year	\$ 221,881	\$ 98,785	\$ 764,034	\$ 621,224	\$ 364,394	\$ 740,512	\$ 114,490	\$ 2,925,320
Additions/transfers	1,691	2,538	10,617	21,010	13,234	24,453	34,111	107,654
Disposals	-	(277)	(656)	(14,612)	(37)	(5,341)	-	(20,923)
Balance, end of year	223,572	101,046	773,995	627,622	377,591	759,624	148,601	3,012,051
Accumulated Amortization								
Balance, beginning of year	-	50,853	340,825	386,901	93,679	321,912	-	1,194,170
Disposals	-	(277)	(421)	(14,095)	(18)	(4,726)	-	(19,537)
Amortization expense	-	3,293	23,106	31,014	5,058	19,830	-	82,301
Balance, end of year	-	53,869	363,510	403,820	98,719	337,016	-	1,256,934
Net Book Value, end of year	\$ 223,572	\$ 47,177	\$ 410,485	\$ 223,802	\$ 278,872	\$ 422,608	\$ 148,601	\$ 1,755,117

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

9. Tangible capital assets (continued):

	2017							
	Land	Landfill and Land Improvements	Building and Building Improvements	Vehicles, Machinery and Equipment	Water and Wastewater Infrastructure	Roads Infrastructure	Work in progress	Total
Cost								
Balance, beginning of year	\$ 207,504	\$ 92,958	\$ 742,724	\$ 592,332	\$ 330,959	\$ 729,220	\$ 124,929	\$ 2,820,626
Additions/transfers	15,677	5,904	21,849	37,724	38,415	11,292	(10,439)	120,422
Disposals	(1,300)	(77)	(539)	(8,832)	(4,980)	-	-	(15,728)
Balance, end of year	221,881	98,785	764,034	621,224	364,394	740,512	114,490	2,925,320
Accumulated Amortization								
Balance, beginning of year	-	47,163	318,705	365,115	72,495	317,076	-	1,120,554
Disposals	-	(77)	(304)	(7,664)	(4,303)	-	-	(12,328)
Amortization expense	-	3,767	22,424	29,430	25,487	4,836	-	85,944
Balance, end of year	-	50,853	340,825	386,901	93,679	321,912	-	1,194,170
Net Book Value, end of year	\$ 221,881	\$ 47,932	\$ 423,209	\$ 234,323	\$ 270,715	\$ 418,600	\$ 114,490	\$ 1,731,150

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

9. Tangible capital assets (continued):

(a) Work in progress

Work in progress having a value of \$148,601 (2017 - \$114,490) have not been amortized. Amortization of these assets will commence when the asset is put into service.

(b) Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution. Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned. The value of contributed assets transferred to the Region during the year is \$3,615 (2017 - \$428).

(c) Works of art and historical treasures

No works of art or historical treasures are held by the Region.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

10. Accumulated Surplus:

Accumulated surplus consists of balances as follows:

	2018	2017
Surplus:		
Invested in tangible capital assets	\$ 1,398,144	\$ 1,384,640
Capital fund – unexpended capital financing	226,159	189,895
Operating fund	(12,686)	(10,667)
Unfunded		
Landfill closure and post-closure liability	(61,397)	(79,191)
Employee future benefits and post-employment liabilities	(103,112)	(100,234)
Total surplus	1,447,108	1,384,443
Reserves and reserve funds set aside by Council:		
Ambulance communication	37	1,275
Circle route initiatives	1,383	1,383
Employee benefits	34,539	34,489
Encumbrances	19,494	17,531
General capital levy	26,221	24,723
Niagara Regional Housing	10,439	11,780
Court Services facilities renewal	1,650	1,650
Public liability self-insurance	2,270	2,270
Replacement of equipment	224	224
Smart growth	201	451
Taxpayer relief reserve	26,539	24,821
Waste management operations	24,330	27,136
Wastewater operations	46,228	49,130
Water operations	91,930	77,364
Landfill	8,288	5,377
Other reserves and reserve funds	1,245	6,251
Total reserves and reserve funds	295,018	285,855
Total accumulated surplus	\$ 1,742,126	\$ 1,670,298

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

11. Trust funds:

Trust funds administered by the Region amounting to \$958 (2017 - \$924) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. The financial position and activities of the trust funds are reported separately in the trust fund financial statements.

12. Commitments:

- (a) The Region has outstanding contractual obligations of approximately \$93,111 (2017 - \$76,985) for public works projects. These costs include holdbacks. The holdbacks related to work completed as of December 31, 2018 have been accrued. Regional council has authorized the financing of these obligations.
- (b) The Region is committed to paying principal and interest payments on provincial debentures issued to finance the properties transferred to Niagara Regional Housing from Ontario Housing Corporation. The debentures are outstanding in the amount of \$8,750 (2017 - \$10,429). Annual payments of \$2,159 (2017 - \$2,323) have been charged to current operations.
- (c) The Region enters into various service contracts and other agreements in the normal course of business, which have been approved by the appropriate level of management or by Council but which have not been reported as commitments.
- (d) Minimum annual lease payments:

The Region has commitments under various building, land and equipment lease agreements with minimum annual lease payments as follows:

	2018
2019	2,038
2020	1,546
2021	905
2022	395
2023	148
Thereafter	1,356
	\$ 6,388

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

13. Contingent liabilities:

At December 31, 2018, the Region has been named defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. A provision of \$10,935 (2017 - \$11,670) has been made for those claims not expected to be covered by insurance.

14. Public liability insurance:

The Region has undertaken a portion of the risk for public liability as a means of achieving efficient and cost effective risk management. The Region is self-insured for public liability claims up to \$1,000 for any individual claim and \$1,000 for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these amounts up to \$20,000 per occurrence for claims incurred prior to November 2013, and \$50,000 per occurrence for claims incurred after November 2013.

The Region has a reserve fund for allocated self-insurance claims which as at December 31, 2018 amount to \$2,270 (2017 - \$2,270) and is reported on the consolidated statement of financial position under accumulated surplus. An amount of \$nil (2017- \$nil) has been transferred from this reserve fund in the current year.

Payments charged against operations in the current year amounted to \$3,972 (2017 - \$11,233).

15. Self-funded employee benefit plans:

The Region provides a group health and dental plan for certain employees and has assumed the full liability for payment of benefits under this plan.

Payments charged against operations in the current year amounted to \$17,754 (2017 - \$17,811).

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

16. Government transfers:

The government transfers reported on the consolidated statement of operations are:

	Budget	2018	2017
Revenue:			
Government of Canada:			
General government	\$ -	\$ -	\$ -
Transportation services	12,070	12,059	9,571
Environmental services	2,602	2,602	4,668
Health services	-	53	58
Social and family services	990	2,339	2,632
Social housing	7,787	7,787	8,931
Planning and development	100	146	55
	23,549	24,986	25,915
Province of Ontario:			
General government	1,937	1,930	1,903
Protection to persons and property	9,978	10,007	9,176
Transportation services	1,569	1,558	1,129
Environmental services	1,127	1,127	1,285
Health services	61,989	62,419	60,723
Social and family services	233,599	226,638	209,037
Social housing	19,248	18,306	11,516
Planning and development	-	35	-
	329,447	322,020	294,769
Other municipalities:			
General government	70	200	169
Protection to persons and property	348	332	367
Transportation services	576	576	731
Environmental services	(480)	(500)	700
	514	608	1,967
Total revenues	\$ 353,510	\$ 347,614	\$ 322,651

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

17. Segmented information:

Segmented information has been identified based upon functional areas by the Region.

The functional areas have been separately disclosed in the segmented information as follows:

(i) General government:

General government consists of the general management of the Region, including adopting by-laws and policy, levying taxes, issuing debentures and providing administrative, technical, facility management, and financial services.

(ii) Protection to persons and property:

Protection to persons and property is comprised of Police Services and Court Services. The mandate of Police Services is to ensure the safety of the lives and property of citizens, preserve peace and good order, prevent crimes from occurring, detect offenders and enforce the law. Court Services is responsible for administering and prosecuting Provincial Offences including those committed under the Highway Traffic Act, the Compulsory Automobile Insurance Act, the Trespass to Property Act, the Liquor License Act and other provincial legislation, municipal by-laws and minor federal offences. Court Services governs all aspects of the legal prosecution process, from serving an offence notice to an accused person to conducting trials including sentencing and appeals.

(iii) Transportation services:

Transportation services is responsible for the planning, design, operation and maintenance of the roadway system, the maintenance of parks and open space, and street lights.

(iv) Environmental services:

Environmental services is responsible for the engineering and operation of the water and wastewater systems and waste management. Waste management encompasses solid waste collection and disposal and Niagara Recycling.

(v) Health services:

The Public Health Department offers a range of programs related to health services that includes protection and promotion, disease and injury prevention and also oversees the Emergency Services Division ("ESD") that encompasses both Land Ambulance ("Paramedic") Services and Land Ambulance Communications ("Dispatch") Services.

(vi) Social and family services:

The Community Services department is responsible for providing public services that sustains and supports individuals, families and communities. Programs and services are delivered through Senior Services, Children's Services, Social Assistance and Employment Opportunities and Homelessness Services and Community Engagement.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

17. Segmented information (continued):

(vii) Social housing:

Social housing is responsible for providing and advocating for secure, affordable housing in the Region.

(viii) Planning and development:

The Planning and Development department provides information to Council and the community through working with partners and community groups to support planning initiatives in the region, providing information to residents about Region programs and services. The planning and development department also supports the Region special initiatives.

Certain allocation methodologies are employed in the preparation of segmented information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenses. User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received are allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

17. Segmented information (continued):

	2018								
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Social housing	Planning and development	Total
Revenues:									
Levies on area municipalities	\$ 328,702	-	-	\$ 34,602	-	-	-	-	\$ 363,304
User charges	178	8,510	3,937	161,464	386	26,892	14,192	1,083	216,641
Government transfers	2,118	10,339	14,205	3,230	62,473	228,976	26,092	181	347,614
Development charges earned	6	33	10,953	1,890	249	-	-	256	13,387
Investment income	16,234	-	-	-	2	-	376	-	16,613
Provincial offenses	-	7,336	-	-	-	-	-	-	7,336
Miscellaneous	6,579	1,574	(1,722)	5,655	1,117	503	455	73	14,234
Total revenues	353,817	27,792	27,373	206,841	64,227	256,371	41,115	1,593	979,129
Expenses:									
Salaries, wages and employee benefits	6,084	152,946	13,927	30,084	81,503	107,727	6,451	5,328	404,050
Operating expenses	16,091	17,066	27,287	63,173	13,609	81,667	22,582	2,381	243,856
External transfers	1,229	9,250	2,229	3,390	-	104,684	27,336	15,761	163,879
Debt services	13,188	-	27	-	-	-	-	-	13,215
Amortization	6,915	10,649	22,593	27,133	3,387	3,898	7,726	-	82,301
Total expenses:	43,507	189,911	66,063	123,780	98,499	297,976	64,095	23,470	907,301
Annual surplus (deficit)	\$ 310,310	\$ (162,119)	\$ (38,690)	\$ 83,061	\$ (34,272)	\$ (41,605)	\$ (22,980)	\$ (21,877)	\$ 71,828

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

17. Segmented information (continued):

	2017								
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Social and family services	Social housing	Planning and development	Total
Revenues:									
Levies on area municipalities	\$ 315,266	-	-	\$ 34,891	-	-	-	-	\$ 350,157
User charges	259	8,196	4,221	163,343	446	26,314	13,694	746	217,219
Government transfers	2,071	9,543	11,431	6,653	60,781	211,669	20,448	55	322,651
Development charges earned	146	2,700	6,141	2,725	-	-	-	49	11,761
Investment income	15,673	-	-	-	2	-	318	-	15,993
Provincial offenses	-	6,811	-	1	-	-	-	-	6,812
Miscellaneous	3,924	(4,745)	5,257	4,204	338	663	244	67	9,952
Total revenues	372,230	22,505	27,050	176,926	61,567	238,646	34,704	917	934,545
Expenses:									
Salaries, wages and employee benefits	5,624	148,081	14,623	30,267	76,359	102,937	5,998	4,471	388,360
Operating expenses	16,387	17,782	21,255	81,049	13,341	68,268	21,855	1,682	241,619
External transfers	622	9,342	142	5,024	52	104,702	31,811	6,514	158,209
Debt services	12,750	-	-	-	-	-	-	-	12,750
Amortization	6,717	10,155	27,668	27,168	2,999	3,771	7,466	-	85,944
Total expenses:	42,100	185,360	63,688	143,508	92,751	279,678	67,130	12,667	886,882
Annual surplus (deficit)	\$ 330,131	\$ (162,855)	\$ (36,638)	\$ 33,418	\$ (31,184)	\$ (41,032)	\$ (32,426)	\$ (11,750)	\$ 47,663

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

18. Budget data:

The budget amounts presented in these consolidated financial statements are based upon the 2018 operating and capital budgets approved by Council on December 7, 2017. The chart below reconciles the approved budget to the budget amounts reported in these consolidated financial statements. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried out over one or more years. Where amounts were budgeted for on a project-oriented basis, the budget amounts used are based on actual projects that took place during the year to reflect the same basis of accounting that was used to report the actual results. In addition, to ensure comparability of expenses, the allocation of program support costs completed for actual reporting was also applied to the budget amounts.

	Budget Amount
REVENUES	
Operating	
Approved budget	\$ 934,235
Budget Amendments	1,160
Budget Adjustments	33,950
Expenses classified as revenue	(3,166)
Capital:	
Development charges	12,396
Grants and subsidies	27,510
Other contributions	4,816
Gain on sale of tangible capital assets	(1,295)
Less:	
Transfers from reserves	(32,835)
Proceeds on sale of tangible capital assets	(2,937)
Total revenue	973,834
EXPENSES	
Operating	
Approved budget	\$ 934,235
Budget Amendments	1,160
Budget Adjustments	33,950
Expenses classified as revenue	(3,166)
Add:	
Capital project cost resulting in operating expenses	9,033
Amortization	82,301
Employee future benefits	2,920
Landfill liability	(17,794)
Less:	
Operating expenses resulting in tangible capital assets	(1,794)
Transfers to reserves, including capital	(71,497)
Debt principal payments	(39,665)
Total expenses	929,683
Annual surplus	\$ 44,151

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

19. Comparative figures:

Certain prior year figures have been reclassified to conform to the consolidated financial statement presentation adopted in the current year.

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of the
Regional Municipality of Niagara

Opinion

We have audited the financial statements of the Sinking Funds of the Regional Municipality of Niagara (the "Region"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the sinking funds of the Region as at December 31, 2018, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Region in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Region's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Region's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Region's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Region to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Region to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants
Licensed Public Accountants
April __, 2019

THE REGIONAL MUNICIPALITY OF NIAGARA

SINKING FUND STATEMENT OF FINANCIAL POSITION

As at December 31, 2018 (In thousands of dollars)

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 169	\$ 252
Interest receivable	65	35
Due from operating fund	5	5
Investments (note 2)	13,960	11,873
	14,199	12,165
LIABILITIES		
Accounts payable and accrued liabilities	4	4
Sinking fund requirements		
City of St. Catharines	1,665	1,431
The Regional Municipality of Niagara	12,265	10,540
	13,934	11,975
Accumulated surplus and net financial assets	\$ 265	\$ 190

The accompanying notes are an integral part of these financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

SINKING FUND STATEMENT OF OPERATIONS AND CHANGE IN NET FINANCIAL ASSETS

For the year ended December 31, 2018 (In thousands of dollars)

	2018	2017
REVENUES		
Contributions	\$ 1,512	\$ 1,512
Investment Income	528	457
Total revenues	2,040	1,969
EXPENSES		
Professional fees and dues	7	4
Provision for sinking fund requirements	1,958	1,891
Total expenses	1,965	1,895
Annual Surplus	75	74
Accumulated surplus and net financial assets, beginning of year	190	116
Accumulated surplus and net financial assets, end of year	\$ 265	\$ 190

The accompanying notes are an integral part of these financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

SINKING FUND STATEMENT OF CASH FLOWS

For the year ended December 31, 2018 (In thousands of dollars)

	2018	2017
OPERATING ACTIVITIES		
Annual surplus	\$ 75	\$ 74
Change in non-cash assets and liabilities:		
Interest receivable	(30)	3
Due from operating fund	-	3
Net change in cash from operating activities	45	80
INVESTING ACTIVITIES		
Purchase of investments	(2,087)	(1,920)
Net change in cash from investing activities	(2,087)	(1,920)
FINANCING ACTIVITIES		
Increase in sinking fund requirements	1,959	1,891
Net change in cash from financing activities	1,959	1,891
Net change in cash	(83)	51
Cash, beginning of year	252	201
Cash, end of year	\$ 169	\$ 252

The accompanying notes are an integral part of these financial statements

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO SINKING FUND FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

1. Significant accounting policies:

The financial statements of sinking funds of The Regional Municipality of Niagara (the "Region") are the representation of management prepared in accordance with Canadian public sector accounting standards.

The sinking fund is a separate fund maintained for the purpose of providing for the repayment of all sinking fund debt when it becomes due. The Region issued sinking fund debentures of \$78,079 payable on June 30, 2040 and bearing interest at the rate of 5.2% per annum. Included in the sinking fund debenture is \$9,333 borrowed on behalf of the City of St. Catharines, representing a proportionate share of 11.95%. Annual interest payments on the sinking fund debt are \$4,060.

Significant accounting policies adopted by the Region for the sinking funds are as follows:

(a) Basis of accounting:

The Region's sinking fund follows the accrual method of accounting for revenues and expenses.

(b) Sinking fund requirements:

The requirements of the sinking fund represent the amounts required which, together with interest compounded annually, will be sufficient to retire the related debentures at maturity. The requirements were calculated using a rate of 3.5% per annum.

(d) Investment income:

Investment income is reported as revenue in the period earned.

2. Investments:

The investments consist of municipal bonds and are carried at cost. At December 31, 2018 the investments have a market value of \$14,254 (2017 - \$12,856).

Independent Auditor's Report

To the Members of Council, Inhabitants and Ratepayers of
the Regional Municipality of Niagara

Opinion

We have audited the financial statements of the trust funds of the Regional Municipality of Niagara (the "Region"), which comprise the statement of financial position as at December 31, 2018, and the statements of financial activities and change in fund balance and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds of the Region as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Region in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Region's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Region's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Region's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Region's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Region to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Region to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants
Licensed Public Accountants
April __, 2019

THE REGIONAL MUNICIPALITY OF NIAGARA

TRUST FUNDS STATEMENT OF FINANCIAL POSITION

For the year ended December 31, 2018 (In thousands of dollars)

	2018	2017
ASSETS		
Cash	\$ 249	\$ 274
Due from Regional Municipality of Niagara	709	650
Fund balance	\$ 958	\$ 924

The accompanying notes are an integral part of these financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

TRUST FUNDS STATEMENT OF FINANCIAL ACTIVITIES AND CHANGE IN FUND BALANCE

For the year ended December 31, 2018 (In thousands of dollars)

	2018	2017
REVENUE		
Deposits from residents	\$ 492	\$ 487
Donations	227	183
	<u>719</u>	<u>670</u>
EXPENSES		
Expenditures for the benefit of residents	685	790
	<u>685</u>	<u>790</u>
Excess of revenues over expenses / (expenses over revenues)	34	(120)
Fund balance, beginning of year	924	1,044
Fund balance, end of year	\$ 958	\$ 924

The accompanying notes are an integral part of these financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

TRUST FUNDS STATEMENT OF CASH FLOWS

For the year ended December 31, 2018 (In thousands of dollars)

	2018	2017
OPERATING ACTIVITIES:		
Excess of revenues over expenses / (expenses over revenues)	\$ 34	\$ (120)
Change in non-cash assets and liabilities		
Due from Regional Municipality of Niagara	(59)	(630)
Net change in cash from operating activities	(25)	(750)
Cash, beginning of year	274	1,024
Cash, end of year	\$ 249	\$ 274

The accompanying notes are an integral part of these financial statements.

THE REGIONAL MUNICIPALITY OF NIAGARA

NOTES TO TRUST FUNDS FINANCIAL STATEMENTS

For the year ended December 31, 2018 (In thousands of dollars)

1. Significant accounting policies:

These financial statements reflect the financial position, financial operations, and cash flows of funds held in trust by **The Regional Municipality of Niagara ("the Region") for residents of the eight long-term care homes:**

- Gilmore Lodge
- Upper Canada Lodge
- Deer Park Villa
- Woodlands of Sunset
- Linhaven
- Rapelje Lodge
- Northland Point
- Meadows of Dorchester

These financial statements are the representation of management and are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

(a) Basis of Accounting:

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenue.

Expenses are recorded in the period the goods and services are acquired and a liability is incurred, or transfers are due.

(b) Uses of Estimates:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.



Regional Municipality of Niagara
Report to the Audit Committee on the
2018 Audit



Deloitte LLP
Bay Adelaide East
8 Adelaide Street West
Suite 200
Toronto ON M5H 0A9
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

March 29, 2019

Private and confidential

Members of the Audit Committee
Regional Municipality of Niagara
1815 Sir Isaac Brock Way
Thorold ON L2V 4T7

Re: Report on audited annual financial statements

Dear Audit Committee Members,

We are pleased to submit this report on the results of our audit of the consolidated financial statements of the Regional Municipality of Niagara (the "Region") for the 2018 fiscal year. This report summarizes the scope of our audit, our findings and reviews certain other matters that we believe to be of interest to you.

As agreed in our Master Services Agreement dated November 8, 2016, and the confirmation of changes letter dated January 30, 2019, we have performed audits of the following, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"):

- Consolidated financial statements of the Region as at, and for the year ended, December 31, 2018, prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS");
- Financial statements of Niagara Regional Housing ("NRH") as at, and for the year ended, December 31, 2018;
- Financial statements of the Regional Municipality of Niagara Trust Funds (the "Trust Funds") as at, and for the year ended, December 31, 2018;
- Financial statements of the Regional Municipality of Niagara Sinking Funds (the "Sinking Funds") as at, and for the year ended, December 31, 2018; and
- Various agencies, boards, commissions and programs (the "Programs") as at, and for the year ended, December 31, 2018.

Herein after, collectively referred to as the "Financial Statements".

We expect to issue our Independent Auditor's Reports on the financial statements of the Region, the Trust Funds, and the Sinking Funds upon approval of the financial statements and completion of the outstanding matters noted in this report.

Our audit was conducted in accordance with the audit plan dated August 13, 2018.

Regional Municipality of Niagara
March 29, 2019
Page 2

This report is intended solely for the information and use of the Regional Council through the Audit Committee, management and others within the Region, and is not intended to, and should not, be used by anyone other than these specified parties. Accordingly, we disclaim any responsibility to any other party who may rely on it.

We would like to express our appreciation for the cooperation we received from management and the employees of the Region with whom we worked to discharge our responsibilities. We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,

Original signed by Deloitte LLP

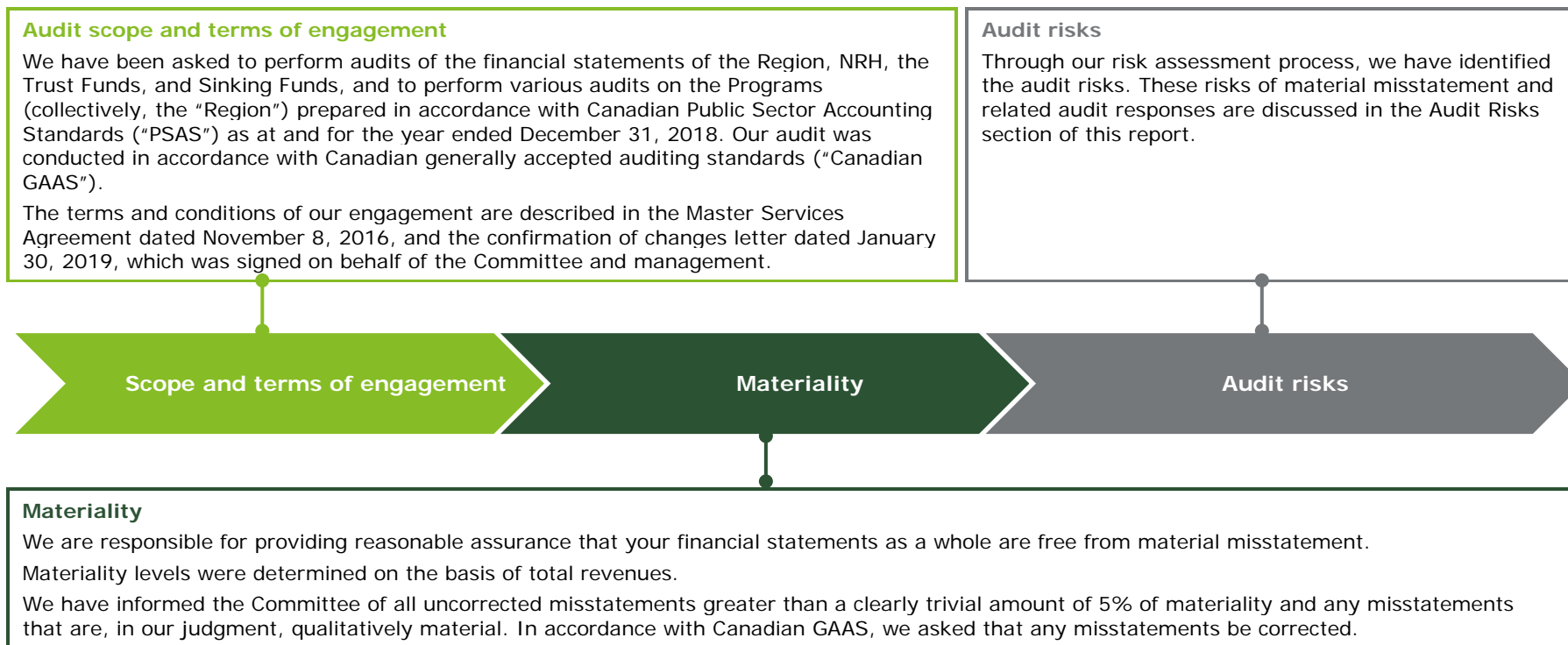
Chartered Professional Accountants
Licensed Public Accountants

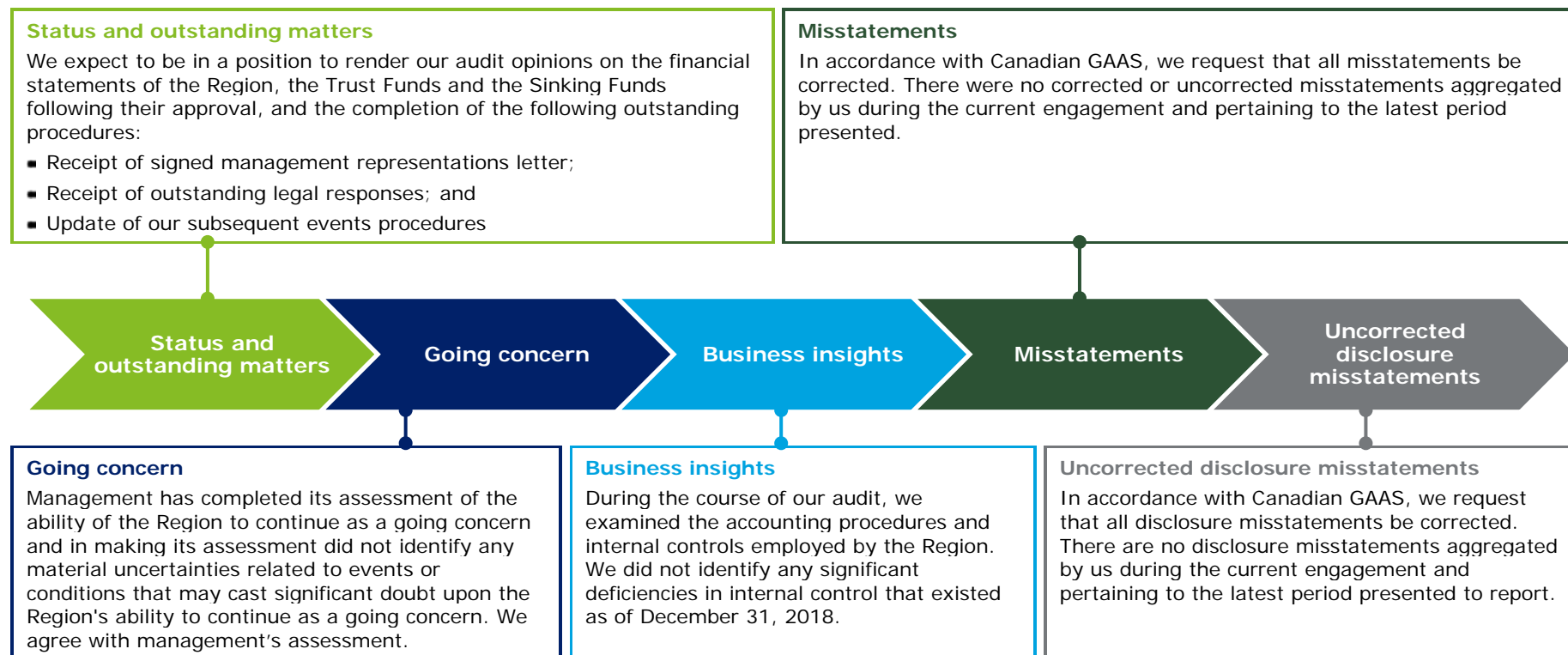
Table of contents

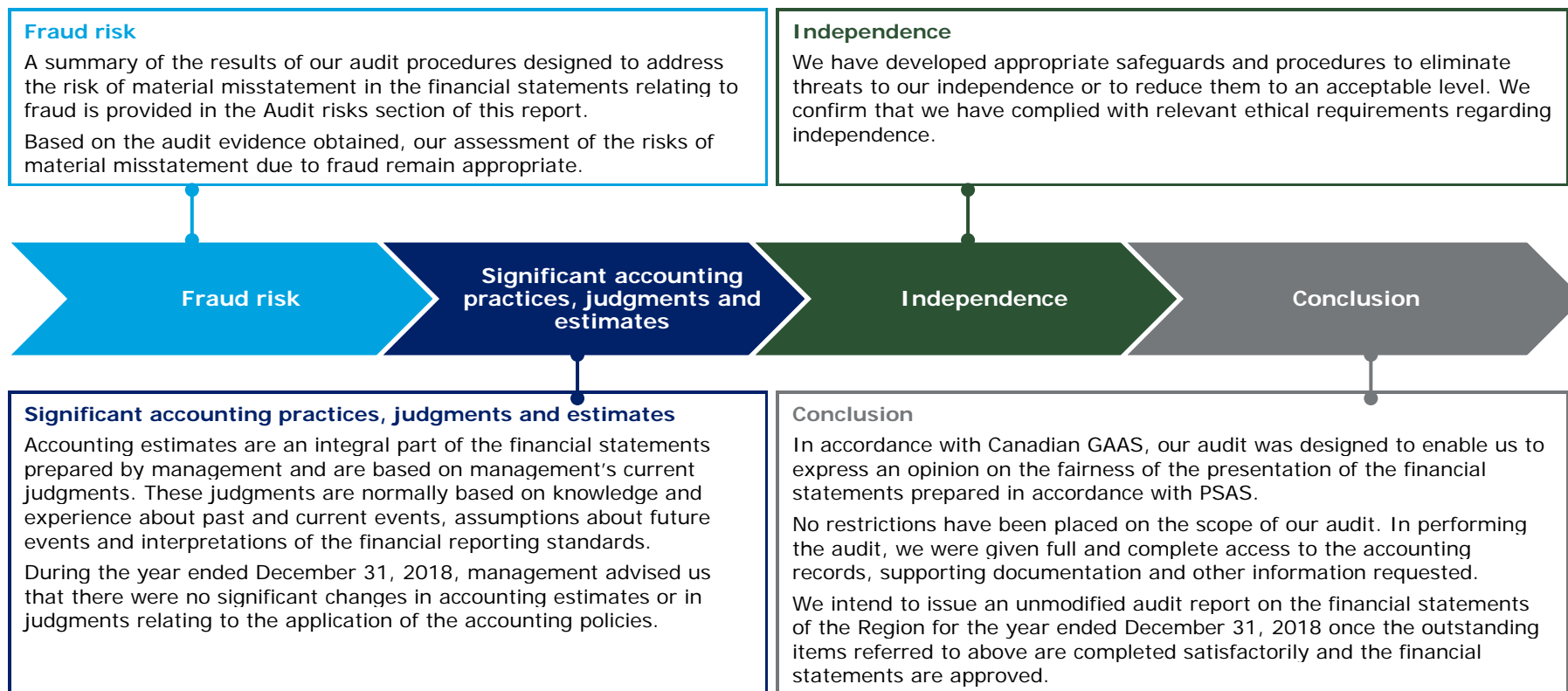
Our audit explained	1
Audit risks	4
Significant accounting practices, judgments and estimates	7
Other reportable matters	8
Appendix 1 – Communication requirements	9
Appendix 2 – Independence letter	11
Appendix 3 – Draft management representation letter	13
Appendix 4 – Deloitte Resources a click away	19

Our audit explained

This report summarizes the main findings arising from our audits.







Audit risks

The areas of audit risk identified as part of our risk assessment, together with our responses and conclusions, are described below.

Region of Niagara

Revenue and deferred revenue amounts *

Audit risk

Canadian Auditing Standards include the presumption of a fraud risk involving improper revenue recognition.

Our audit response

- Substantive testing to determine if restricted contributions (i.e., development charges, conditional grants, etc.) have been recognized as revenue in the appropriate period.

Audit results

No significant issues were noted as a result of this testing.

Year-end cut-off

Audit risk

Determine if cut-off of revenues and expenses is appropriate.

Our audit response

- Substantive testing on accounts payable, accrued liabilities, deferred revenue and accounts receivable, and
- Test disbursements subsequent to year-end.

Audit results

No significant issues were noted as a result of this testing.

Adoption of new accounting standards

Audit risk

Determine if balances and disclosures are appropriate and in accordance with newly adopted Public Sector Accounting Standards.

Our audit response

- Review management's process of identifying related parties, and review management's analysis of related party transactions and balances and determine if they are recorded in accordance with PS 2200
- Determine if Assets are properly recorded and disclosed in accordance with PS 3210
- Review management's process of identifying contingent assets and contractual rights and determine if they are properly disclosed in accordance with PS 3320 and PS 3380.

Audit results

No significant issues were noted as a result of this testing.

Tangible capital assets

Risk identified	Our audit response	Audit results
Appropriate accounting and disclosure.	<ul style="list-style-type: none"> ■ Test assumptions used in determining completeness, valuation, recording and cut-off of additions and disposals, and ■ Testing of calculations of amortization. 	No significant issues were noted as a result of this testing.

Year-end accruals and other estimates (including salaries, employee future benefits, landfill closure and post-closure liability, contaminated sites and allowance for doubtful accounts)

Risk identified	Our audit response	Audit results
Estimates require management judgments and assumptions.	<ul style="list-style-type: none"> ■ Obtain documentation on management's control over accounting estimates and assess risk; ■ Review and assess the consistency of major assumptions used to develop significant accounting estimates; ■ Compare actual historical experience to models employed in such calculations' ■ Obtain calculations from experts for accruals such as employee future benefit liability and landfill liability, and assess assumptions and data used to prepare the report; and ■ Review actual outcome of prior year estimates. 	No significant issues were noted as a result of this testing.

Management override of controls*

Audit risk

Management override of controls is a presumed area of risk in a financial statement audit due to management's ability to override controls that otherwise appear to be operating effectively.

Our audit response

- Our audit tests the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of financial statements;
- We obtained an understanding of the business rationale for significant transactions that we become aware of that are outside of the normal course of business, or that otherwise appear to be unusual given our understanding of the Region and its environment;
- We reviewed accounting estimates for bias and evaluate whether the circumstances producing the bias, if any, represent a risk of material misstatement;
- In addition, experienced Deloitte personnel were assigned to the testing and review of journal entries and areas of estimates; and
- Professional skepticism was maintained throughout the audit.

Audit results

Management has represented to us that they have not identified any fraud or illegal items and our audit procedures support this assessment.

Niagara Regional Housing

Tenant and other receivables/revenue*

Audit risk

Canadian Auditing Standards include the presumption of a fraud risk involving improper revenue recognition. Valuation of tenant and other receivables.

Our audit response

- Review aging reports and estimate allowance for doubtful tenant receivables for reasonableness;
- Confirm subsidies received from the Service Manager; and
- Perform detail testing of tenant and other receivables and related revenue.

Audit results

No significant issues were noted as a result of this testing.

Long-term debt

Audit risk

Appropriate accounting and disclosure.

Our audit response

- Confirm long-term debt balances; and
- Recalculate interest.

Audit results

No significant issues were noted as a result of this testing.

*These areas have been identified as areas of significant risk.

Significant accounting practices, judgments and estimates

The accounting policies of the Region are set out in Note 1 of the financial statements.

In the course of our audit of the financial statements, we considered the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability and understandability of the information included in the financial statements.

Significant accounting policies

During the year ended December 31, 2018 the Region adopted the following new accounting standards:

- PS 2200 Related parties
- PS 3420 Inter-entity transactions
- PS 3210 Assets
- PS 3320 Contingent assets
- PS 3380 Contractual rights

There was no impact to the Region's financial statements as a result of the adoption of these standards.

Management judgment and accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. These judgments are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.

During the year ended December 31, 2018, management advised us that there were no significant changes in accounting estimates or in judgments relating to the application of the accounting policies.

Other reportable matters

The following summarizes the status and findings of key aspects of our audit. In the appendices to this report, we have provided additional information related to certain matters we committed to report to the Committee as part of the audit plan.

	Comment
Changes to the audit plan	The audit was conducted in accordance with our audit plan, which was communicated to the Committee. We confirm that there have been no amendments to the audit scope and approach communicated in the audit plan.
Significant difficulties encountered in performing the audit	We did not encounter any significant difficulties while performing the audit. There was not an unnecessarily brief timetable in which to complete the audit.
Related party transactions	Related party transactions or balances have been properly disclosed in the financial statements. We have not identified any related party transactions that were not in the normal course of operations and that involved significant judgments by management concerning measurement or disclosure.
Disagreements with management	During the course of our audit, there were no disagreements with management about matters that individually or in the aggregate could be significant to the financial statements.
Consultation with other accountants	Management has informed us that the Region has not consulted with other accountants about auditing or accounting matters.
Legal and regulatory compliance	Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the Region.
Post-balance sheet events	At the date of finalizing this report, we are not aware of any significant post balance sheet events.

Appendix 1 – Communication requirements

The table below summarizes our communication requirements under Canadian GAAS and other communications that we believe would help us achieve an effective audit. We confirm that all required communications have been reported in our audit service plan and year end communication.

Required communication	Reference
Audit service plan	
1. Our responsibilities under Canadian GAAS, including forming and expressing an opinion on the financial statements	Master services agreement dated November 8, 2016, and the confirmation of changes letter dated January 30, 2019
2. An overview of the overall audit strategy, addressing: <ul style="list-style-type: none"> a. Timing of the audit b. Significant risks, including fraud risks, and c. Nature and extent of specialized skill or knowledge needed to perform the planned audit procedures related to significant risk. d. Names, locations, and planned responsibilities of other independent public accounting firms or others that perform audit procedures in the audit. 	Audit service plan dated August 13, 2018
3. Significant transactions outside of the normal course of business, including related party transactions	None noted
Year end communication	
4. How those charged with governance exercise oversight over management's process for identifying and responding to the risk of fraud and the internal control that management has established to mitigate these risks	No issues noted
5. Fraud or possible fraud identified through the audit process	None noted
6. Whether the Region is in compliance with laws and regulations	No issues noted
7. Significant accounting policies, practices, unusual transactions, and our related conclusions	Significant accounting practices, judgments and estimates section

Required communication	Reference
8. Alternative treatments for accounting policies and practices that have been discussed with management during the current audit period	Significant accounting practices, judgments and estimates section
9. Matters related to going concern	Page 2 of this report
10. Management judgments and accounting estimates	Significant accounting practices, judgments and estimates section
11. Significant difficulties, if any, encountered during the audit	Other reportable matters section
12. Material written communications between management and us, including management representation letters	Master services agreement dated November 8, 2016, confirmation of changes letter dated January 30, 2019, audit service plan dated August 13, 2018, and Management representation letter – Appendix 3
13. Other matters that are significant to the oversight of the financial reporting process	None
14. Modifications to our opinion	None
15. Our views of significant accounting or auditing matters for which management consulted with other accountants and about which we have concerns	None
16. Significant matters discussed with management	None
17. Illegal or possibly illegal acts that come to our attention	None noted
18. Significant deficiencies in internal control, if any, identified by us in the conduct of the audit of the financial statements	None noted.
19. Uncorrected misstatements and disclosure items	None noted
20. Any significant matters arising during the audit in connection with the Region's related parties	None noted

Appendix 2 – Independence letter

March 29, 2019

Private and confidential

The Members of the Audit Committee
Regional Municipality of Niagara
1815 Sir Isaac Brock Way
Thorold ON L2V 4T7

Dear Audit Committee Members,

We have been engaged to audit the consolidated financial statements of Regional Municipality of Niagara (the “Region”) for the year ended December 31, 2018.

You have requested that we communicate in writing with you regarding our compliance with relevant ethical requirements regarding independence as well as all relationships and other matters between the Region, our Firm and network firms that, in our professional judgment, may reasonably be thought to bear on our independence. You have also requested us to communicate the related safeguards that have been applied to eliminate identified threats to independence or reduce them to an acceptable level.

In determining which relationships to report, we have considered relevant rules and related interpretations prescribed by the appropriate provincial regulator/ordre and applicable legislation, covering such matters as:

- a. Holding a financial interest, either directly or indirectly, in a client
- b. Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
- c. Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
- d. Economic dependence on a client, and
- e. Provision of services in addition to the audit engagement.

We confirm to you that the engagement team and others in the firm as appropriate, the firm and, when applicable, network firms have complied with relevant ethical requirements regarding independence.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since our appointment as your auditors.

We are not aware of any relationships between the Deloitte entities (defined as the Member Firms of Deloitte Touche Tohmatsu Limited and their respective affiliates) and the Region, its affiliates, or persons in financial reporting oversight roles at the Region and its affiliates, that, in our professional judgment, may reasonably be thought to bear on independence, that have occurred from April 20, 2018 to March 29, 2019.

We hereby confirm that we are independent with respect to the Region in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario as of March 29, 2019.

This letter is intended solely for the use of the Committee, management, and others within the Region.

Yours truly,

Original signed by Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

Appendix 3 – Draft management representation letter

[Region letterhead]

May 16, 2019

Private and confidential

Deloitte LLP
25 Corporate Park Drive
3rd Floor
St. Catharines, ON L2S 3W2

Dear Mr. Trevor Ferguson:

Subject: Consolidated financial statements of the Regional Municipality of Niagara for the year ended December 31, 2018

This representation letter is provided in connection with the audit by Deloitte LLP (“Deloitte” or “you”) of the consolidated financial statements of the Regional Municipality of Niagara (the “Region” or “we” or “us”) for the year ended December 31, 2018, and a summary of significant accounting policies and other explanatory information (the “Financial Statements”) for the purpose of expressing an opinion as to whether the Financial Statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Region in accordance with Public Sector Accounting Standards (“PSAS”).

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial statements

1. We have fulfilled our responsibilities as set out in the terms of the Master Services Agreement between the Region and Deloitte dated November 8, 2016 and amended January 30, 2019 for the preparation of the Financial Statements in accordance with PSAS. In particular, the Financial Statements are fairly presented, in all material respects, and present the financial position of the Region as at December 31, 2018 and the results of its operations and cash flows for the years then ended in accordance with PSAS.

2. Significant assumptions used in making estimates, including those measured at fair value, are reasonable.
In preparing the Financial Statements in accordance with PSAS, management makes judgments and assumptions about the future and uses estimates. The completeness and appropriateness of the disclosures related to estimates are in accordance with PSAS. The Region has appropriately disclosed in the Financial Statements the nature of measurement uncertainties that are material, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the Financial Statements. The measurement methods, including the related assumptions and models, used in determining the estimates, including fair value, were appropriate, reasonable and consistently applied in accordance with PSAS and appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity. No events have occurred subsequent to December 31, 2018 that require adjustment to the estimates and disclosures included in the Financial Statements.
There are no changes in management's method of determining significant estimates in the current year.
3. The Region has identified all related parties in accordance with Section PS 2200, Related Party Disclosures ("PS 2200"). Management has made the appropriate disclosures with respect to its related party transactions in accordance with PS 2200
4. We have determined that the Financial Statements are complete as of date of this letter as this is the date when there are no changes to the Financial Statements (including disclosures) planned or expected. The Financial Statements have been approved in accordance with our process to finalize financial statements.
5. We have completed our review of events after December 31, 2018 and up to the date of this letter. All events subsequent to the date of the Financial Statements and for which PSAS requires adjustment or disclosure have been adjusted or disclosed. Accounting estimates and disclosures included in the Financial Statements that are impacted by subsequent events have been appropriately adjusted.
6. The Financial Statements are free of material errors and omissions.

Internal Controls

7. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error.
8. We have disclosed to you all known deficiencies in the design or operation of internal control over financial reporting identified as part of our evaluation, including separately disclosing to you all such deficiencies that we believe to be significant deficiencies in internal control over financial reporting.

Information provided

9. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation of the Financial Statements, such as records, documentation and other matters.
 - b. All relevant information as well as additional information that you have requested from us for the purpose of the audit; and,
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

10. All transactions have been properly recorded in the accounting records and are reflected in the Financial Statements.
11. We have disclosed to you the results of our assessment of the risk that the Financial Statements may be materially misstated as a result of fraud.
12. We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the Financial Statements.
13. We have disclosed to you all information in relation to allegations of actual, suspected or alleged fraud, or illegal or suspected illegal acts affecting the Region.
14. We have disclosed to you all communications from regulatory agencies concerning non-compliance with or deficiencies financial reporting practices and all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the Financial Statements.
15. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware, including guarantees, non-monetary transactions and transactions for no consideration.
16. We have disclosed to you all known, actual or possible litigation and claims, whether or not they have been discussed with our lawyers, whose effects should be considered when preparing the Financial Statements. As appropriate, these items have been disclosed and accounted for in the Financial Statements in accordance with PSAS.

Independence matters

For purposes of the following paragraphs, "Deloitte" shall mean Deloitte LLP and Deloitte Touche Tohmatsu Limited, including related member firms and affiliates.

17. Prior to the Region having any substantive employment conversations with a former or current Deloitte engagement team member, the Region has held discussions with Deloitte and obtained approval from the Audit Committee.
18. We have ensured that all services performed by Deloitte with respect to this engagement have been pre-approved by the Audit Committee in accordance with its established approval policies and procedures.

Other matters

19. The Region has satisfactory title to and control over all assets, and there are no liens or encumbrances on such assets. We have disclosed to you and in the Financial Statements all assets that have been pledged as collateral.
20. We have disclosed to you all liabilities, provisions, contingent liabilities and contingent assets, including those associated with guarantees, whether written or oral, and they are appropriately reflected in the Financial Statements.

- 21. We have disclosed to you, and the Region has complied with all aspects of contractual agreements that could have a material effect on the Financial Statements in the event of non-compliance, including all covenants, conditions or other requirements of all outstanding debt.
- 22. We have disclosed to you all the documents that we expect to issue that may comprise other information, in the context of CAS 720, The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements.

Selection of accounting policies and recording of transactions

- 23. The Region's accounting policies and their method of application have been applied on a basis consistent with that of the audited consolidated financial statements as at and for the year ended December 31, 2018.

Work of management's experts

- 24. We agree with the work of management's experts in evaluating the landfill liability and employee future benefits liability, and have adequately considered the competence and capabilities of the experts in determining amounts and disclosures used in the Financial Statements and underlying accounting records. We did not give any, nor cause any, instructions to be given to management's experts with respect to values or amounts derived in an attempt to bias their work, and we are not aware of any matters that have impacted the independence or objectivity of the experts.

Plans or intentions affecting carrying value/classification of assets and liabilities

- 25. We have disclosed to you all plans or intentions that may materially affect the carrying value or classification of assets and liabilities reflected in the Financial Statements.

Loans and receivables

- 26. The Region is responsible for determining and maintaining the adequacy of the allowance for doubtful notes, loans, and accounts receivable, as well as estimates used to determine such amounts. Management believes the allowances are adequate to absorb currently estimated bad debts in the account balances.
- 27. We have identified to you all forgivable loans and loans with concessionary terms and have appropriately reflected these instruments in the financial statements.

Investments

- 28. With regard to the Region's investments, we have disclosed to you any events that have occurred and facts that have been discovered with respect to such investment that would indicate any other than temporary impairment of the investment's value.

Employee future benefits

- 29. Employee future benefit costs, assets, and obligations have been properly recorded and adequately disclosed in the Financial Statements including those arising under defined benefit and defined contribution plans as well as termination arrangements. We believe that the actuarial assumptions and methods used to measure defined benefit plan assets, liabilities and costs for financial accounting purposes are appropriate in the circumstances.

30. We have disclosed to you any intentions of terminating any of our pension plans or withdrawing from the multi-employer plan, or taking any other action that could result in an effective termination or reportable event for any of the plans. We have disclosed to you any occurrences that could result in the termination of any of our pension or multi-employer plans to which we contribute.
31. We are unable to determine the possibility of a withdrawal liability in a multi-employer benefit plan.
32. We do not plan to make frequent amendments to our pension or other post-retirement benefit plans.

Liabilities for contaminated sites

33. We have evaluated all of our tangible capital assets that we own or accept responsibility, and have not identified any sites in which contamination exceeds an environmental standard.

Various matters

34. The following have been properly recorded and, when appropriate, adequately disclosed and presented in the Financial Statements:
- a. Economic dependence on another party
 - b. Losses arising from sale and purchase commitments
 - c. Agreements to buy back assets previously sold
 - d. Provisions for future removal and site restoration costs
 - e. Financial instruments with significant individual or group concentration of credit risk, and related maximum credit risk exposure
 - f. Sales with recourse provisions
 - g. Sales incentives, including cash consideration provided to customers and vendor rebates
 - h. Arrangements with financial institutions involving compensating balances or other arrangements involving restriction on cash balances and line-of-credit or similar arrangements
 - i. All impaired loans receivable
 - j. Loans that have been restructured to provide a reduction or deferral of interest or principal payments because of borrower financial difficulties.

Yours truly,

Regional Municipality of Niagara

Ron Tripp
Chief Administrative Officer

Todd Harrison
Commissioner of Enterprise Recourse Management Services

Appendix 4 – Deloitte Resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information.

<input type="checkbox"/> Canada's Best Managed Companies (www.bestmanagedcompanies.ca)	<ul style="list-style-type: none"> ■ Directors ■ CEO/CFO 	The Canada's Best Managed Companies designation symbolizes Canadian corporate success: companies focused on their core vision, creating stakeholder value and excelling in the global economy.
<input type="checkbox"/> Centre for financial reporting (www.cfr.deloitte.ca)	<ul style="list-style-type: none"> ■ Directors ■ CEO/CFO ■ Controller ■ Financial reporting team 	Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.
<input type="checkbox"/> Financial Reporting Insights (www.iasplus.com/fri)	<ul style="list-style-type: none"> ■ CFO ■ Controller ■ Financial reporting team 	Monthly electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.
<input type="checkbox"/> On the board's agenda	<ul style="list-style-type: none"> ■ Directors ■ CEO/CFO 	Bi-monthly publication examining a key topic in detail, including the perspectives of a Deloitte professional with deep expertise in the subject matter as well as the views of an experienced external director.
<input type="checkbox"/> State of change (www.iasplus.com/StateOfChange)	<ul style="list-style-type: none"> ■ CFO ■ VP Finance ■ Controller ■ Financial reporting team 	Bi-monthly newsletter providing insights into key trends, developments, issues and challenges facing the not-for-profit sector in Canada, with a Deloitte point of view.
<input type="checkbox"/> Deloitte Financial Reporting Update (www.deloitte.com/ca/update)	<ul style="list-style-type: none"> ■ CFO ■ VP Finance ■ Controller ■ Financial reporting team 	Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.



www.deloitte.ca

Deloitte, one of Canada's leading professional services firms, provides audit, tax, consulting, and financial advisory services. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

© Deloitte LLP and affiliated entities.

Subject: Q2 2019 Follow-up Status of Internal Audit Recommendations

Report to: Audit Committee

Report date: Monday, May 6, 2019

Recommendations

That report AC-C 14-2019 regarding the current status of internal audit recommendations **BE RECEIVED.**

Key Facts

- The purpose of this report is to provide Audit Committee with a status update on the degree of implementation of audit recommendations made since 2015.
- This report will cover all audits completed and issued up to the previous Audit Committee meeting, March 18, 2019.
- As part of the annual audit business cycle, the follow up process will be completed and reported to Audit Committee on a quarterly basis.
- A total of 28 audit recommendations were detailed in this audit report.
- Between 2017 and 2018, Internal Control and Organizational Performance (ICOP) has completed 16 internal audit reports.

Financial Considerations

There are no immediate budgetary considerations associated with this report. The audit recommendations and subsequent Management Action Plans (MAPs) may have had budgetary implications associated with their implementation and have been accommodated within current operating budgets.

Analysis

This report is intended to be an update on the status of Management's implementation of the audit recommendations since 2015. All recommendations that have not been fully implemented within the management approved timeframe will be highlighted in this report for Audit Committee's attention.

In total, Niagara Region has 80 audit recommendations brought forward through past completed audits. Details of these 80 recommendations are as follows:

- ICOP is satisfied that 57 of the recommendations have been fully implemented,

- In addition, 12 of the recommendations are in progress and proceeding with satisfactory implementation plans in place,
- One of the recommendations put forth by ICOP is listed as not started. This recommendation will commence following Council decision points,
- Two recommendations remain on hold,
- Finally, eight recommendations are in progress, but behind schedule.

The attached appendix provides a detailed status of all recommendations, including expected completion dates.

This type of follow up report is considered best practice as per the Institute of Internal Auditors guiding principles, which ICOP adheres to. The quarterly follow up process ensures that Management and Staff are held accountable for the implementation of action plans which they have committed to. The follow up provides valuable information to members of Audit Committee in the execution of their oversight and governance role.

Alternatives Reviewed

No other alternatives were reviewed at this time.

Relationship to Council Strategic Priorities

Value-For-Money audits were identified and approved as the previous Council's Strategic Priority – Advancing Organizational Excellence. The goal of this Strategic Priority was to *“Build a strong internal foundation for Niagara Region to enable a more prosperous Niagara.”*

Following completion on the 2015 and 2016 audits, Council approved having a permanent Internal Audit function situated within the renamed Internal Control and Organizational Performance division.

Other Pertinent Reports

AC-C 8-2017 Annual Follow Up Status of Audit Recommendations
AC-C 15-2018 Management Action Plan and Follow-up Status Report
AC-C 21-2018 Q1 2018 Follow up Status of Audit Recommendations
AC-C 34-2018 Q2 2018 Follow up Status of Audit Recommendations
AC-C 3-2019 Q1 2019 Follow up Status of Audit Recommendations

Prepared by:

Xiang Gao, MBA
Internal Audit Analyst
Internal Control and Organizational
Performance

Recommended by:

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

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was reviewed by Maciej Jurczyk, Director, Internal Control and Organizational Performance.

Appendices

Appendix 1	AC-C 14-2019 Appendix 1 – Final Summary	Page 1
Appendix 2	AC-C 14-2019 Appendix 2 – Final Detailed	Page 1 to 4

INTERNAL CONTROL & ORGANIZATIONAL PERFORMANCE
FOLLOW UP STATUS REPORT
 Current Status as of April 18, 2019

Audit Name		Total # of Recommendations	Not Started	In Progress		On Hold	Fully Implemented	Percentage Completion
				On Schedule	Behind Schedule			
2015	Burgoyne Bridge	8	0	0	1	1	6	<div><div></div></div> 75%
2016	Fleet Management	4	0	0	1	0	3	<div><div></div></div> 75%
2017	Fleet Parts Inventory and Fuel	9	1	0	3	1	4	<div><div></div></div> 44%
	Mobile Telecommunications	8	0	0	0	0	8	<div><div></div></div> 100%
2018	Waste and Recycling Drop-Off Depot Agreement	2	0	0	1	0	1	<div><div></div></div> 50%
	Payroll 1 - Timekeeping	3	0	2	0	0	1	<div><div></div></div> 33%
	Payroll 2 - Payroll Processing	1	0	0	0	0	1	<div><div></div></div> 100%
	Grants and Incentives	4	0	4	0	0	0	<div><div></div></div> 0%
	Controlled Medications Inventory	3	0	1	0	0	2	<div><div></div></div> 67%
	Accounts Payable	2	0	2	0	0	0	<div><div></div></div> 0%
	Information Technology Security and Data Backup Controls	20	0	3	2	0	15	<div><div></div></div> 75%
Total		64	1	12	8	2	41	<div><div></div></div> 64%

Audit Report Title	Observation Title and Brief Description	Recommendation per Audit Report	Management Action Plan per Audit Report	Accountable Individual & Title	Original Completion Date MM/DD/YYYY	Issue Status	Follow Up Comments
Burgoyne Bridge Audit	Procurement	The Region should develop a policy and define criteria for sole and single sourcing	Review of the existing policy (and newly implemented EFMS system) for sole and single sourced procurement to ensure that system controls are functioning as expected (Validate compliance & controls, report back on review). Undertake a best practice review of awarding contract administration on significant projects.	Bart Menage, Director, Procurement & Strategic Acquisitions Jeff Mulligan	12/31/2017	Completed	As per Bart Menage (Director, Procurement & Strategic Acquisitions) on 04/09/2019: The amendments to the Procurement By-law has completed. Further review on Single and Sole Source criteria will be conducted when ICOP completes the Single/Source audit in 2019. As per Bart Menage (Director, Procurement & Strategic Acquisitions) on 04/10/2018: Pursuant to Council approval of the initial amendments to the Procurement By-law in February 2019, in March 2019, Council via recommendations from the Procurement Advisory Committee approved a specific procurement work plan item which will consider further amendments to the By-law including due consideration to Single and Sole Source criteria. These revisions will be reviewed against any recommendations derived from the Single/Sole Source Audit which is scheduled to be completed by Internal Audit in Q3 2019 As per Bart Menage (Director, Procurement & Strategic Acquisitions) on 01/10/2018: The Procurement Advisory Committee endorsed a workplan in November 2017 which includes a broad review of all policies and procedures. This includes review of single/sole sourcing contracts. In addition, ICOP will be completing an assurance audit on Single/Sole Source projects within 2018. The recommendations of that audit will be considered by the Procurement Advisory Committee for implementation. No change from the previous report. Developing and defining criteria for sole and single source procurement will be reviewed upon the completion of the Single/Sole Sourced Procurement audit included on the 2019 Audit Plan. MAP will be reviewed once the 2018 Single/Sole Source Procurement audit is completed.
Burgoyne Bridge Audit	Cost Estimating	The Region should develop a structured estimating process to allow for accurate monitoring, control, forecasting and reporting of project costs.	1. Large construction projects: Provide estimates at various project stages utilizing the services of qualified cost consultant s/quantity surveyors 2. Lifecycle renewal projects: Use structured estimating as applicable for the particular project 3. Structured cost estimating: Different cost estimating should be applied based on the type of capital project. Large projects should engage qualified cost consultants at various stages 4. Job order contracting: Pilot in progress for facilities lifecycle renewal projects and maintenance projects. Provides unit pricing for projects on an ongoing basis for a set term	Kashif Siraj, Manager, Implementation & Analysis		On Hold	As per Kashif Siraj (Manager, Project Management Office) on 04/12/2019: The status will remain exactly the same as last time update. As per Kashif Siraj (Manager, Project Management Office) on 01/11/2019: Estimates for Capital Initiatives are developed as part of the business cases for budget approvals. PMO will be looking into standardizing Validation of these Estimates early on in the capital projects. Once the Asset Management Office is in place the PMO will collaborate and align with it on Estimation. Maciej Jurczyk, Aug 20, 2018: Discussions with Senior Management in PW and Finance in May 2018 resulted in ICOP taking a leadership role in cost estimating. Pending the creation of the PMO on Sept 10, 2018, this unit will be accountable for this work going forward. No update for the May 7, 2018 Audit Committee report, still on hold. Due to staff leave of absence special projects related to this recommendation have been put on hold pending return.
Burgoyne Bridge Audit	Document Management	The Region should develop and implement a formal document management process for all projects	Review of current corporate processes to: 1. Determine immediate actions required to have all Burgoyne Bridge records brought into compliance 2. Develop document management best practices - compare against lead/best practices and identify areas for improvement - ensure implementation of the process across the organization 3. Report back on this review and any proposed recommendations and actions	Tom Jamieson, Associate Director, Application and Information Services	1. 08/31/2016 2. 12/31/2016 3. 03/31/2017	In progress late	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Tom Jamieson (Associate Director, Application and Information Services) on 01/11/2019: To address gaps around process, management and information governance an audit of information and content has been scheduled for Jan. and Feb. This will entail sessions with each Department or Division to inventory key information (including documents) supporting their business, the processes around it and any risks or improvement opportunities. The information gathered through these sessions will support both the Business Intelligence and Enterprise Content Management (including document management) projects. Once this information has been analyzed, it will be used to create requirements for an Enterprise Content Management system which will be included in an RFP. It is anticipated that this RFP will be released in March. As per discussion with Tom Jamieson (Associate Director, Application and Information Services) on 08/24/2018: "After researching best practices and on the advice of peer organizations who have undertaken similar projects, the team has determined that prior to going to RFP for a technology solution, it would be prudent to evaluate the Corporation's readiness and to develop a strategic roadmap to guide the project. In June a vendor with extensive expertise in assessing readiness for government organizations was engaged to facilitate a series of workshops to capture current state for the Region, as well as to assess the maturity of the organization. It is their recommendation, that the Region has some deficiencies to address before we are able to release an RFP, and that doing so prematurely would be a significant risk for the organization. The areas the Region must focus on prior to RFP are process management and information governance. By addressing these issues, the Region will increase our level of maturity (in information governance and process management). IT Services and the Office of the Regional Clerk, are working jointly on these items. Therefore, the project members recommend the Region focus on the priority areas identified by the vendor in the short-term prior to issuing an RFP for a technology solution. The Team also recommends contacting a Project Director using the capital budget for this initiative to oversee and

Audit Report Title	Observation Title and Brief Description	Recommendation per Audit Report	Management Action Plan per Audit Report	Accountable Individual & Title	Original Completion Date MM/DD/YYYY	Issue Status	Follow Up Comments
Fleet, Equipment Management and Replacement Process	Fleet Strategies, Policies, Procedures	Management should formalize the Fleet Strategy and set priorities or areas of focus to provide direction to fleet services. The strategy could be supported by a life cycle costing framework or align to the enterprise wide asset management planning initiatives. Performance and value metrics should be set to align to strategic directives and should be periodically tracked. Council approval should be sought once the fleet strategy is documented.	1. Develop a Fleet strategy statement to be presented to Public Works Committee for approval, prior to seeking approval from Regional Council (update report to Audit Committee to follow) 2. Fleet strategy will be incorporated into overall Asset Management Plan 3. Performance measures should be developed and tracked to align with the overall Fleet Strategy. 4. Review Fleet policies and procedures as required.	Shawn McCauley (Associate Director Transportation) and Ken Williams (Supervisor Fleet Operations)	1. 06/2017 2. Ongoing 3. Ongoing 4. Ongoing	In progress late	Management Action Plan updates for Q2 2019 have not been received. As per correspondence with Shawn McCauley (Associate Director, Transportation) on 12/19/2018: 1. As part of restructuring a new division was created to run this area in 2019, once the new Associate Director is in place the division will finalize the statement. On target to complete this by end of Q1, 2019 As per correspondence with Shawn McCauley (Associate Director, Transportation) on 08/10/2018: 1. Mission statement has been finalized and is under review by senior staff. Estimated completion date: 03/31/2019 2 - 4. Previously completed As per follow up correspondence with Shawn McCauley (Associate Director, Transportation) on 04/03/2018: 1. Ken Williams has reached out to staff but the mission statement has not been formalized. Winter season was busier than usual and as a result it tied up a lot of staff time. 2-4. Previously completed As per discussion with Shawn McCauley and Ken Williams (Associate Director, Transportation) on 01/08/2018: 1. Ken Williams came up with a draft mission statement, it was put on hold due to a reorganization of positions within the department. The mission statement is on Shawn's Q1/2018 to do list. Shawn mentioned that they want to work with staff within the department to get their feedback to develop and fine tune the mission statement. 2. Ongoing 3. Ongoing 4. Ongoing
Mobile Telecommunications Audit	Streamlining end user access to monthly mobile telecommunication bills, possibly through the use of 3rd part billing management companies	1. IT staff should research the benefits of 3rd party mobile management software further and consider implementation	1. IT staff is currently assessing Telecom Expense Management (TEM) solution to assist with management of devices and to achieve great transparency for the IT staff, managers and end user. Costs associated with a TEM solution run in the range of a \$3-\$10/device/month.	Julie Max, Associate Director Infrastructure and Operations	06/30/2018	Completed	As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 04/10/2019: A vendor was selected that works with Rogers as part of the VOR agreement. The vendor is named CIMPL. The go-live date is currently set for May 15th with communications to come out to staff over the next month. As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 01/07/2019: TEM system POC just completed – Q4 likely for prod deployment once we get VOR signed. – end of Q1 2019 As per correspondence with Julie Max on (Associate Director Infrastructure and Operations) on 04/24/2018: 1) Currently underway As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 08/10/2018: TEM system POC has been completed. Product deployment will likely be Q4, 2018 once the VOR is signed. Estimated completion date: Q4, 2018 (Dec 31, 2018)
Mobile Telecommunications Audit	Potential operational risk due to lack of a formalized contract with Rogers after transitioning to the Province of Ontario Agreement	1. The Region should reach out to Rogers and draft and formalize a written contract.	1. Report DCAO01-2017, Cellular Devices & Services Contract was approved at Corporate Services Committee on April 19, 2017. The recommendation was to leverage the existing VOR agreement. This was approved. Procurement and Legal are in the process of formalizing the agreement with Rogers.	Procurement/Legal	03/31/2018	Completed	As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 04/10/2019: All agreements have been signed by vendor and Region with Legal approval As per correspondence with Julie Max (Associate Director Infrastructure and Operations) 01/07/2019: VOR – Should be completed soon. Legal currently signing it and we are waiting on them – Q4 likely for completion - end of Q1 2019 As per correspondence with Julie Max on (Associate Director Infrastructure and Operations) 04/24/2018: 1) Currently underway As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 08/10/2018: The VOR should be completed soon. Currently awaiting signatures from legal. Estimated completion date: Q4, 2018 (Dec 31, 2018)

Audit Report Title	Observation Title and Brief Description	Recommendation per Audit Report	Management Action Plan per Audit Report	Accountable Individual & Title	Original Completion Date MM/DD/YYYY	Issue Status	Follow Up Comments
Fleet Parts Inventory & Fuel Audit	Niagara Recycling Centre - Area to improve internal controls	1. Fuel dip tests should be conducted two times a week in order to monitor fuel levels and perform reconciliations. The twice-weekly dip tests should be conducted at the start of the work week, first shift Monday morning, and then the end of the work week, last shift Friday evening. 2. Fuel reconciliations should be completed on a daily basis. The reconciliations should account for opening fuel levels, deliveries and consumption for the day. This amount should be compared and reconciled to the twice-weekly fuel dip tests. Variances should be examined. 3. Assuming that the Niagara Region will retain ownership and continue to operate the Recycling Centre, Niagara Region staff should research the cost associated, and if feasible, install automatic fuel pumps in correlation with an automated fuel management system (such as the CoenCorp system utilized by Public Works). 4. In the interim, the Recycling Centre should continue and/or begin the following: a. Implement and enforce a policy whereby circle checks are not allowed to be turned in with nil values. The employee is required to fill out the circle check, indicating the amount of fuel they pumped into their unit or they are required to indicated that nil fuel was pumped and initial the box. Each form should be signed by the operator on a daily basis in order to improve and foster accountability. b. A ticket system should be implemented for any fueling transactions not completed at the time of the circle check. The ticket system will ensure that there is a tracking system in place for all fuel transactions which will improve record keeping, reporting and directly affect the ability to complete reconciliations.	1. As per recommendation 1, Niagara Region staff to conduct manual dip test twice weekly to reconcile fueling transactions throughout the week. Dip stick ordered and received on Nov 22nd. Implementation starting week of November 27, 2017. 2. As per recommendation2, Niagara Recycling staff will complete fuel reconciliations on a daily basis. Niagara Region's Contract Manager will be responsible for reviewing tracking spreadsheet every month to look for variances/discrepancies. First monthly review scheduled for January 2018. Daily reconciliations start date November 13, 2017. 3. As per recommendation 3, and dependent on Council's direction on Niagara Region's role in recycling processing operations as part of the Waste-Free Ontario Act, Niagara Region's Contract Manager will research automated systems used at Regional facilities, and, depending on cost, will procure and install automatic fuel pumps in correlation with an automated fuel management system. 4. Implementation of a ticket based system for all fueling transactions. Staff will no longer be documenting information on circle checks, as circle check is complete at beginning of shift and fuel transactions occur throughout the day. Alternatively, as per pe recommendation 4b, ticket information includes the following: date, unit number, fuel usage, odometer reading and signature of operator. Complete - started Nov 13, 2017.	Allison Tyldesley (Associate Director, Waste Collection & Diversion) in Allison's absence, Jennifer Wilson (Supervisor Waste Management)	1. Nov 27, 2017 2. Nov 13, 2017 and January, 2018 3. Ongoing 4. Nov 13, 2017	On Hold	As per Jennifer Wilson (Supervisor, Waste Management) on 04/17/2019: 3. Still on hold pending decision on MRF As per Jennifer Wilson (Supervisor, Waste Management) on 01/22/2019: Action plan is awaiting to be presented and approved by Council. No data has been provided when it will be presented at this point. All MAPs have been fully implemented with the exception of #3 which is dependent on Council's direction and will be implemented once a decision is known. As per correspondence with Jennifer Wilson (Supervisor, Waste Management) on 08/10/2018: 1. Completed 2. Completed 3. Dependent on Council's direction and will be implemented once a decision is known. As per correspondence with Jennifer Wilson (Supervisor, Waste Management) on 04/04/2018: 1. Fully implemented 2. Fully implemented 3. Dependent on Council's direction 4. Fully implemented
Fleet Parts Inventory & Fuel Audit	Public Works - Automation of fueling system at Smithville yard	Public Works should research the cost and, if feasible, implement the CoenCorp automated fueling system at the Smithville yard.	Staff are in the process of reviewing the recommendations from a consultant report on Niagara Patrol Yards Retrofit, Smithville and Pelham Patrol Yards completed in 2013 that has been on hold while we completed an external audit on Snowplowing, Road Maintenance and Landscaping Services. Based on the recommendations in these reports and the condition of the fueling system at the Smithville Yard, staff are not recommending installing the CoenCorp fuel system at this time. If staff follow through with the recommendation to consolidate both yards into one facility, the fueling system at Pelham was built to be transferable to the new consolidated yard location. The current fuel storage system as Smithville is undersized and was built only as a temporary measure. If a final decision is made to keep Smithville Patrol Yard open than the costs of installing new tanks with the CoenCorp fuel system will be incorporated within the capital budget.	Shawn McCauley, Associate Director Transportation and Fleet Operations	Dec 31, 2017	Not Started	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Shawn McCauley (Associate Director, Transportation) on 12/19/2018: Delayed until restructuring of the division is complete. Estimated completion date: June 30, 2019 Dependent on decision to consolidate the yards or not As per correspondence with Shawn McCauley (08/10/2018): A consultant is going to be hired to conduct a yard rationale study in 4th quarter of 2018.
Fleet Parts Inventory & Fuel Audit	Public Works - Inventory storage and reconciliation process	1. Inventory cycle counts should continue to be conducted on a quarterly basis. Staff working at each respective yard should be informed of the count results and required to follow up with Management on variances. 2. Management should develop an internal guideline as to how many variances are considered to be an acceptable variance 3. When unacceptable variances are noted on more than one occasion, Management should conduct cycle counts on a more frequent basis (bi-monthly) in order to ensure inventory existence and accuracy until counts are within acceptable variance limits 4. The Smithville inventory storage room should be reorganized using the bin location format applied at the other locations 5. Management should implement a system, whereby staff taking an inventory item off the shelf, he/she uses the hand held scanner to scan the barcode affixed to the shelving to add the item to the work order rather than manually adding the item, mitigating the risk of an incorrect item being added to the work order 6. If Public Works decides to consolidate the current yard locations, they should investigate the incremental cost of adding a stock clerk to the remaining location(s)	1. Inventory cycle counts are part of our current inventory process guideline manual in Cityworks, this document will be updated to include the M5 inventory. 2. Current Cityworks internal inventory process identifies a variance reporting mechanism and a process for recounts if there are any unusual variances. The manual will be updated to include the M5 inventory including identifying acceptable variance limits. 3. The update manual will include a section on a procedure to handle unacceptable variances including recommending bimonthly counts where required 4. Staff will reorganize Smithville into bin locations after the 2017 year end inventory reconciliation 5. Current scanners are not capable of adding items directly onto a work order. Staff will review and determine if this functionality can be programmed into our current scanners or will an upgrade be required 6. Staffing levels will be reviewed once a decision on the yard locations is made, including adding an additional staff member to deal with the stock at the Patrol Yards. Currently there are only two Road Operations Clerk for the four Patrol Yards. These positions have stock responsibility in their job descriptions, adding a third in a three yard model will help control both fleet and road inventory levels	Ken Williams (Supervisor Fleet Operations) and Shawn McCauley (Associate Director Transportation and Fleet Operations)	March 31, 2018	In progress late	Management Action Plan updates for Q2 2019 have not been received As per discussion with Shawn McCauley (Associate Director, Transportation), on 12/19/2018: 1-3. Process updated and utilized to conduct year end counts. 4. Previously completed. 5. Upgrade required as part of the division's mobile solution strategy. Currently waiting on IT. 6. Delayed until the restructuring of the division is complete Estimated completion date: June 30, 2019 As per discussion with Shawn McCauley (Associate Director, Transportation) on 08/10/2018: 1. In progress 2. In progress 3. In progress 4. Complete 5. In progress 6. Consultant to be hired to conduct yard rationale study in 4th quarter of 2018. Estimated completion date: 12/31/2018 As per discussions with Shawn McCauley (04/05/2018). MAP #4 is fully implemented while the remainder are still In progress. Staff have not had time to complete the remainder of the MAPs with the absence of the Traffic Manager. Have had to take on some the responsibilities.
Fleet Parts Inventory & Fuel Audit	EMS - Maximization of available discounts	1. Management should continue to encourage the use of the key fobs and the follow up of employees when it is noted that the key fob was not used at the respective gas station 2. Management should inquire with the key fob provider if there are any increased savings plans based on volume of fuel they are purchasing on an annual basis	1. We observe approximately a 30% utilization of the key fob vs. Visa card. We will communicate with staff to use key fob or Visa Card with key fob vendor as first choice, and use alternate fuel providers if key fob vendor is not available. We will set up a meeting involving upper management, fleet and our Operation's team to discuss the best course of action to increase the use of the key fob 2. We will reach out to Corporate, ICOP and key fob vendor sales representative to see if further discounts can be gained or if there are other incentive programs available since we adopted the use of the key fob. Our Pcard is used approximately 70% of the time and reconciling the monthly statement is time consuming and lends itself to risk of human error. We will be seeking out advice from our Region IT dept. to see if they can come up with an electronic solution to automatically populate our current internal spread sheets to mitigate human error.	Ralph Paolini (Manager, EMS and Support Services)	February 2018	In progress late	As per conversation with Ralph Paolini (Manager, EMS and Support Services) on 04/16/2019: Purchasing is in the process of having all Regional fuel purchasers involved in trying to have all criteria noted included in a purchasing contract with a particular fuel vendor. Preliminary findings show all criteria mentioned in the audit can be satisfied. As per conversation with Ralph Paolini (Manager, EMS and Support Services) on 12/19/2018: Procurement is in the process of completing the work. As per conversation with Ralph Paolini (Manager, EMS and Support Services) and Bart Menage (Director, Procurement and Strategic Acquisitions) on 08/20/2018: Procurement is in the process of completing the work. As per correspondence received from Ralph Paolini (03/27/2018), 1. Fully implemented 2. EMS has found 2 providers that would meet all of their requirements (volume discounts, store hours, security aspects when dealing with Pcard or fob, record keeping, use friendliness). They are currently working with Procurement on this MAP.

Audit Report Title	Observation Title and Brief Description	Recommendation per Audit Report	Management Action Plan per Audit Report	Accountable Individual & Title	Original Completion Date MM/DD/YYYY	Issue Status	Follow Up Comments
Fleet Parts Inventory & Fuel Audit	EMS - Opportunities to automate record keeping process	1. Management should discuss with the key fob provider if there is a capacity in which they can receive the statement electronically and download them into their vehicle operation data report or online platform in order to save time and mitigate the risk of human error 2. Management should download PCard transactions and download the transactions into their vehicle operation data report or online platform in order to save time and mitigate the risk of human error. EMS may want to discuss with the IT department a spreadsheet in which the PCard data can be downloaded, sorted and summarized based on their requirements for the vehicle operation data report	1. We will meet with Corporate and fuel provider to investigate any software upgrades (mileage, vehicle call sign ID, signature, cost and litres used) of their system for reconciling monthly statements 2. Our Pcard is used approximately 70% of the time and reconciling the monthly statement is time consuming and lends itself to risk of human error. We will be seeking out advice from our Region IT dept. to see if they can come up with an electronic solution to automatically populate our current internal spread sheets to mitigate human error.	Ralph Paolini (Manager, EMS and Support Services)	February 2018	In progress late	As per conversation with Ralph Paolini (Manager, EMS and Support Services) on 04/16/2019: Purchasing is in the process of having all Regional fuel purchasers involved in trying to have all criteria noted included in a purchasing contract with a particular fuel vendor. Preliminary findings show all criteria mentioned in the audit can be satisfied. As per conversation with Ralph Paolini (Manager, EMS and Support Services) on 12/19/2018: Procurement is in the process of completing the work. As per conversation with Ralph Paolini (Manager, EMS and Support Services) and Bart Menage (Director, Procurement and Strategic Acquisitions) on 08/20/2018: Procurement is in the process of completing the work. As per correspondence received from Ralph Paolini (Manager, EMS and Support Services) on 03/27/2018: 1. Fully implemented 2. EMS has found 2 providers that would meet all of their requirements (volume discounts, store hours, security aspects when dealing with Pcard or fob, record keeping, use friendliness). They are currently working with Procurement on this MAP.
Waste and Recycling Drop-Off Depot Agreement Audit	Opportunity to enhance transparency of reported information from the vendor	1. Waste Management staff at Niagara Region should discuss with the vendor the possibility of including tipping fee as one of the selected data fields on the daily transfer of information. Waste Management should request that the pre-tax tipping fee amount, tax amount and gross tipping fee amount be reported on a daily basis so that montly and quarterly reconciliations may be completed easier. 2. Waste Management staff should discuss with the vendor, the possibility of enhancing the reporting process so that both tonnage and revenues are reported on a quarterly basis. As a result of the enhancements, Waste Management staff may be able to reconcile the systems, compute royalty amounts and monitor information with increased ease and efficiency.	1. Niagara Region holds quarterly meetings with the vendor. The next meeting is to be scheduled in late Q2. The issue will be brought forward to see if tipping fee can be a selected data field. The Region will investigate if the quarterly report can be done on a monthly basis showing pre-tax tipping fee amount, tax amount and gross tipping fee amount. 2. Niagara Region hold quarterly meetings with the vendor. The next meeting is to be scheduled in late Q2. The issue will be brought forward to see if tonnage can be added to the quarterly report. If the vendor is in agreement to supply this information.	Waste Disposal Operations Program Manager	1. 09/30/2018 2. 07/31/2018	In progress late	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Andrew Winters (Waste Disposal Operations Program Manager) on 01/09/2019: 1. The vendor currently are unable to select this data field. Next time they have to upgrade their program they will look at feasibility if they can implement this request. 2. The vendor agreed that they would add the tonnages to the quarterly report. They will start in Q4 report. As per discussion with Andrew Winters (Waste Disposal Operations Program Manager) on 08/16/2018: A meeting was held with the Vendor on June 4, 2018 in which items #1 and #2 were raised. The Vendor is going to go back to their IT department for validation but Vendor didn't think it would be an issue. MAP#1 is still on target to be completed for the original September 30, 2018 completion date. The Vendor indicated that item #2 would be completed at the same time.
Grants and Incentives Audit	The Region needs to consider program rationalization	1. Regional Council needs to reaffirm the alignment of current programs with Council objectives and/or priority projects at least once during each term of Council. 2. Regional Council needs to rationalize the number of programs that it manages and funds and ensure that new or remaining programs have direct alignment to the Region's core mandate. The Region should develop an exit strategy to terminate its participation in the following programs: Building and Facade; Heritage Restoration and Improvement; Environmental Assessment; Planning Studies; Residential Grant/Loan 3. Regional Council needs to reconsider its participation in the following programs given the limited client uptake: Agricultural Buildings and Facilities Revitalization Grant/Loan; Agricultural Feasibility Study Grant; and Affordable Housing Grant/Loan Program 4. The Region needs to re-evaluate its role as the administrative lead in Niagara Investment in Culture and consider either providing block funding to Local Area Municipalities or transfer full administrative responsibility to an external agency (ie: Niagara Prosperity Initiative, Prokids). 5. The Region should consider repurposing budgets and resources from any programs it is no longer financially supporting to those programs that have high strategic alignment to ensure these programs are being delivered at the appropriate financial scope and scale.	Representatives from Economic Development, Finance and Planning and Development have reviewed the observations and associated comments provided in Phase 1 and 2 of the Grant and Incentives Programs audit. The implementation of the observations as proposed needs to be carefully considered as there would be significant impact on: - the delivery of grant and incentives programs - resources allocated within Regional Departments and Local Area Municipalities; and - the applicants of the grant and incentive programs In order to adequately assess the observations and make considered recommendations on grant and incentive programs moving forward, it is recommended that a Working Group is established consisting of representatives from Economic Development, Finance, Planning and Development and ICOP. The Working Group will report to CLT.	Doug Giles, Director, Community and Long Range Planning		In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Marian Bannerman (Program Manager, Grants and Incentives) on 01/24/2019: As outlined in the Management Action Plan, an inter-departmental Incentive Review Working Group met several times during Q4 2018 to develop recommendations regarding potential incentive target areas and options for program resourcing and delivery . An education session for Regional Council on existing Regional incentive programs and the status and next steps of the Incentive Review is anticipated in February 2019, with a similar session anticipated to be provided for interested Local Area Municipal staff in March. Following leadership review of the Working Group recommendations, a report will go forward (likely in May-June 2019) to Planning and Economic Development Committee and Regional Council for consideration. Per discussion with Doug Giles and Marian Bannerman (08/24/2018): a report will be going go Planning and Development Committee that highlights the result of a survey of Local Area Municipalities. A full strategy on how to implement the recommendations will be developed in Q1 2019 following an orientation to the various programs delivered for the new Regional Council.
Grants and Incentives Audit	Lack of master agreement or standard operating procedures	1. Regional staff needs to develop foundational documents such as a Master Agreement and Standard Operating Procedures in conjunction with its LAM partners. Some items to be included within the master agreement are: a. Details of the program objectives from a Regional perspective b. Regional criteria to be considered during application evaluation/approval and post-award monitoring phases, i.e. jobs created, minimum external investment threshold. c. Enforcement of Regional standards and approval procedures 2. Regional staff, along with LAMs, should define its optimal business model, such as a delegated authority model. This will establish the parameters around the business relationship and support the description of roles and responsibilities for all parties in the delivery of grant and incentive programs. a. If the Region continues with Type B and Type C program models, whereby the LAMs provide post-award monitoring or verification, then a right to audit clause should be developed and enforced. b. As an alternative, if a right to audit clause cannot be agreed upon within the master agreement, the Region should consider implementing an indemnity clause to protect the Region from exposure to legal or financial liability. 3. Following the drafting of a Standard Operating Procedure for all the programs, the Region should develop flow charts and work descriptions that detail the following service levels: a. Appropriate level of due diligence required from each party b. Communication requirements and frequency. c. Documentation to support application approval and payment processing d. Ongoing and post-award monitoring to ensure application criteria have been satisfied; and e. Timeliness and quality of project, program and performance reporting.	Representatives from Economic Development, Finance and Planning and Development have reviewed the observations and associated comments provided in Phase 1 and 2 of the Grant and Incentives Programs audit. The implementation of the observations as proposed needs to be carefully considered as there would be significant impact on: - the delivery of grant and incentives programs - resources allocated within Regional Departments and Local Area Municipalities; and - the applicants of the grant and incentive programs In order to adequately assess the observations and make considered recommendations on grant and incentive programs moving forward, it is recommended that a Working Group is established consisting of representatives from Economic Development, Finance, Planning and Development and ICOP. The Working Group will report to CLT.	Doug Giles, Director, Community and Long Range Planning		In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Marian Bannerman (Program Manager, Grants and Incentives) on 01/24/2019: As outlined in the Management Action Plan, an inter-departmental Incentive Review Working Group met several times during Q4 2018 to develop recommendations regarding potential incentive target areas and options for program resourcing and delivery . An education session for Regional Council on existing Regional incentive programs and the status and next steps of the Incentive Review is anticipated in February 2019, with a similar session anticipated to be provided for interested Local Area Municipal staff in March. Following leadership review of the Working Group recommendations, a report will go forward (likely in May-June 2019) to Planning and Economic Development Committee and Regional Council for consideration. Per discussion with Doug Giles and Marian Bannerman (08/24/2018): a report will be going go Planning and Development Committee that highlights the result of a survey of Local Area Municipalities. A full strategy on how to implement the recommendations will be developed in Q1 2019 following an orientation to the various programs delivered for the new Regional Council.

Audit Report Title	Observation Title and Brief Description	Recommendation per Audit Report	Management Action Plan per Audit Report	Accountable Individual & Title	Original Completion Date MM/DD/YYYY	Issue Status	Follow Up Comments
Grants and Incentives Audit	Insufficient performance measures to report on program success and compliance	1. Regional staff needs to further develop performance measures for all of its grant and incentive programs along with templates to support the LAMs in the collection, verification and reporting on the program successes. As a foundation the Region should develop performance measures categorized by volume, outputs, performance and qualitative as described in Appendix X. 2. Regional staff needs to develop an effective post-award monitoring methodology, especially for Type C programs, those administered by the LAMs and funded by the Region. 3. Regional staff needs to conduct regular comprehensive program evaluations (i.e. once per Council term) to ensure program objectives are continuously satisfying its original and intended goals. For all programs the Region should develop a sunset clause that defines the timing of when to conduct program evaluations.	Representatives from Economic Development, Finance and Planning and Development have reviewed the observations and associated comments provided in Phase 1 and 2 of the Grant and Incentives Programs audit. The implementation of the observations as proposed needs to be carefully considered as there would be significant impact on: - the delivery of grant and incentives programs - resources allocated within Regional Departments and Local Area Municipalities; and - the applicants of the grant and incentive programs In order to adequately assess the observations and make considered recommendations on grant and incentive programs moving forward, it is recommended that a Working Group is established consisting of representatives from Economic Development, Finance, Planning and Development and ICOP. The Working Group will report to CLT.	Doug Giles, Director, Community and Long Range Planning		In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Marian Bannerman (Program Manager, Grants and Incentives) on 01/24/2019: As outlined in the Management Action Plan, an inter-departmental Incentive Review Working Group met several times during Q4 2018 to develop recommendations regarding potential incentive target areas and options for program resourcing and delivery . An education session for Regional Council on existing Regional incentive programs and the status and next steps of the Incentive Review is anticipated in February 2019, with a similar session anticipated to be provided for interested Local Area Municipal staff in March. Following leadership review of the Working Group recommendations, a report will go forward (likely in May-June 2019) to Planning and Economic Development Committee and Regional Council for consideration. Per discussion with Doug Giles and Marian Bannerman (08/24/2018): a report will be going go Planning and Development Committee that highlights the result of a survey of Local Area Municipalities. A full strategy on how to implement the recommendations will be developed in Q1 2019 following an orientation to the various programs delivered for the new Regional Council.
Grants and Incentives Audit	The Region can provide greater value added support to improve administrative efficiency and program success	1. The Region should work with LAMs to develop an effective web portal and Regional website landing page to improve communication, reporting, and sharing of information and documentation between partner municipalities. 2. The Region needs to study the merits, benefits and risks of converting grant programs to loans to create greater sustainability. 3. The Region should develop minimum investment thresholds (i.e. \$100,000 per project) to increase scale, overall ROI and efficiencies. 4. Based on the entire inventory of Regional grant and incentive programs, the Region should review the creation of a separate function with dedicated resources that specializes in grant administration and is reliant upon the technical support of program areas.	With respect to Redesigning Programs as Loans, it was felt that this particular observation is not an option for the delivery of grant and incentive programs; however comments relating to this should be provided as part of the assessment and recommendations made by the Working Group to CLT.	Doug Giles, Director, Community and Long Range Planning		In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Marian Bannerman (Program Manager, Grants and Incentives) on 01/24/2019: As outlined in the Management Action Plan, an inter-departmental Incentive Review Working Group met several times during Q4 2018 to develop recommendations regarding potential incentive target areas and options for program resourcing and delivery . An education session for Regional Council on existing Regional incentive programs and the status and next steps of the Incentive Review is anticipated in February 2019, with a similar session anticipated to be provided for interested Local Area Municipal staff in March. Following leadership review of the Working Group recommendations, a report will go forward (likely in May-June 2019) to Planning and Economic Development Committee and Regional Council for consideration. Per discussion with Doug Giles and Marian Bannerman (08/24/2018): a report will be going go Planning and Development Committee that highlights the result of a survey of Local Area Municipalities. A full strategy on how to implement the recommendations will be developed in Q1 2019 following an orientation to the various programs delivered for the new Regional Council.
Information Technology Security and Data Backup Controls Audit	Cybersecurity Management - Security systems Architecture	A. It is recommended to limit the access from the branch locations to the Region's network by placing the branch locations into a separate security zone and only allow the bare minimum required for business operation. B. - The branch location's network is to be segmented; separating the managed from the unmanaged devices and only allow access to the Region's network to managed devices. - Segment end-user devices, included managed devices, into controlled zones treated as semi-trusted to limit exposure to critical infrastructure as application and database servers.	A. Non Corporate internet is currently on separated network segmentation with no communication to the corporate network. We are implementing physical security to the ports (network port locks) on the non Corporate internet ports of the switch at the branch office locations to reduce risk. B. The Region will be implementing segmented security zones through Corporate firewall for critical servers to reduce exposure.	Julie Max (Associate Director, Infrastructure and Operations)		In progress late	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: A. The network locks have been purchased and are scheduled to be installed in Regional facilities. Completed B. The current firewall migration is underway, and upon completion the segmented security zones will be in place as indicated. Security Zones have been configured and scheduled for implementation in Q1 2019. As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: A. The network locks have been purchased and are scheduled to be installed in Regional facilities Estimated completion date: 12/31/2018 B. The current firewall migration is underway, and upon completion the segmented security zones will be in place as indicated. Estimated completion date: 12/31/2018
Information Technology Security and Data Backup Controls Audit	Cybersecurity Management - Network Security Systems	1. Identify operating systems in use on each ASA in use by the Region and identify all the latest versions available for installation. 2. Install the latest version available for all Cisco ASA firewalls. 3. Replace firewalls for a more recently released firewall system which is expected to be supported for the intended lifecycle of the firewall. 4. Use a vulnerability assessment solution to identify old versions of firmware and software. A vulnerability assessment solution generally provides information on new releases of firmware and software for monitored devices. 5. To limit exposure to known vulnerabilities in unsupported firmware and software releases, ensure equipment in use is running firmware and software which is still supported by the vendor.	1&2: Currently underway 3: ASA firewall replacements will be budgeted for in 2019. 4:The Region regularly conducts security assessments with 3rd party vendors to help identify these areas. The most recent being January 2018. We will be assessing a vulnerability assessment solution further. 5:It should be noted that mitigation solutions have been put in place to deal with unsupported firmware and software to limit vulnerabilities. Staff have enrolled to receive vendor notifications for hardware and software updates and do review and assess notifications for exposure and risk. We will be looking at enhancing our processes with a vulnerability assessment solution.	Julie Max (Associate Director, Infrastructure and Operations)		In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: 2. Budget has been allocated in 2019 for the purchase of new ASA's as the current ones have memory limitations. Currently procuring hardware. Anticipated completion Q3 2019 4. SAS product will need further investigation. As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: 1. Complete 2. Budget has been allocated in 2019 for the purchase of new ASA's as the current ones have memory limitations. Estimated completion date Q1/2019 3. Complete - Budget has been allocated in 2019 for the new hardware replacements of the current asa5505's with PA220's and support 4. SAS product will need further investigation Estimated completion date: Q1/2019 5. Complete
Information Technology Security and Data Backup Controls Audit	Cybersecurity Management: Account and access management	1. Disable insecure management and authentication mechanisms on networking devices and in particular the firewalls and force the use of secure mechanisms like SSHv2. 2. Implement centralized authentication for management of networking devices to prevent credential reuse and sharing, allow for password requirements enforcement, and auditability of administrator actions.	1: We have set SSHv2 and disabled SSHv1 and have modified the configuration to telnet access. This has been confirmed and verified. No further action is required. 2: Will be implemented with the new firewall implementation and remainder of infrastructure devices by end of year.	Julie Max (Associate Director, Infrastructure and Operations)		In progress late	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: 1.Completed 2. This project is currently underway as ClearPass in being setup and configured by the vendor. Completion Q1 2019 As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: 1. Completed 2. Will be completed as part of the Aruba ClearPass implementation Estimated completion date: Q4, 2018 (Dec. 31, 2018)

Audit Report Title	Observation Title and Brief Description	Recommendation per Audit Report	Management Action Plan per Audit Report	Accountable Individual & Title	Original Completion Date MM/DD/YYYY	Issue Status	Follow Up Comments
Information Technology Security and Data Backup Controls Audit	Change Management	1. Formalize and agree with the CAB which changes need to be run by the CAB before implementing. 2. Keep track of all changes, regardless of their importance or impact, in a formalized change management system storing at least the purpose, executor, approver, rationale, request and execution date.	1: It should be noted that a formal CAB process currently exists. Updates will be added to CAB terms of reference to include a more comprehensive list of standard changes needs along with preapproved SOP's. 2: This will be addressed with changes to CAB processes.	Julie Max (Associate Director, Infrastructure and Operations)		In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: 1) Completed 2) Currently investigating a CMDB tool - Change Management Database As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: 1. Current CAT policy is being revised to include the new processes identified in response, certain SOP's have been created for standard changes. Estimated completion date: Q4 2018 (Dec 31, 2018) 2. Currently investigating a CMDB tool - Change Management Database Estimated completion date: Q2, 2019 (June 30, 2019)
Information Technology Security and Data Backup Controls Audit	Patch Management	A. Recommendations for Findings A and B: 1. Create a patch management policy that outlines the objectives of patching, roles and responsibilities, steps to evaluate criticality, testing and handling of exemptions. 2. The patch management policy should include procedures when patches are not applied, risk is assessed, mitigation or acceptance is documented and approved by the appropriate level.	A 1: There is currently an SOP in place to implement operating systems securities patches. We will be looking at enhancing current practices. A 2: We will be implementing a Risk Assessment Framework supported by documented approvals.	Julie Max (Associate Director, Infrastructure and Operations)		In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: 1) SOP for OS and security patches completed. 2) Risk Framework is being developed. As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: 1. Currently underway Estimated completion date: 12/31/2018 2. Currently underway Estimated completion date: 12/31/2018
Payroll Audit: Phase 1 - Timekeeping Process	Lack of Management Approval of Timekeeping in some Divisions	1. Supervisors/Managers should be given Kronos user logins. 2. The HR Division, in consultation with business units, should develop an approval/sign off business process whereby Supervisors/Managers are reviewing and signing off on the timecards of the staff that they supervise in a consistent manner. 3. In the longer term, HR Division should investigate the feasibility of designing a process which consolidates the Supervisor/Manager's approval of time entries and the encoding of time entries into one step.	1. Management is conducting a cost benefit review of adding additional manager timekeeping licenses, allowing for manager level approvals, against the cost/risk of potential payroll errors. 2. Management fully supports the need for appropriate manager level oversight on all payroll costs in a consistent fashion. Some operational areas (i.e.: Children's Services) have a well documented manager level approval process for timekeeping sign off developed by HR, as well as manager licenses to electronically support this work. Depending on the outcome of item 1 above, HR will provide a documented corporate wide business process that supports manager electronic approval, or a suitable alternative to ensure manager level oversight. 3. Management acknowledges the benefits of the time entry and approval being consolidated into one step. While there are technical constraints in implementing this today, HR has included this items as part of their broader HRIS review project currently underway.	Peter Wadsworth (Director, Human Resources) Linda Gigliotti (Associate Director, Employee Services) Cindy Creemer (Manager, Employee Services)	09/30/2019	In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Linda Gigliotti (Associate Director, Employee Services) on 12/21/2018: This review is expected to be completed by the deadline.
Payroll Audit: Phase 1 - Timekeeping Process	Developing Training and Guidelines	1. Manuals that detail step-by-step procedures should be updated to include Niagara Region business procedures. This will allow for time keeping tasks to be completed consistently throughout the corporation. 2. The HR division should develop training modules for Kronos users. The training should educate the user on the task associated with their specific role(s) within the timekeeping process. The format of training (on-line, in person, etc.) should be decided upon by the HR division in order to effectively suit the corporation. 3. A Champion for each collective agreement should be decided upon and communicated to the encoder group so that when questions arise, Encoders have the necessary resources. 4. Management from respective business units should develop backup/coverage plan for instances when their main Encoder is away from the office or otherwise unable to complete the encoding.	1. Management fully supports updating training materials to include Niagara Region business procedures. 2. Management supports the delivery of timekeeping training and is developing online tools to create greater effectiveness, consistency, timeliness and access in comparison to the prior classroom provided training. 3. Management has considered this. Escalated questions from timekeepers are managed by HR, and recommends that any additional supports in a specific operating area can be determined within the division. 4. Management supports this recommendation and will continue to encourage adequate back up support amongst timekeepers in each operating area. The requirement to utilize a back up resource for one's own encoding will reinforce this need, as per Observation 2.	Linda Gigliotti (Associate Director, Employee Services)	09/30/2019	In progress on time	Management Action Plan updates for Q2 2019 have not been received As per correspondence with Linda Gigliotti (Associate Director, Employee Services) on 12/21/2018: This review is expected to be completed by the deadline.
Payroll Audit: Phase 2 - Payroll Processing	Locking excel spreadsheets to avoid minor errors	HR Management should enable spreadsheet controls to protect the integrity and accuracy of the payroll data. Formula cells in the excel templates should be locked, to ensure that only authorized changes to the cells are done. Locking the formula cells will mitigate the risk that an error in the spreadsheet may occur.	Management is very supportive of adding locks on the excel template tools created in order to ensure that formulas are not inadvertently edited/deleted. This includes current/existing excel tools and will also incorporate as a standard for templates created in the future.	Linda Gigliotti, Associate Director, Employee Services	01-Nov-18	Completed	As per discussion with Linda Gigliotti (Associate Director, Employee Services) on 12/21/2018: This recommendation has been completed. All templates are now locked.
Controlled Medications Inventory	NEMS - Internal controlled medications policy needs to be updated	1. NEMS Management should update the internal policy to include all current business process. 2. Once the internal policies have been updated, all changes should be communicated to staff.	1. The recommended updates will be made within the policy. 2. Training surrounding the updates will be delivered to affected staff.	Michael Franklin, Commander, Quality Management and Professional Standards	06-01-2019	In progress on time	As per correspondence with Michael Franklin (Commander, Quality Management and Professional Standards) on Apr 10, 2019: 1. NEMS is working on the policy update, and the update is scheduled to be completed prior to their internal Spring Training. 2. If the policy update is completed prior to the Spring Training, NEMS is able to meeting the current deadline. If it is delayed, the completion date would be by August 1, 2019
Controlled Medications Inventory	LTC Homes - Missing documentation	1. Management, along with the pharmacy service provider if possible, should conduct follow up re-training of the new business processes implemented by the new pharmacy service provider. 2. When the Homes are conducting their own documentation inspections, if trends in missing documentation or errors are observed, they should be communicated and corrected with Home staff. Follow up training should be completed with staff where Home Management deems necessary.	1. Finalize implementation of the final phase of the pharmacy transition plan including audit of new systems and processes to determine training needs. Will ensure through this process that all required documentation as per the new pharmacy provider is captured in a timely manner. 2. Ensure that all audits are consistently completed and that training needs identified through audits are addressed.	Kim Eros, Associate Director Clinical and Support Services	04-15-2019	Completed	As per correspondence with Kim Eros (Associate Director Clinical and Support Services) on Apr 4, 2019: The contracted pharmacy provider has completed education session in each of the Homes in Q1 of 2019. The Homes and pharmacy continues to audit.

Audit Report Title	Observation Title and Brief Description	Recommendation per Audit Report	Management Action Plan per Audit Report	Accountable Individual & Title	Original Completion Date MM/DD/YYYY	Issue Status	Follow Up Comments
Accounts Payable Audit	Maintenance and review of vendor master file information	<p>1) Maintenance should be conducted on the master vendor file on a regular basis (i.e. at least annually). This would include the following activities to ensure completeness and accuracy:</p> <p>a) Review and update the vendor master information.</p> <p>b) Obtain missing or incomplete data such as missing telephone numbers, postal address, complete name, and emails.</p> <p>c) Update any out of date information</p> <p>d) Determine if there are any vendors (i.e. duplicate vendors) that should be removed from the master file.</p> <p>e) Archive inactive vendors which have had no business activity for a certain amount of time (i.e. for over 18 months). If the vendor is archived, their information can be easily accessed for reinstatement, if needed. By removing inactive vendors, the list becomes leaner and records are easier to access, increasing employee productivity through reduced processing time.</p> <p>Maintenance activities should include department representatives (in addition to Finance staff), if possible, as they may have insight into information that is old, missing or incorrect.</p> <p>The Region should also consider if any of the master vendor file review or maintenance activities can be automated as some cleanup activities lend themselves well to automation. In addition, the Region may want to consider the use of a vendor self-service portal where individual vendors can update their information.</p> <p>2) On a regular basis, conduct analysis and further review on areas which may uncover fictitious vendors, such as comparing vendor and employee addresses and vendor use of P.O. Box addresses.</p>	<p>1. While maintenance on the master vendor file including the activities identified in the recommendation is not currently an established process, Procurement is in agreement with the audit recommendation that it should be. Procurement (Strategic Acquisitions, specifically Strategic Sourcing) with assistance from the ERP Support team will develop a new process (completed annually) for the Supplier Administration function which gives due consideration to the activities/requirements identified above.</p> <p>Process considerations for initial update and ongoing maintenance could include: Procurement seeking assistance from ERP Support team to extrapolate the vendor data from PeopleSoft Financials and then in conjunction with Finance identify the priority data fields which are omitted/important. Supplier Admin would obtain the missing information or out of date information for the purposes of updating the master vendor file, seeking assistance from the Client Department on an as and when required basis.</p> <p>With regards to the automation of the master vendor file review or maintenance activities, Procurement will coordinate with the ERP Support team to explore this but it is our understanding that this would not be possible without customization of the PeopleSoft Financials.</p> <p>With regards to recommendation 1d), Procurement is in agreement that it is important to determine if there are any vendors (i.e. duplicate vendors) that should be removed from the master file but would add that the search would be for "true duplicates" as business decisions during the implementation of PeopleSoft Financials (Deloitte) gave due consideration the creation of duplicate vendor master files, specifically Yardi Landlords, differing currencies and utilities on case to case basis.</p> <p>With regards to recommendation 1e), Procurement is appreciative of comment however at this time it would not be Procurements intent to create a separate process to inactivate vendors (and subsequently re-activate them) as we do not envision a gain in efficiency vis a vis a direct correlation between the number of records, accessibility to data and efficiency/productivity. The database which resides within PeopleSoft Financials is solely maintained in an electronic format (no paper copies) and is both searchable by vendor name and exportable to Excel.</p> <p>At this time, we do not have the capability in our current version of PeopleSoft Financials to audit the start and end dates of when users have turned on their delegated authority. Although a user can choose the start and end date when turning on the delegation function, the back end table in PeopleSoft Financials that tracks delegation is not effective dated and therefore only records that the function was turned on (not as of/when). As such, we can run a report that shows everyone who has delegation turned on today, but cannot run an historical version of that report.</p> <p>However, at any point in time, we can easily provide a history of when a delegation of authority was used to approve something (as we provided for the purpose of this audit). Every transaction records when it has been approved "on behalf of" someone else. For example:</p> <ul style="list-style-type: none">• Director of Finance, Helen Chamberlain, turns on delegation of authority for March 4 – 8, 2019, assigning the Associate Director, Budget Planning and Strategy, Margaret Murphy, as her delegate.• During that period, Margaret Murphy approves several purchase orders, travel and expense reports, and vouchers that would usually be approved by the Director role.• PeopleSoft Financials records each of those transactions as "Margaret Murphy approved on behalf of Helen Chamberlain". <p>If the delegator (Helen Chamberlain, in this example) would like to know what transactions were approved in her absence, PeopleSoft Financials is able to provide that information.</p> <p>If the concern is that an employee could assign a delegate for the length of their employment and therefore never directly approve transactions, then the available report would show that the employee's user ID has never approved a transaction.</p> <p>To our knowledge, there is no PeopleSoft Financials out-of-the-box audit logging process that shows effective dating for the delegation function. In theory, we could customize a solution; however, our system strategy is to minimize any customizations and use configuration where possible (to ensure system integrity and reduce opportunity for errors during patching and upgrades). Given that we are able to report on when delegation of</p>	Bart Menage, Director, Procurement & Strategic Acquisitions	11/30/2019	In progress on time	As per Correspondence with Bart Menage (Director, Procurement & Strategic Acquisitions) on 04/16/2019: "No definitive update at this point in time. I believe we had provided actions dates on the audit responses we were going to action. I will review and these and provide confirmation of any status updates based on those initial response."
Accounts Payable Audit	System logging and reporting of delegation of authority	<p>Consider review of the PeopleSoft system to determine if the start and end dates of users who have delegated their approval authority can be captured within the system and reported on.</p>	<p>At this time, we do not have the capability in our current version of PeopleSoft Financials to audit the start and end dates of when users have turned on their delegated authority. Although a user can choose the start and end date when turning on the delegation function, the back end table in PeopleSoft Financials that tracks delegation is not effective dated and therefore only records that the function was turned on (not as of/when). As such, we can run a report that shows everyone who has delegation turned on today, but cannot run an historical version of that report.</p> <p>However, at any point in time, we can easily provide a history of when a delegation of authority was used to approve something (as we provided for the purpose of this audit). Every transaction records when it has been approved "on behalf of" someone else. For example:</p> <ul style="list-style-type: none">• Director of Finance, Helen Chamberlain, turns on delegation of authority for March 4 – 8, 2019, assigning the Associate Director, Budget Planning and Strategy, Margaret Murphy, as her delegate.• During that period, Margaret Murphy approves several purchase orders, travel and expense reports, and vouchers that would usually be approved by the Director role.• PeopleSoft Financials records each of those transactions as "Margaret Murphy approved on behalf of Helen Chamberlain". <p>If the delegator (Helen Chamberlain, in this example) would like to know what transactions were approved in her absence, PeopleSoft Financials is able to provide that information.</p> <p>If the concern is that an employee could assign a delegate for the length of their employment and therefore never directly approve transactions, then the available report would show that the employee's user ID has never approved a transaction.</p> <p>To our knowledge, there is no PeopleSoft Financials out-of-the-box audit logging process that shows effective dating for the delegation function. In theory, we could customize a solution; however, our system strategy is to minimize any customizations and use configuration where possible (to ensure system integrity and reduce opportunity for errors during patching and upgrades). Given that we are able to report on when delegation of</p>	Erin Amirault, Associate Director, Finance Operations and Systems	11/30/2019	In progress on time	As per Correspondence with Erin Amirault (Associate Director, Finance Operations and Systems) on 04/12/2019: More definitive update is not available at this time. We are still planning the PeopleSoft Financials upgrade for November with initial review and testing to start in September, however final dates are still to be determined. We will review at that time if functionality will change to allow for logging of when delegation has been turned on. At this time we do not anticipate that such a logging function will be available.

MEMORANDUM

AC-C 15-2019

Subject: Internal Audit Plan Progress Update Dashboard

Date: May 6, 2019

To: Audit Committee

From: Maciej Jurczyk, Director, Internal Control & Organizational Performance

On a quarterly basis, Internal Control & Organizational Performance submits a performance dashboard to the Audit Committee. The objective is to demonstrate progress against the Annual Internal Audit Plan and provide other key performance indicators in a one-page summary. The dashboard is attached as Appendix 1 to AC-C 15-2019.

Staff are requesting to defer the Waste Management Contract Compliance Audit to 2020.

The 2019 Internal Audit Plan (see AC-C 5-2019) was approved on February 4, 2019 by Audit Committee and ratified by Council on February 28, 2019.

Respectfully submitted and signed by,

Maciej Jurczyk, CPA, CMA, CIA, CRMA
Director
Internal Control & Organizational Performance



INTERNAL CONTROL & ORGANIZATIONAL PERFORMANCE AUDIT PLAN PROGRESS UPDATE

Current as of April 18, 2019

Assurance Projects

2017 Interim Audit Work Plan (AC-C 14-2017)	Percentage Complete	Audit Phase	Project Status	Due Date	Dept & Division under review	\$ under review
Purchasing Card	100%	-	Complete	31-Oct-17	ERMS, Procurement	\$9,629,000
Fleet Parts Inventory & Fuel	100%	-	Complete	9-Nov-17	Public Works, Transportation & Wa	\$1,883,000
Cash Handling	100%	-	Complete	15-Jan-18	Corporate-wide	\$16,180,000
Mobile Telecommunications	100%	-	Complete	15-Jan-18	Corporate Services, IT	\$548,000
Cleaning Contract	100%	-	Complete	15-Jan-18	Corporate Services, Facilities	\$665,000
2018 Audit Plan (AC-C 6-2017)						
Grants & Incentives: Phase 1	100%	-	Complete	7-May-18	Planning/Development & Ec/Dev	\$8,746,000
Grants & Incentives: Phase 2	100%	-	Complete	18-Jun-18	Planning/Development & Ec/Dev	\$8,746,000
Waste and Recycling Drop-Off Depot Agreement	100%	-	Complete	30-Mar-18	Public Works, Waste Management	\$104,000
Procurement: Bidding / Tendering process	100%	-	Complete	31-Dec-18	ERMS, Procurement	\$470,786,000
Payroll Phase 1: Time-keeping	100%	-	Complete	10-Sep-18	Corporate-wide	\$251,284,000
Payroll Phase 2: Payroll processing	100%	-	Complete	24-Oct-18	Corporate Services, HR	\$251,284,000
Controlled Medication Inventory	100%	-	Complete	31-Dec-18	Public Health & Community Service	\$9,000
Accounts Payable	100%	-	Complete	28-Feb-19	ERMS, FMP	\$385,000,000
IT General Controls	100%	-	Complete	30-Apr-18	Corporate Services, IT	Not Applicable
Chippawa CSO Internal Review	100%	-	Complete	10-Sep-18	Public Works, W/WW	\$4,692,000
Children's Services Risk Assessment	100%	-	Complete	28-Feb-19	Community Services, Children's	\$29,468,000
2019 Audit Plan (AC-C 5-2019)						
Homelessness Service Providers Contract Compliance	40%	Fieldwork	In Progress	24-Jun-19	Community Services, Homelessness	\$11,233,000
Waste Management Contract Compliance	30%	Fieldwork	Deferred	24-Jun-19	Public Works, Waste Management	\$21,044,000
Employee Benefits Claims	10%	Planning	In Progress	9-Sep-19	Corporate Services, HR	\$19,940,000
HR On-boarding & Off-boarding Audit	0%	-	Not started	2-Dec-19	Corporate Services, HR	\$74,000
Procurement: Sole / Single sourced	0%	-	Not started	9-Sep-19	ERMS, Procurement	\$44,426,000
MTO Driver Certification Program Audit	0%	-	Not started	2-Dec-19	Public Works, Transportation	TBD
Long Term Care Homes Risk Assessment	0%	-	Not started	2-Dec-19	Community Services, Seniors	TBD
Water Treatment Operations Risk Assessment	0%	-	Not started	2-Dec-19	Public Works, W/WW	\$572,000

Annual Audit Plan Status

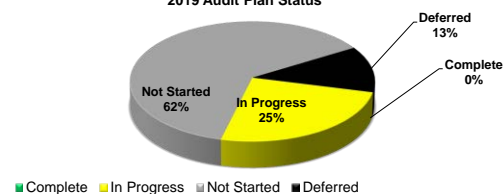
Changes to 2019 Audit Plan:

1. Requesting to defer Waste Management Contract Compliance Audit to 2020.

Progress Commentary:

- The objective of the 2019 Internal Audit Plan is to provide independent, objective assurance and advisory services designed to add value through meaningful recommendations and to improve Niagara Region's operations and system of internal controls
- Internal Control & Organization Performance (ICOP) has completed all projects identified in the 2017 Interim Audit Workplan (AC-C 14-2017); these were previously presented to the Audit Committee. ICOP completed eleven audit projects from the 2018 Audit Plan (AC-C 6-2017); these were also reported to Audit Committee
- The 2019 Audit Plan (AC-C 5-2019); was approved by Audit Committee on February 4, 2019 and ratified by Council on February 28, 2019. The theme of this audit plan is contract compliance with Niagara Region's major vendors; whereas the theme of the last audit plan was Procurement (Procure-to-Pay cycle). The Homelessness Review is in the fieldwork stage while the Employee Benefit Claims Audit is in preliminary planning. ICOP Staff separated the Waste Management Contract Compliance Audit project into two phases: Phase 1 objectives included reviewing the prospective May 2019 RFP and providing feedback to the Waste Management Service division; while Phase 2 involved a review of Waste Management contract management practices - staff are requesting to defer this portion to 2020.

2019 Audit Plan Status



Other on-going projects & activities:

- Recruiting vacant Process & Compliance Auditor
- Training & Professional Development

Recommendations Status

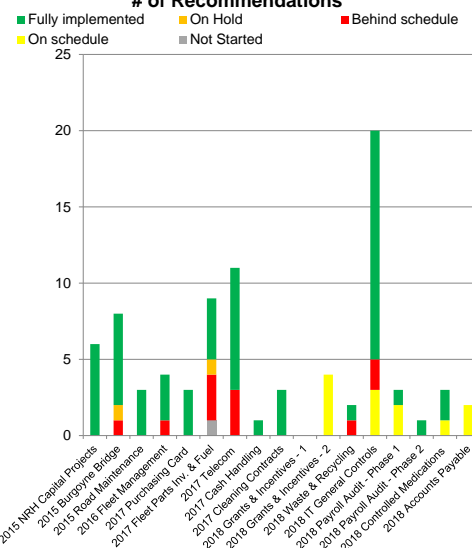
Audit Project Title	Total	Not Started	On schedule	Behind schedule	On Hold	Fully implemented
2015 NRH Capital Projects	6	-	-	-	-	6
2015 Burgoyne Bridge	8	-	-	1	1	6
2015 Road Maintenance	3	-	-	-	-	3
2016 Fleet Management	4	-	-	1	-	3
2017 Purchasing Card	3	-	-	-	-	3
2017 Fleet Parts Inv. & Fuel	9	1	-	3	1	4
2017 Telecom	8	-	-	3	-	8
2017 Cash Handling	1	-	-	-	-	1
2017 Cleaning Contracts	3	-	-	-	-	3
2018 Grants & Incentives - 1	0	-	-	-	-	-
2018 Grants & Incentives - 2	4	-	4	-	-	-
2018 Waste & Recycling	2	-	-	1	-	1
2018 IT General Controls	20	-	3	2	-	15
2018 Payroll Audit - Phase 1	3	-	2	-	-	1
2018 Payroll Audit - Phase 2	1	-	-	-	-	1
2018 Controlled Medications	3	-	1	-	-	2
2018 Accounts Payable	2	-	2	-	-	-
TOTAL # of Issues	80	1	12	11	2	57

Audit Project Title	Total	Not Started	On schedule	Behind schedule	On Hold	Fully implemented
Corporate Administration	5	-	-	-	1	4
Corporate Services	30	-	5	3	-	22
Community Services	2	-	-	-	-	2
ERMS	14	-	2	-	-	12
Planning & Development	4	-	4	-	-	-
Public Health	4	-	1	2	-	1
Public Works	15	1	-	3	1	10
Other: NRH	6	-	-	-	-	6
TOTAL # of Issues	80	1	12	8	2	57

Outstanding Recommendations:

There are 23 outstanding audit recommendations across all business units (23 when previously reported to the Audit Committee in AC-C 12-2019). Progress is being made against all outstanding Recommendations, and ICOP staff are confident all will be completed within a reasonable period of time. Greater detail is identified in AC-C 14-2019.

of Recommendations



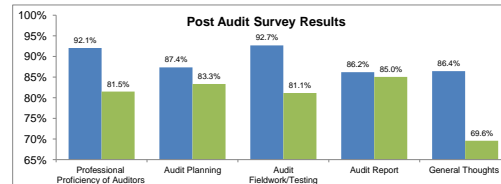
Post Audit Survey Results

Survey Areas of Interest

	2017	2018	2019	Details
Professional Proficiency of Auditors	92.1%	81.5%	NA	Objectivity, professionalism, and knowledge of program areas.
Audit Planning	87.4%	83.3%	NA	Communication effectiveness of scope, objectives, timing and approach.
Audit Fieldwork/Testing	92.7%	81.1%	NA	Effective use of client's time.
Audit Report	86.2%	85.0%	NA	Clear, concise report with timely and meaningful recommendations.
General Thoughts	86.4%	69.6%	NA	Overall benefit of audit and conduct of ICOP team.
AVERAGE SCORE	89.5%	80.6%	NA	

ICOP Action Plans

ICOP has developed an Audit Manual to standardize our internal practices. This Audit Manual is used for the training and on-boarding of new Audit Staff. The Audit Manual will be reviewed and updated annually. No surveys yet in 2019.



Admin / Human Resources

Personnel:	Title:	Credentials:	Start Date:
Maciej Jurczyk	Director	CPA, CMA, CIA, CRMA	26-Jun-17
Frank Marcella	Internal Auditor	MPA, BEd, CGAP	25-Aug-14
Joan Ugwu	Process & Compliance Auditor	CFE	18-Feb-19
Vacant	Process & Compliance Auditor		
Xiang Henrik Gao	Internal Audit Analyst	MBA	10-Sep-18
Bartlomiej Gora	Internal Audit Co-op Student		4-Sep-18



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

April 26, 2019

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

Dear Ms. Norio:

At their April 26, 2019 meeting, the Niagara Regional Housing Board of Directors, passed the following motion:

1. That the draft audited financial statements of Niagara Regional Housing as attached in Appendix 1, for the year ended December 31, 2018 BE **APPROVED**; and
2. That the audit findings report pertaining to the audited financial statements, attached as Appendix 2, of Niagara Regional Housing for the year ended December 31, 2018 BE **RECEIVED** for information.
3. That this report BE **FORWARDED** to the Region's Audit Committee for information.

Your assistance is requested in providing the attached report, NRH 5-2019, to the Audit Committee.

Sincerely,

Mayor Walter Sendzik
Chair



REPORT TO: Board of Directors of Niagara Regional Housing

SUBJECT: 2018 Draft Audited Financial Statements

Report date: Friday, April 26, 2019

Recommendations

1. That the draft audited financial statements of Niagara Regional Housing as attached in Appendix 1, for the year ended December 31, 2018 **BE APPROVED**; and
2. That the audit findings report pertaining to the audited financial statements, attached as Appendix 2, of Niagara Regional Housing for the year ended December 31, 2018 **BE RECEIVED** for information.
3. That this report **BE FORWARDED** to the Region's Audit Committee for information.

Key Facts

- The requirement for an annual audit is established in the Housing Services Act and the Corporations Act for non profit corporations.
- Niagara Regional Housing received an unqualified audit opinion and no management letter points.
- Year-end funding surplus results were reported in report 19-178-4.1 in February 2019 and are consistent with the results reported in these audited financial statements adjusted for accrual accounting presentation required by Public Sector Accounting Standards (PSAS).

Financial Considerations

The financial statements have been prepared in compliance with legislation and in accordance with generally accepted accounting principles established by the Public Sector Accounting Board of Chartered Professional Accountants of Canada.

A draft copy of Niagara Regional Housing's financial statements for the year ended December 31, 2018 is attached (Appendix 1). In addition, Deloitte audit findings report for the year ended December 31, 2018 is attached (Appendix 2).

This report is presenting historical financial information. Niagara Regional Housing's budget is prepared and reported on a quarterly basis whereas the audited financial statements are

NRH 5-2019

19-180-3.1

April 26, 2019

Page 2 of 2

prepared using PSAS. Appendix 3 reconciles the surplus per the audited Statement of Operations to the funding surplus based on the budget approach.

Analysis

The financial statements of Niagara Regional Housing for the year ended December 31, 2018 attached in Appendix 1 have been audited in accordance with Canadian PSAS. The external auditor (Deloitte) has indicated that in their opinion, the financial statements present fairly, in all material respects, the statement of financial position of Niagara Regional Housing as at December 31, 2018 and the statement of operations and accumulated surplus, changes in net debt, and cash flows for the year then ended.

The financial statements are prepared using PSAS making them comparable to other public sector organizations in Canada.

Upon approval of these statements by the board of directors, Niagara Regional Housing will receive the signed Auditor's Report.

Alternatives Reviewed

The financial statements are prepared using PSAS and therefore no other alternatives are available.

Relationship to NRH and/or Council Strategic Priorities

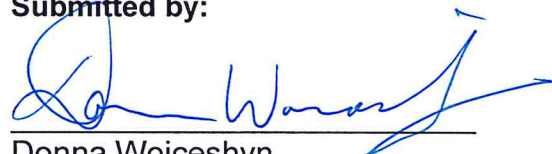
Annual completion of audited financial statements supports the Council Strategic Priority of Organizational Excellence.

Other Pertinent Reports

19-178-4.1 2018 Year-End Transfer Report

CSD 21-2019 2018 Year End Results and Transfer Report

Submitted by:



Donna Woiceshyn
Chief Executive Officer

Approved by:



Walter Sendzik
Chair

This report was prepared by Stephanie Muhic, Program Financial Specialist, in consultation with Dan Ane, Manager Program Financial Support.

Appendices

- Appendix 1 Draft 2018 Audited Financial Statements
- Appendix 2 2018 Deloitte Audit Findings Report
- Appendix 3 Annual Surplus Reconciliation

Financial Statements of Niagara Regional Housing

Year ended December 31, 2018

Niagara Regional Housing

Index

Independent Auditors' Report	3
Statement of Financial Position	5
Statement of Operations	6
Statement of Change in Net Debt	7
Statement of Changes in Cash Flows	8
Notes to the Financial Statements	9
Schedule of Financial Activities – Operating Fund	23

DRAFT

Independent Auditor's Report

To the Board of Niagara Regional Housing

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements Niagara Regional Housing (the "Organization"), which comprise the statement of financial position as at December 31, 2018, the statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2018, and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

(To be signed Deloitte LLP)

Chartered Professional Accountants
Licensed Public Accountants
April 26, 2019

Niagara Regional Housing

Statement of Financial Position

As at December 31, 2018

	2018	2017
FINANCIAL ASSETS		
Cash	\$ 7,039,520	\$ 12,174,356
Investments	6,284,220	6,201,542
Accounts Receivable	3,632,651	2,076,376
Subsidy receivable	-	3,390
Total financial assets	16,956,391	20,455,664
FINANCIAL LIABILITIES		
Due to Niagara Region	11,778,299	12,413,320
Deferred revenue (note 3)	3,404,967	9,151,227
Subsidy payable	24,453	-
Mortgages and debentures (note 4)	24,205,181	19,798,094
Employee future benefits (note 5)	1,738,100	1,390,697
	41,151,000	42,753,338
Net debt	(24,194,609)	(22,297,674)
NON-FINANCIAL ASSETS		
Tangible capital assets (note 6)	127,498,614	118,686,028
Prepaid expenses and deposits	716,811	723,410
	128,215,425	119,409,438
Commitments (note 9)		
Accumulated surplus (note 7)	\$ 104,020,816	\$ 97,111,764

The accompanying notes to the financial statements are an integral part of this financial statement.

Niagara Regional Housing

Statement of Operations

For the year ended December 31, 2018

	2018 Budget (note 11)	2018 Actual	2017 Actual
REVENUES			
Rental revenue	\$ 13,502,966	\$ 14,191,739	\$ 13,694,243
Subsidies			
Niagara Region	36,649,783	36,649,783	37,146,196
Federal and Provincial Government	27,034,177	26,092,121	20,447,705
Investment income	150,000	376,440	317,874
Sundry revenue	221,192	671,411	549,783
	\$ 77,558,118	77,981,494	72,155,801
Transfer of 2018 Year End Surplus to 2019 Operating Budget (note 8)	-	(1,224,250)	-
Transferred to Niagara Region and transferred to reserves (note 8)	(1,561,739)	(3,122,040)	(4,191,292)
	75,996,379	73,635,204	67,964,509
EXPENSES			
Property taxes	4,853,492	4,741,493	4,777,686
Support services – Niagara Region	3,788,390	3,740,556	2,934,714
Amortization expense	7,735,031	7,735,031	7,477,950
Bad debts	203,000	177,769	37,749
Loss on disposal of tangible capital assets	216,288	216,288	305,841
Wages, salaries and benefits	5,149,325	5,264,115	5,185,457
Utilities	5,039,565	4,664,433	4,594,717
Materials and services	4,362,966	5,194,077	4,396,392
Interest on debenture and mortgage payments	550,397	659,263	566,247
Debenture payments	2,159,500	2,159,496	2,323,329
Portable Housing Allowance - Survivors of Domestic Violence Pilot	-	114,004	202,658
Rent supplement program	3,133,168	3,051,259	2,759,176
Rent supplement program - In-situ	24,000	18,111	19,347
Rent supplement – Strong Communities	1,682,788	1,636,366	1,713,602
Rent supplement - Investment in Affordable Housing	1,163,240	1,017,109	1,064,157
New Development Subsidy - Investment in Affordable Housing	-	-	1,278,535
Niagara Renovates - Investment in Affordable Housing	1,126,300	687,736	570,088
Housing Allowance - Investment in Affordable Housing	-	33,427	-
Welcome Home Niagara - Investment in Affordable Housing	180,000	401,152	192,805
Administration	877,842	826,486	573,965
Supplies and equipment	546,402	487,520	252,861
Non-profit and co-op provider subsidies	22,189,400	20,278,771	21,998,423
Federal provider subsidies	1,268,064	1,163,568	1,285,938
Rent supplement - Social Infrastructure Fund	1,919,486	470,805	236,297
Welcome Home Niagara - Social Infrastructure Fund	40,000	274,911	225,122
Housing Allowance - Social Infrastructure Fund	-	436,355	52,082
Niagara Renovates - Social Infrastructure Fund	50,000	132,369	303,031
Capital Repair Subsidies - Social Housing Improvement Program	1,007,393	1,092,393	3,582,607
Repair Costs - Social Housing Electricity Efficiency Program	-	-	268,843
Government land lease	41,040	51,289	41,028
	69,307,077	66,726,152	69,220,647
Annual surplus (deficit)	6,689,302	6,909,052	(1,256,138)
Accumulated surplus, beginning of year	97,111,764	97,111,764	98,367,902
Accumulated surplus, end of year	103,801,066	104,020,816	\$ 97,111,764

The accompanying notes to the financial statements are an integral part of this financial statement.

Niagara Regional Housing

Statement of Change in Net Debt

For the year ended December 31, 2018

	2018 Budget (note 11)	2018 Actual	2017 Actual
Annual surplus (deficit)	\$ 6,689,302	\$ 6,909,052	\$ (1,256,138)
Acquisition of tangible capital assets	(16,763,905)	(16,763,905)	(9,523,039)
Amortization of tangible capital assets	7,735,031	7,735,031	7,477,950
Loss on disposal of tangible capital assets	216,288	216,288	305,841
Change in prepaid expenses	-	6,599	(120,700)
Change in net debt	(2,123,284)	1,896,935	(3,116,086)
Net debt, beginning of year	(22,297,674)	(22,297,674)	(19,181,588)
Net debt, end of year	\$ (24,420,958)	\$ (24,194,609)	\$ (22,297,674)

The accompanying notes to the financial statements are an integral part of this financial statement.

Niagara Regional Housing

Statement of Changes in Cash Flows

For the year ended December 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Annual surplus (deficit)	\$ 6,909,052	\$ (1,256,138)
Items not involving cash:		
Amortization of tangible capital assets	7,735,031	7,477,950
Loss on disposal of tangible capital assets	216,288	305,841
Employee future benefit liabilities	347,403	354,681
Change in non-cash assets and liabilities:		
Accounts receivable	(1,556,275)	184,794
Subsidy receivable	3,390	(3,390)
Deferred revenue	(5,746,260)	4,523,289
Subsidy payable	24,453	(37,371)
Prepaid expenses	6,599	(120,700)
Net change in cash from operating activities	7,939,681	11,428,956
CAPITAL ACTIVITIES		
Cash used to acquire tangible capital assets	(16,763,905)	(9,523,039)
Net change in cash from capital activities	(16,763,905)	(9,523,039)
INVESTING ACTIVITIES		
Change in investments	(82,678)	(43,624)
Net change in cash from investing activities	(82,678)	(43,624)
FINANCING ACTIVITIES		
Mortgages and debentures issued	6,768,837	1,706,056
Mortgage and debenture repayments	(2,361,750)	(2,213,784)
Change in due to Niagara Region	(635,021)	4,558,401
Net change in cash from financing activities	3,772,066	4,050,673
Net change in cash	(5,134,836)	5,912,966
Cash, beginning of year	12,174,356	6,261,390
Cash, end of year	\$ 7,039,520	\$ 12,174,356
Cash paid for interest	659,264	566,247

The accompanying notes to the financial statements are an integral part of this financial statement.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

1. Description of operations

Niagara Regional Housing was incorporated on December 17, 2001 under the laws of the Province of Ontario to perform all the duties and powers of an administrator under Section 15 of the Social Housing Reform Act. These duties include but are not limited to ownership and management of a real estate portfolio consisting of 2,751 apartments and houses, oversight responsibilities for the administration of social housing by 61 housing providers, administration of programs for the provision of rent-geared-to-income and the power to purchase, construct or make alterations to a housing project.

2. Significant accounting policies

The financial statements of Niagara Regional Housing (the "Corporation" or "NRH") are prepared by management in accordance with Canadian public sector accounting standards ("PSAS") as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant accounting policies adopted by the Corporation are as follows:

Accrued basis of accounting

The Corporation follows the accrual method of accounting for revenues and expenses. Rental revenue is recognized at the time the service is provided. Other revenues are recognized when the services are earned. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

Tangible capital assets

Tangible capital assets are recorded at cost which include amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, are amortized on a straight line basis over their estimated useful lives as follows:

Land Improvements	5 – 50 years
Buildings	5 - 40 years
Equipment	15 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal. Work in progress assets are not amortized until the asset is available for productive use.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

Interest capitalization

The Corporation's tangible capital asset policy does not allow for the capitalization of interest costs associated with the acquisition or construction of a tangible capital asset.

Leases

Leases are classified as operating or capital leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Use of estimates

The preparation of financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Amounts requiring significant estimates include due to Niagara Region, useful lives of tangible capital assets, and employee future benefits. Actual results could differ from these estimates.

Investments

Investments consist of guaranteed investment certificates and are stated at amortized cost.

Government transfers

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

2. Significant accounting policies (continued):

Employee future benefits

Vacation entitlements and other compensated absences accrue to employees each year based on terms of employment contracts or by policy. Earned entitlements unused at year end are accrued based on the wage rates for the employee at year end.

Workplace Safety & Insurance Board ("WSIB") benefits and sick leave may accrue to employees based on terms of employee. Entitlements are accrued in accordance with the project benefit method, pro-rated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are generally performed every three years. The discount rate used to determine the accrued benefit obligation was determined by reference to the Niagara Region's short term and long-term rate of borrowing. Unamortized actuarial gains/losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to WSIB, are recorded when determined.

Cost related to prior-period employee services arising out of amendments to entitlements are recognized in the period in which the period is amended.

Where applicable, the Niagara Region has set aside Reserves intended to fund these obligations, either in full or in part. These Reserves were created under municipal by-law and do not meet the definition of a plan asset under PSAS 3250 Retirement Benefits. Therefore, for the purpose of these financial statements, the plans are considered unfunded.

3. Deferred revenue

Deferred revenues reported on the statement of financial position is made up of the following:

	2018	2017
Ministry of Municipal Affairs and Housing	\$ 3,106,408	\$ 8,865,812
Ganawageh	97,971	97,971
Other	200,589	187,444
Balance, end of year	\$ 3,404,967	\$ 9,151,227

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

4. Mortgages and debentures

Amounts consist of mortgages secured by the income producing properties of the Corporation. As at December 31, 2018 the unpaid balances of these mortgages and debentures are as follows:

	2018	2017
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.15% to 4.80% due in 2019	188,000	370,000
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.60% to 4.65% due in 2020	774,441	1,138,675
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.35% to 3.10% due in 2022	773,000	953,000
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.40% to 3.75% due in 2023	1,192,028	1,414,904
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 3.30% due in 2024	1,573,716	1,814,898
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.15% to 2.80% due in 2025	2,101,000	2,380,000
Debenture for Niagara Regional Housing capital program bearing interest at 2.25% due in 2025	788,862	891,806
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 2.40% due in 2026	4,547,122	5,077,902
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 1.20% to 2.45% due in 2027	1,547,575	1,706,056
Debenture for Niagara Regional Housing capital program bearing interest at rates ranging from 2.05% to 3.15% due in 2028	6,768,837	-
Ontario Infrastructure and Lands Corporation amortization debenture for Niagara Regional Housing Capital program bearing interest at 3.74% due in 2042	3,950,600	4,050,853
	\$ 24,205,181	\$ 19,798,094

The annual principal payments are as follows:

2019	3,680,005
2020	3,478,258
2021	3,070,584
2022	3,070,223
2023	2,857,425
Thereafter	8,048,686
	\$ 24,205,181

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

5. Employee future benefit liability

The Corporation provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and life insurance, extended health and dental benefits for early retirees.

	2018	2017
Future payments required to WSIB	\$ 1,294,019	\$ 920,515
Retiree benefits	129,568	147,663
Vacation pay	287,530	294,434
Other liabilities	26,983	28,085
Employee future benefit liability	\$ 1,738,100	\$ 1,390,697

Information about the Corporation's benefit plans is as follows:

	2018	2017
Accrued benefit obligation:		
Balance, beginning of year	\$ 1,779,826	\$ 1,462,364
Current benefit cost	343,782	344,309
Interest	51,073	44,604
Actuarial (gain) loss	(1,591,129)	35,088
Benefits paid	(123,382)	(106,539)
Balance, end of year	460,170	1,779,826
Unamortized actuarial gain (loss)	1,277,930	(389,129)
Employee future benefit liability	\$ 1,738,100	\$ 1,390,697

Included in expenses is \$75,930 loss (2017 - \$72,307 loss) for amortization of the actuarial loss/gain.

The most recent actuarial valuation was completed as at December 31, 2018 with estimates to December 31, 2022.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

5. Employee future benefit liability (continued)

Accumulated sick leave

Under the accumulated sick leave benefit plan, unused sick leave can accumulate and certain employees may become entitled to a cash payment when they leave the Corporation's employment. The main actuarial assumptions employed for the valuation are as follows:

Interest (discount rate)

The obligation as at December 31, 2018, of the present value of future liabilities and the expense for the 12 months ended December 31, 2018, were determined using a discount rate of 3.75% (2017 – 2.90%).

WSIB

With respect to responsibilities under provisions of the Workplace Safety and Insurance Board ("WSIB") Act the Corporation has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these financial statements.

The unamortized actuarial gain (loss) on future payments required to WSIB is amortized over the expected period of the liability which is 10 years.

The main actuarial assumptions employed for the valuation are as follows:

Interest (discount rate)

The obligation as at December 31, 2018, of the present value of future liabilities and the expense for the 12 months ended December 31, 2018, were determined using a discount rate of 3.75% (2017 – 2.90%).

Administration Costs

Administration costs were assumed to be 32% (2017 – 34.3%) of the compensation expense.

Compensation expense

Compensation costs, which include loss of earnings before, health care costs and include loss of non-economic loss awards, were assumed to increase at a rate of 2% per annum (2017 - 2%).

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

5. Employee future benefit liability (continued)

Retiree benefits

The Corporation pays certain life insurance benefits on behalf of the retired employees as well as extended health and dental benefits for early retirees to age 65. The Corporation recognizes these post-retirement costs in the period in which the employees rendered the services.

The unamortized actuarial gain on retiree benefits is amortized over the expected average remaining service life of 13 years.

The main actuarial assumptions employed for the valuations are as follows:

Interest (discount rate)

The obligation as at December 31, 2018, of the present value of future liabilities and the expense for the 12 months ended December 31, 2018, were determined using a discount rate of 3.75% (2017 - 3.0%).

Medical costs

Medical costs were assumed to increase at the rate of 3.42% (2017 - 6.25%) per year, reducing to 2.75% in 2022 and thereafter.

Dental costs

Dental costs were assumed to increase at the rate of 2.75% (2017 - 3%) per year.

Mortality table

The mortality table used in determining the obligation at December 31, 2018 is the Uninsured Pensioners 1994 with mortality improvement projections to 2030 (2017 - Canadian Pensioner Mortality (CPM) Private 2014 table with improvement Scale B).

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

6. Tangible capital assets:

	2018					
	Land	Land Improvements	Building	Equipment	Work in progress	Total
Cost						
Balance, beginning of year	\$ 36,405,071	\$ 6,404,092	\$ 143,465,657	\$ 3,578,636	\$ 3,787,412	\$ 193,640,868
Additions	-	608,613	5,284,980	515,152	10,355,160	16,763,906
Disposals	-	(277,084)	(600,802)	(104,488)	-	(982,374)
Balance, end of year	36,405,071	6,735,621	148,149,835	3,989,300	14,142,573	209,422,400
Accumulated Amortization						
Balance, beginning of year	-	1,772,870	71,610,519	1,571,451	-	74,954,840
Disposals	-	(277,084)	(384,513)	(104,488)	-	(766,085)
Amortization expense	-	332,559	7,144,429	258,043	-	7,735,031
Balance, end of year	-	1,828,345	78,370,435	1,725,006	-	81,923,786
Net Book Value, end of year	\$ 36,405,071	\$ 4,907,276	\$ 69,779,400	\$ 2,264,294	\$ 14,142,573	\$ 127,498,614

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

6. Tangible capital assets (continued):

	2017					
	Land	Land Improvements	Building	Equipment	Work in progress	Total
Cost						
Balance, beginning of year	\$ 36,405,071	\$ 5,272,557	\$ 139,256,462	\$ 3,440,926	\$ 452,514	\$ 184,827,530
Additions	-	1,208,645	4,740,381	239,115	3,334,898	9,523,039
Disposals	-	(77,110)	(531,186)	(101,405)	-	(709,701)
Balance, end of year	36,405,071	6,404,092	143,465,657	3,578,636	3,787,412	193,640,868
Accumulated Amortization						
Balance, beginning of year	-	1,558,994	64,895,211	1,426,545	-	67,880,750
Disposals	-	(69,804)	(232,651)	(101,405)	-	(403,860)
Amortization expense	-	283,680	6,947,959	246,311	-	7,477,950
Balance, end of year	-	1,772,870	71,610,519	1,571,451	-	74,954,840
Net Book Value, end of year	\$ 36,405,071	\$ 4,631,222	\$ 71,855,138	\$ 2,007,185	\$ 3,787,412	\$ 118,686,028

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2017

6. Tangible capital assets (continued)

Assets under construction

Assets under construction at December 31, 2018 valued at \$14,142,573 (2017 - \$3,787,413) have not been amortized. Amortization of these assets will commence when the asset is put into service.

Contributed tangible capital assets

Contributed capital assets have been recognized at fair market value at the date of contribution.

Tangible capital assets disclosed at nominal values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

Write-down of tangible capital assets

The write-down of tangible capital assets during the year was \$NIL (2017 - \$NIL).

7. Accumulated Surplus:

Accumulated surplus consists of individual fund surplus as follows:

	2018	2017
Invested in tangible capital assets	\$ 103,293,433	\$ 98,887,933
Capital fund: Unexpended capital financing/(unfunded capital outlay)	1,584,000	(1,266,955)
Contributed capital	728,761	728,761
Operating fund	152,722	152,722
Unfunded employee future benefits	(1,738,100)	(1,390,697)
Total surplus	\$ 104,020,816	\$ 97,111,674

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

8. Surplus transferred to Niagara Region

The Corporation had a current year operating surplus of \$2,634,629 (2017 - \$1,907,955) of which \$1,410,379 has been transferred to Niagara Region operations in accordance with the Niagara Region's Surplus/Deficit Policy and \$1,224,250 will be transferred to NRH's 2019 operating budget. In addition, \$369,921 (2017 - \$500,509) has been transferred to the Niagara Region encumbrance reserve.

The following represents transactions within reserves held by the Niagara Region for NRH purposes:

	NRH Reserve	NRH Employee Future Benefit Reserve	NRH Owned Units Reserve	NRH Rent Supplement Reserve	2018 Total	2017 Total
Reserves held by Niagara Region, beginning of year	\$ 7,150,299	\$ 792,733	\$ 4,327,036	\$ 302,300	\$ 12,572,368	\$ 12,802,768
Additional yearend contribution from Niagara Region	-	-	-	-	-	2,290,000
Transfer to the Reserve for capital purposes	-	-	-	-	-	500,000
Transfer from the Reserve for capital purposes	(1,110,000)	-	(987,295)	-	(2,097,295)	(3,721,608)
Transfer to the Reserve for operating purposes	-	-	389,782	-	389,782	396,415
Transfer from the Reserve for operating purposes	-	-	-	(24,000)	(24,000)	(454,000)
Transfer to the Reserve from project closures & budget reductions	-	-	391,295	-	391,295	758,793
Reserves held by Niagara Region, end of year	\$ 6,040,299	\$ 792,733	\$ 4,120,818	\$ 278,300	\$ 11,232,150	\$ 12,572,368

9. Commitment

The Corporation is committed to paying principal and interest payments on provincial debentures issued to finance the properties owned and operated by the Corporation. These debentures amount to \$8,749,935 (2017 - \$10,428,761) and payments during the year of \$2,159,496 (2017 - \$2,323,329) have been charged to current operations.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

10. Pension agreements

The Corporation makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates pay. The Corporation accounts for its participation in OMERS as a defined contribution plan. The OMERS Plan ended 2018 with a funding deficit of \$4.2 billion. The funded ratio has increased to 96% from 94% in 2017. The funded ratio has increased for the sixth consecutive year.

The amount contributed to OMERS for 2018 was \$328,884 (2017 - \$321,660) for current service and is included as an expenditure on the statement of operations. Employees' contribution to OMERS in 2018 was \$328,884 (2017 - \$321,660).

Contributions for employees with a normal retirement age of 65 were being made at rate of 9.0% (2017 – 9.0%) for earnings up to the yearly maximum pensionable earnings of \$55,900 (2017 - \$55,300) and at a rate of 14.6% (2017 – 14.6%) for earnings greater than the yearly maximum pensionable earnings.

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2017

11. Budget data

The audited budget data presented in these financial statements are based upon the 2018 operating and capital budgets approved by NRH. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried out over one or more years. Where amounts were budgeted for on a project-oriented basis, the budget amounts used on actual projects that took place during the year to reflect the same basis of accounting that was used to report the actual results. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
REVENUES	
Operating	
Approved Operating Revenue	\$ 63,865,175
Capital	13,692,943
<u>Less:</u>	
Surplus transferred from Niagara Region and transferred from reserves	(1,561,739)
Total revenue	75,996,379
EXPENSES	
Operating	
Approved Operating Expenses	63,865,175
<u>Add:</u>	
Amortization	7,735,031
Employee future benefits	347,403
Loss on Disposal	216,288
Expenditures included in capital fund	124,510
<u>Less:</u>	
Transfers to reserves	(609,782)
Debt principal payments	(2,371,548)
Total expenses	69,307,077
Annual surplus	\$ 6,689,302

Niagara Regional Housing

Notes to the Financial Statements

For the year ended December 31, 2018

12. Risks

Credit risk

The Corporation is subject to credit risks from its tenants as a result of counterparty default. This risk is mitigated by prudent monitoring procedures.

Interest rate risk

The Corporation is subject to interest rate fluctuations on its mortgages and long term debt. The Corporation current does not use any hedging strategies to mitigate this interest rate exposure.

Market risk

Market risk arises as a result of trading in fixed income securities and equities. Fluctuations in the market expose the Corporation to a risk of loss. The Corporation mitigates this risk through cash management processes and compliance with the approved investment policy.

Niagara Regional Housing

Schedule of Financial Activities – Operating Fund

For the year ended December 31, 2018

	2018 Budget	2018 Actual	2017 Actual
REVENUES			
Rental revenue	\$ 13,502,966	\$ 14,191,739	\$ 13,694,243
Subsidies			
Niagara Region	34,552,488	34,552,488	33,424,589
Federal and Provincial Government	15,438,529	14,496,473	18,378,427
Investment income	150,000	376,440	317,874
Sundry revenue	221,192	671,661	545,426
	\$ 63,865,175	64,288,801	66,360,559
EXPENSES			
Property taxes	4,853,492	4,741,493	4,777,686
Support services – Niagara Region	3,798,188	3,750,354	2,934,714
Bad debts	203,000	177,769	37,749
Wages, salaries and benefits	5,149,325	5,264,115	5,185,457
Utilities	5,039,566	4,664,433	4,594,717
Materials and services	4,411,883	5,242,994	4,628,924
Interest on debenture and mortgage payments	550,397	659,264	566,247
Debenture payments	2,159,500	2,159,496	2,323,329
Portable Housing Allowance - Survivors of Domestic Violence Pilot	-	114,004	202,658
Rent supplement program	3,133,168	3,051,259	2,759,176
Rent supplement program - In-situ	24,000	18,111	19,347
Rent supplement – Strong Communities	1,682,788	1,636,366	1,713,602
Rent supplement - Investment in Affordable Housing	1,163,240	1,017,109	1,064,157
New Development Subsidy - Investment in Affordable Housing	-	-	1,278,535
Niagara Renovates - Investment in Affordable Housing	1,126,300	687,736	570,014
Niagara Renovates - Investment in Affordable Housing	-	33,427	-
Welcome Home Niagara - Investment in Affordable Housing	180,000	401,152	192,805
Administration	864,157	812,800	573,966
Supplies and equipment	386,659	327,778	280,123
Non-profit and co-op provider subsidies	22,189,400	20,278,771	21,998,423
Federal provider subsidies	1,268,064	1,163,568	1,285,938
Rent supplement - Social Infrastructure Fund	1,919,486	470,805	236,297
Welcome Home Niagara - Social Infrastructure Fund	40,000	274,911	225,122
Housing Allowance - Social Infrastructure Fund	-	436,355	52,082
Niagara Renovates - Social Infrastructure Fund	50,000	132,369	303,031
Capital Repair Subsidies - Social Housing Improvement Program	1,007,393	1,092,393	3,582,607
Repair Costs - Social Housing Electricity Efficiency Program	-	-	268,843
Government land lease	41,040	51,289	41,028
	61,241,046	58,660,121	61,696,577
Annual surplus	2,624,129	5,628,680	4,663,982
Financing and transfer			
Transfer to reserves (note 8)	(609,782)	(979,703)	(898,924)
Transfer of 2018 Year End Surplus to 2019 Operating Budget (note 8)	-	(1,224,250)	-
Transfer to Niagara Region (note 8)	-	(1,410,379)	(1,907,955)
Debt principal payments	(2,361,750)	(2,361,751)	(2,213,784)
Employee benefits	347,403	347,403	354,681
	(2,624,129)	(5,628,680)	(4,663,982)
Operating fund balance, end of year	\$ -	\$ -	\$ -

The accompanying notes to the financial statements are an integral part of this financial statement.



Niagara Regional Housing

Report to Board of Directors on the
2018 audit



Deloitte LLP
400 Applewood Crescent
Suite 500
Vaughan ON L4K 0C3
Canada

Tel: 416-601-6150
Fax: 416-601-6151
www.deloitte.ca

April 12, 2019

Private and confidential

Members of the Board of Directors
Niagara Regional Housing
1815 Sir Isaac Brock Way
Thorold ON L2V 3Z3

Report on audited annual financial statements

Dear Board Members:

We are pleased to submit this report on the status of our audit of Niagara Regional Housing ("the Organization") for the 2018 fiscal year. This report summarizes the scope of our audit, our findings and reviews certain other matters that we believe to be of interest to you.

As agreed in our Master Service Agreement dated November 8, 2016, and the confirmation of changes letter dated January 30, 2019, we have performed an audit of the financial statements of Niagara Regional Housing as of and for the year ended December 31, 2018, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS") and expect to issue our audit report thereon dated April 26, 2019.

This report is intended solely for the information and use of Board of Directors, management and others within the Organization and is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to discussing this report summarizing the outcome of our audit with you and answering any questions you may have.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants
Licensed Public Accountants

Table of contents

Our audit explained	1
Audit risks	4
Significant accounting practices, judgments and estimates	5
Other reportable matters	6

Our audit explained

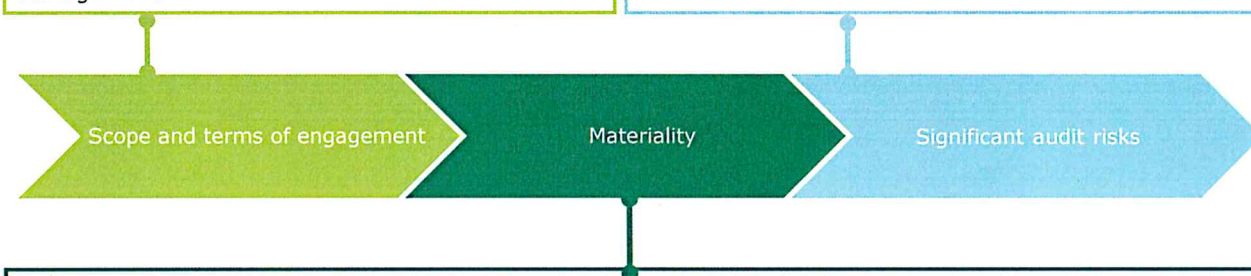
Audit scope and terms of engagement

We have been asked to perform an audit of the Organization's financial statements (the "financial statements") in accordance with Canadian public sector accounting standards ("PSAS") as at and for the year ended December 31, 2018. Our audit was conducted in accordance with Canadian Generally Accepted Auditing Standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the dated November 8, 2016, and the confirmation of changes letter dated January 30, 2019, which was signed on behalf of the board and management.

Audit risks

Through our risk assessment process, we have identified the audit risks. These risks of material misstatement and related audit responses are discussed in the Audit Risks section of this report.

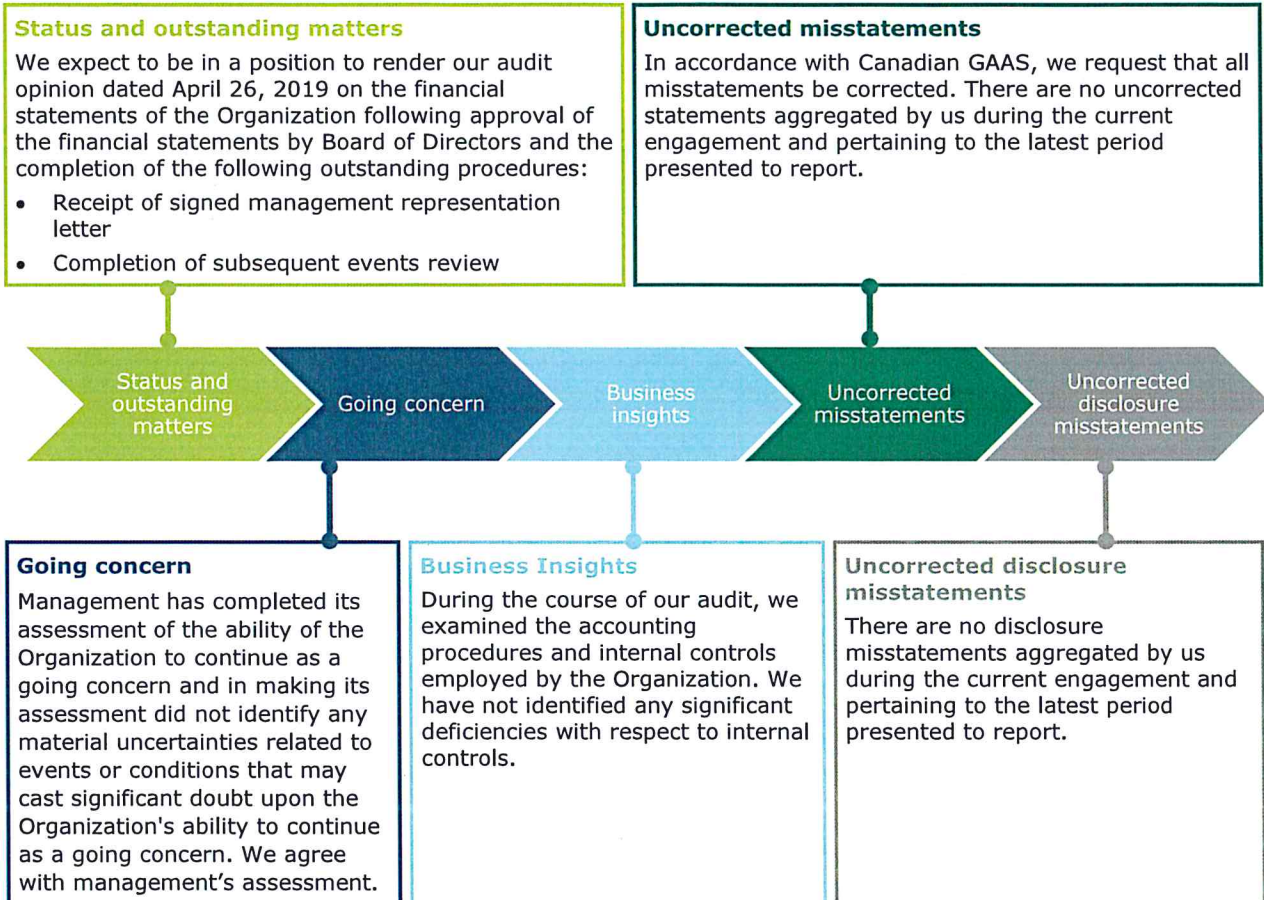


Materiality

We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement.

Materiality was determined on the basis of total operating expenditures.

We have informed The Board of Directors of all uncorrected misstatements greater than a clearly trivial amount of 5% of materiality and any misstatements that are, in our judgment, qualitatively material. In accordance with Canadian GAAS, we asked that any misstatements be corrected.



Fraud risk

A summary of the results of our audit procedures designed to address the risk of material misstatement in the financial statements relating to fraud is provided in the Audit risks section of this report.

Based on the audit evidence obtained, our assessment of the risks of material misstatement due to fraud remain appropriate.

Independence

We have developed appropriate safeguards and procedures to eliminate threats to our independence or to reduce them to an acceptable level.

**Significant accounting practices, judgments and estimates**

The significant accounting practices, judgments and estimates include:

- Estimated useful life of tangible capital assets
- Accrued liabilities
- Deferred revenue

Our assessment of these items is included in the Significant accounting practices, judgments and estimates section of this report.

Conclusion

In accordance with Canadian GAAS, our audit is designed to enable us to express an opinion on the fairness of the presentation of the Organization's annual financial statements prepared in accordance with PSAS.

No restrictions have been placed on the scope of our audit. In performing the audit, we were given full and complete access to the accounting records, supporting documentation and other information requested.

We intend to issue an unqualified audit report on the financial statements of the Organization for the year ended December 31, 2018 once the outstanding items referred to above are completed satisfactorily and the financial statements are approved by Board of Directors.

Audit risks

The significant audit risks identified as part of our risk assessment, together with our planned responses and conclusions, are described below.

Revenue and deferred revenue

Audit risk

Determine completeness of revenue sources. Determine that deferred revenue recorded in the prior year has been recognized appropriately as income when the conditions for revenue recognition have been met. Determine that contributions received for specific purposes are reported as intended.

Our audit response

Obtain confirmation of revenue from various government and other funders; review reconciliations to account balances. Review funds received during the year to determine if they should be recorded as revenue, deferred revenue or deferred capital contributions. Obtain funding agreements to determine if any restrictions are placed on contributions received and determine if appropriately recorded in the general ledger accounts.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.

Management override of controls

Audit risk

Assurance standards include the presumption of a significant risk of management override of controls. Management is in a unique position to override internal controls, which could allow manipulation of the accounting records that could result in financial statements that are materially misstated.

Our audit response

- We engaged in periodic fraud discussions with certain members of senior management and others
- We tested a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period.
- We evaluated the business rationale for any significant unusual transactions.
- We determined whether the judgements and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates.

Audit results

We obtained sufficient audit evidence to conclude that there were no material misstatements.

Significant accounting practices, judgments and estimates

The accounting policies of the Organization are set out in Note 2 of the financial statements.

In the course of our audit of the financial statements, we considered the qualitative aspects of the financial reporting process, including items that have a significant impact on the relevance, reliability, comparability and understandability of the information included in the financial statements.

Significant accounting policies

During the year ended December 31, 2018 the Organization adopted the following new accounting standards:

- PS 2200 Related parties
- PS 3420 Inter-entity transactions
- PS 3210 Assets
- PS 3320 Contingent assets
- PS 3380 Contractual rights

There was no impact to the Organization's financial statements as a result of the adoption of these standards.

Management judgment and accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. These judgments are normally based on knowledge and experience about past and current events, assumptions about future events and interpretations of the financial reporting standards.

During the year ended December 31, 2018, management advised us that there were no significant changes in accounting estimates or in judgments relating to the application of the accounting policies.

Other reportable matters

The following summarizes the status and findings of key aspects of our audit.

	Comment
Significant difficulties encountered in performing the audit	In the course of our audit, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the financial statements.
Concerns regarding management competence and integrity	We do not have any concerns regarding management's competency and integrity.
Related party transactions	We have not identified any related party transactions during the course of our audit.
Litigation	We are not aware of any significant litigation or claims made against the entity.
Legal and regulatory compliance	<p>Management is responsible for ensuring that the Organization's operations are conducted in accordance with the laws and regulations applicable to the Organization in the jurisdictions in which it operates. The responsibility for preventing and detecting non-compliance rests with management.</p> <p>The auditor is not and cannot be held responsible for preventing non-compliance with laws and regulations.</p> <p>The legal and regulatory non-compliance matters reported below are restricted to those that came to our attention during the course of our substantive procedures and should not be considered to be exhaustive.</p> <p>Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the Organization.</p>
Post-balance sheet events	At the date of finalizing this report, we are not aware of any significant post balance sheet events that would require disclosure in the financial statements.

**www.deloitte.ca**

Deloitte, one of Canada's leading professional services firms, provides audit, tax, consulting, and financial advisory services. Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.

© Deloitte LLP and affiliated entities.

Appendix 3: Annual Surplus Reconciliation

	<u>Approved Budget</u>	<u>2018</u>	<u>2017</u>
Based on budget approach			
Niagara Regional Housing Operating Surplus per CSD 21-2019	\$ -	\$ 2,634,629	\$ 1,907,955
PSAS Presentation Adjustments:			
Capital			
Recognize amortization	(7,735,031)	(7,735,031)	(7,477,950)
Recognize in year capital program revenues	13,692,943	13,692,693	5,795,243
Recognize capital fund expenditures resulting in operating expenses	(465,719)	(465,719)	(822,682)
Recognize operating fund expenditures resulting in capital assets	341,208	341,208	1,082,404
Recognize loss on disposal of assets	(216,288)	(216,288)	(305,841)
Capital Subtotal	<u>5,617,113</u>	<u>5,616,863</u>	<u>(1,728,826)</u>
Funded			
Remove principal debt repayments	2,371,549	2,371,549	2,213,784
Remove net transfers to reserves	(951,957)	(3,366,586)	(3,294,370)
Funded Subtotal	<u>1,419,592</u>	<u>(995,037)</u>	<u>(1,080,586)</u>
Unfunded			
Recognize change in unfunded employee future benefits liability	(347,403)	(347,403)	(354,681)
Unfunded Subtotal	<u>(347,403)</u>	<u>(347,403)</u>	<u>(354,681)</u>
Annual surplus (deficit) per PSAS financial statements	<u>\$ 6,689,302</u>	<u>\$ 6,909,052</u>	<u>\$ (1,256,138)</u>

A balanced operating budget was approved by Council on December 7, 2017. The operating surplus presented at the top of the chart represents the actual financial results of Niagara Regional Housing compared to the operating budget. Since Niagara Regional Housing is required to report its annual surplus using Public Sector Accounting standards (PSAS), a number of adjustments are required in order for the financial results to conform with PSAS. For example, in the operating budget capital projects are recognized when funding is allocated, however in order to conform with PSAS an adjustment is required as capital projects should be expensed over time through amortization, rather than immediately.

Minute Item No. 5.1

PW 25-2019

Award of Tender 2019-T-105 (RN 19-15) Reconstruction of Regional Road 98 (Montrose Road) from Regional Road 49 (McLeod Road) to Charnwood Avenue, City of Niagara Falls

That Report PW 25-2019, dated May 7, 2019, respecting Award of Tender 2019-T-105 (RN 19-15) Reconstruction of Regional Road 98 (Montrose Road) from Regional Road 49 (McLeod Road) to Charnwood Avenue, City of Niagara Falls, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That Contract 2019-T-105 (RN 19-15) Reconstruction of Regional Road 98 (Montrose Road) From Regional Road 49 (McLeod Road) to Charnwood Avenue **BE AWARDED** to Peters Excavating Inc. at their bid price of \$6,913,417 (including 13% HST).

Minute Item 5.2

PW 26-2019

Thorold Zone 3 Elevated Tank Rehabilitation, 2019-T-129 (RN 19-29)

That Report PW 26-2019, dated May 7, 2019, respecting Thorold Zone 3 Elevated Tank Rehabilitation, 2019-T-129 (RN 19-29), **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the Gross Budget for Thorold Zone 3 Elevated Tank Rehabilitation **BE INCREASED** by \$627,110 and that the increase **BE FUNDED** from the Capital Variance – Water Project.

Minute Item 6

Consent Items for Information

That the following items **BE RECEIVED** for information:

PW 27-2019

GO Implementation Office - Quarterly Update

PWC-C 10-2019

Source Water Protection Overview

Minute Item 9.1

Confidential Verbal Update

A Matter of Litigation or Potential Litigation - Emterra Contract

That the Confidential Verbal Update regarding a Matter of Litigation or Potential Litigation – Emterra Contract, **BE RECEIVED** for information.

**THE REGIONAL MUNICIPALITY OF NIAGARA
PUBLIC WORKS COMMITTEE
MINUTES**

**PWC 5-2019
Tuesday, May 7, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Bradley (Regional Chair), Chiocchio, Edgar (Committee Vice-Chair), Fertich, Foster, Heit, Insinna, Ip, Junkin, Nicholson, Rigby (Committee Chair), Steele, Witteveen

Absent/Regrets: Disero, Diodati, Gale, Sendzik, Ugulini, Zalepa

Staff: D. Ane, Manager, Program Financial Support, C. Courteau, Associate Director, Water & Wastewater Integrated Systems, D. Gibbs, Director, Legal & Court Services, J. Gilston, Legislative Coordinator, C. Habermehl, Acting Commissioner, Public Works, T. Harrison, Commissioner/Treasurer, Enterprise Resource Management Services, M. Robinson, Director, GO Implementation Office, C. Ryall, Director, Transportation Services, M. Trennum, Deputy Regional Clerk, A. Tyldesley, Associate Director, Waste Collection and Diversion

1. CALL TO ORDER

Committee Chair Rigby called the meeting to order at 9:31 a.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

There were no presentations.

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

5.1 PW 25-2019

Award of Tender 2019-T-105 (RN 19-15) Reconstruction of Regional Road 98 (Montrose Road) from Regional Road 49 (McLeod Road) to Charnwood Avenue, City of Niagara Falls

Moved by Councillor Foster
Seconded by Councillor Edgar

That Report PW 25-2019, dated May 7, 2019, respecting Award of Tender 2019-T-105 (RN 19-15) Reconstruction of Regional Road 98 (Montrose Road) from Regional Road 49 (McLeod Road) to Charnwood Avenue, City of Niagara Falls, **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That Contract 2019-T-105 (RN 19-15) Reconstruction of Regional Road 98 (Montrose Road) From Regional Road 49 (McLeod Road) to Charnwood Avenue **BE AWARDED** to Peters Excavating Inc. at their bid price of \$6,913,417 (including 13% HST).

Carried

5.2 PW 26-2019

Thorold Zone 3 Elevated Tank Rehabilitation, 2019-T-129 (RN 19-29)

Moved by Councillor Insinna
Seconded by Councillor Chiocchio

That Report PW 26-2019, dated May 7, 2019, respecting Thorold Zone 3 Elevated Tank Rehabilitation, 2019-T-129 (RN 19-29), **BE RECEIVED** and the following recommendation **BE APPROVED**:

1. That the Gross Budget for Thorold Zone 3 Elevated Tank Rehabilitation **BE INCREASED** by \$627,110 and that the increase **BE FUNDED** from the Capital Variance – Water Project.

Carried

Councillor Information Request(s):

Provide an itemized breakdown of the Capital Variance - Water Project account for the first quarter of 2019. Councillor Fertich.

6. CONSENT ITEMS FOR INFORMATION

Moved by Councillor Steele
Seconded by Councillor Heit

That the following items **BE RECEIVED** for information:

PW 27-2019
GO Implementation Office - Quarterly Update
PWC-C 10-2019
Source Water Protection Overview

Carried

7. OTHER BUSINESS

7.1 Emterra Environmental Update

Allison Tyldesley, Associate Director, Waste Collection and Diversion, provided information respecting Emterra Environmental and the waste collection service issues experienced between April 15 and May 3, 2019. Ms. Tyldesley advised that these issues resulted in part from the decreased number of staff and operating collection vehicles.

7.2 Niagara Children's Water Festival

Committee Chair Rigby announced the Niagara Children's Water Festival will run from May 7 to May 10, 2019, at Ball's Falls Conservation Area.

7.3 Mountain Road Speed Limit Reduction, Town of Grimsby

Councillor Fertich requested an update respecting the request from the Town of Grimsby to the Region for a speed limit reduction on Mountain Road, between Mud Street and Elm Street. Carolyn Ryall, Director, Transportation Services, advised that staff were currently reviewing the request and would provide a report at the Public Works Committee meeting being held on June 11, 2019.

7.4 Intersection Improvements

Councillor Foster requested a timeline of upcoming intersection improvement projects. Carolyn Ryall, Director, Transportation Services, advised that staff were developing a schedule to prioritize the projects and would provide the schedule to the Public Works Committee once established.

8. CLOSED SESSION

Moved by Councillor Heit
Seconded by Councillor Nicholson

That this Committee **DO NOW MOVE** into Closed Session for the purposes of receiving information of a confidential nature respecting:

Confidential Verbal Update – A Matter of Litigation or Potential Litigation –
Emterra Contract

Carried

Committee resolved into closed session at 10:09 a.m.

9. BUSINESS ARISING FROM CLOSED SESSION

Committee reconvened in open session at 11:04 a.m. with the following individuals in attendance:

Committee: Bradley (Regional Chair), Chiocchio, Edgar (Committee Vice-Chair), Fertich, Foster, Heit, Insinna, Ip, Junkin, Nicholson, Rigby (Committee Chair), Steele, Witteveen

Absent/Regrets: Disero, Diodati, Gale, Sendzik, Ugolini, Zalepa

Staff: D. Ane, Manager, Program Financial Support, C. Courteau, Associate Director, Water and Wastewater Integrated Systems, D. Gibbs, Director, Legal & Court Services, J. Gilston, Legislative Coordinator, C. Habermebl, Acting Commissioner, Public Works, T. Harrison, Commissioner/Treasurer, Enterprise Resource Management Services, M. Trennum, Deputy Regional Clerk, A. Tyldesley, Associate Director, Waste Collection and Diversion

9.1 Confidential Verbal Update

Confidential Verbal Update - A Matter of Litigation or Potential Litigation -
Emterra Contract

Moved by Councillor Heit
Seconded by Councillor Edgar

That the Confidential Verbal Update regarding a Matter of Litigation or Potential Litigation – Emterra Contract, **BE RECEIVED** for information.

Carried

10. NEXT MEETING

The next meeting will be held on Tuesday, June 11, 2019, at 9:30 a.m. in the Council Chamber, Regional Headquarters.

11. ADJOURNMENT

There being no further business, the meeting adjourned at 11:05 a.m.

Councillor Rigby
Committee Chair

Jonathan Gilston
Legislative Coordinator

Ann-Marie Norio
Regional Clerk

Subject: Award of Tender 2019-T-105 (RN 19-15) Reconstruction of Regional Road 98 (Montrose Road) from Regional Road 49 (McLeod Road) to Charnwood Avenue, City of Niagara Falls

Report to: Public Works Committee

Report date: Tuesday, May 7, 2019

Recommendations

1. That Contract 2019-T-105 (RN 19-15) Reconstruction of Regional Road 98 (Montrose Road) From Regional Road 49 (McLeod Road) to Charnwood Avenue **BE AWARDED** to Peters Excavating Inc. at their bid price of \$6,913,417 (including 13% HST).

Key Facts

- The purpose of this report is to seek Council's approval to award Contract 2019-T-101 for the Reconstruction of Regional Road 98 (Montrose Road) From Regional Road 49 (McLeod Road) to Charnwood Avenue to Peters Excavating Inc.
- The Purchasing By-law 2016-02 requires that Council approve tender awards greater than \$5,000,000.
- The project was undertaken as a result of a Municipal Class Environmental Assessment completed in 2011.
- A public tender process was initiated and a total of three (3) bids were received with the lowest bid being \$6,118,068 (excluding taxes).
- The City of Niagara Falls is a cost sharing partner in this project and a gross budget adjustment for \$970,000 was recently processed reflecting an increase in the City of Niagara Falls cost sharing contribution from \$1,280,000 to \$2,250,000.
- The City of Niagara Falls cost sharing is related to the construction of storm sewers, sanitary sewers, watermain, sidewalk, and a multi-use path.

Financial Considerations

The original budget was established in 2009 at \$3,000,000. Throughout the project design, the overall scope was further defined to accommodate future developments in the area, and the necessary design changes were implemented resulting in an increase in the overall budget for project 20000503 to \$7,200,000. Appendix 3 – Total Estimated Project Cost provides a full budget breakdown.

The City of Niagara Falls has confirmed its financial contribution for the cost-sharing amount identified in Appendix 3 – Total Estimated Project Cost.

Analysis

- In 1998, the City of Niagara Falls completed a Transportation Master Plan (TMP) to assess and identify the transportation infrastructure requirements to address travel demands of the City of Niagara Falls.
- In assessing the short/long term transportation needs, the TMP identified the need for capacity improvements along McLeod Road.
- In response to this need, Niagara Region along with the City of Niagara Falls and the Niagara Parks Commission initiated the McLeod Road Transportation Study in 2006.
- The McLeod Road Transportation Study, completed in 2008, recommended improvements, in order to address the future 2016 and 2026 travel demands.
- Following the completion of the McLeod Road Transportation Study, Niagara Region initiated a Schedule C Municipal Class Environmental Assessment for the McLeod Road and Montrose Road corridors.
- The Municipal Class Environmental Assessment Study for McLeod Road and Montrose Road was completed, and the Environmental Study Report filed, on November 4, 2011, recommending improvements to increase traffic capacity and alleviate congestion.
- The proposed improvements for Montrose Road include a 4-lane urban cross section between McLeod Road and the north entrance to the MacBain Community Centre, and a 2-lane urban cross section between the MacBain Community Centre north entrance and Charnwood Avenue.
- Niagara Region retained Parsons Corporation, through a competitive procurement process, to undertake the detailed design for the project through a competitive process under 2016-RFP-04.
- A public tender process was initiated on March 11, 2019, to obtain tenders for the Reconstruction of Regional Road 98 (Montrose Road) From Regional Road 49 (McLeod Road) to Charnwood Avenue. Niagara Region received, and publicly opened, a total of three (3) bids on April 9, 2019.
- Niagara Region's Procurement & Strategic Acquisitions reviewed the bids received for compliance, and determined that all bids were compliant.

- One bid contained mathematical errors which were corrected and any discrepancies are noted in Appendix 2 under the corrected tender price. The correction in revised tender prices did not change the final outcome of the tender results.
- Parsons reviewed the bids received, has provided a recommendation to award Tender 2019-T-105 (RN 19-05) to Peters Excavating Inc. at their bid price \$6,118,068 (excluding HST) as noted in Appendix 2.
- Contract award requires resources from Enterprise Resource Management Services (ERMS) 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 ERMS on contract/project payments.

Alternatives Reviewed

A Municipal Class Environmental Assessment Study (EA) for McLeod Road and Montrose Road was completed, and the Environmental Study Report filed, on November 4, 2011, recommending improvements to increase traffic capacity and alleviate congestion.

Five (5) planning alternatives were reviewed as part of the EA:

1. Do nothing;
2. Improve adjacent roads;
3. Provide additional traffic lanes;
4. Non-structural improvements (e.g. signing, traffic optimization or traffic control);
and
5. Accommodate other travel modes.

The preferred planning alternative for Montrose Road was “Increase traffic capacity along Montrose Road through the addition of through / turn lanes and help alleviate congestion through the accommodation of transit users, cyclists, and pedestrians and the implementation of non-structural improvements including better signage and traffic control.”

Four (4) design alternatives were reviewed as potential methods of implementing the preferred planning alternative:

1. Do nothing;
2. Four lanes with shared use cycling lanes;
3. Two / Four lanes with dedicated bike and turn lanes; and
4. Four lanes with dedicated bike and turn lanes.

The preferred design alternative, which was the basis of the detailed design, included: four lanes between Regional Road 49 and the north entrance to the MacBain Centre; two lanes between the north entrance to the MacBain Centre and Charnwood Avenue; dedicated turn lanes at intersections; and dedicated bike lanes throughout.

As part of the EA process, two Public information Centres were held. The first session occurred on February 4, 2009, and the second was held on April 20, 2010. An additional Public Information Centre occurred on October 24, 2018 to present the construction drawings, details and schedule to local residents / businesses that may be affected by the project.

Relationship to Council Strategic Priorities

This recommendation relates to the Moving People and Goods strategic priority since the planned upgrades will ensure reliable and effective transportation modes including an inter-connection of various types of transportation.

Other Pertinent Reports

- PWA 36-2010
- PW 7-2019

Prepared by:

Graeme Guthrie, C.E.T.
Senior Project Manager, Transportation
Engineering
Public Works Department

Recommended by:

Catherine Habermehl
Acting Commissioner
Public Works Department

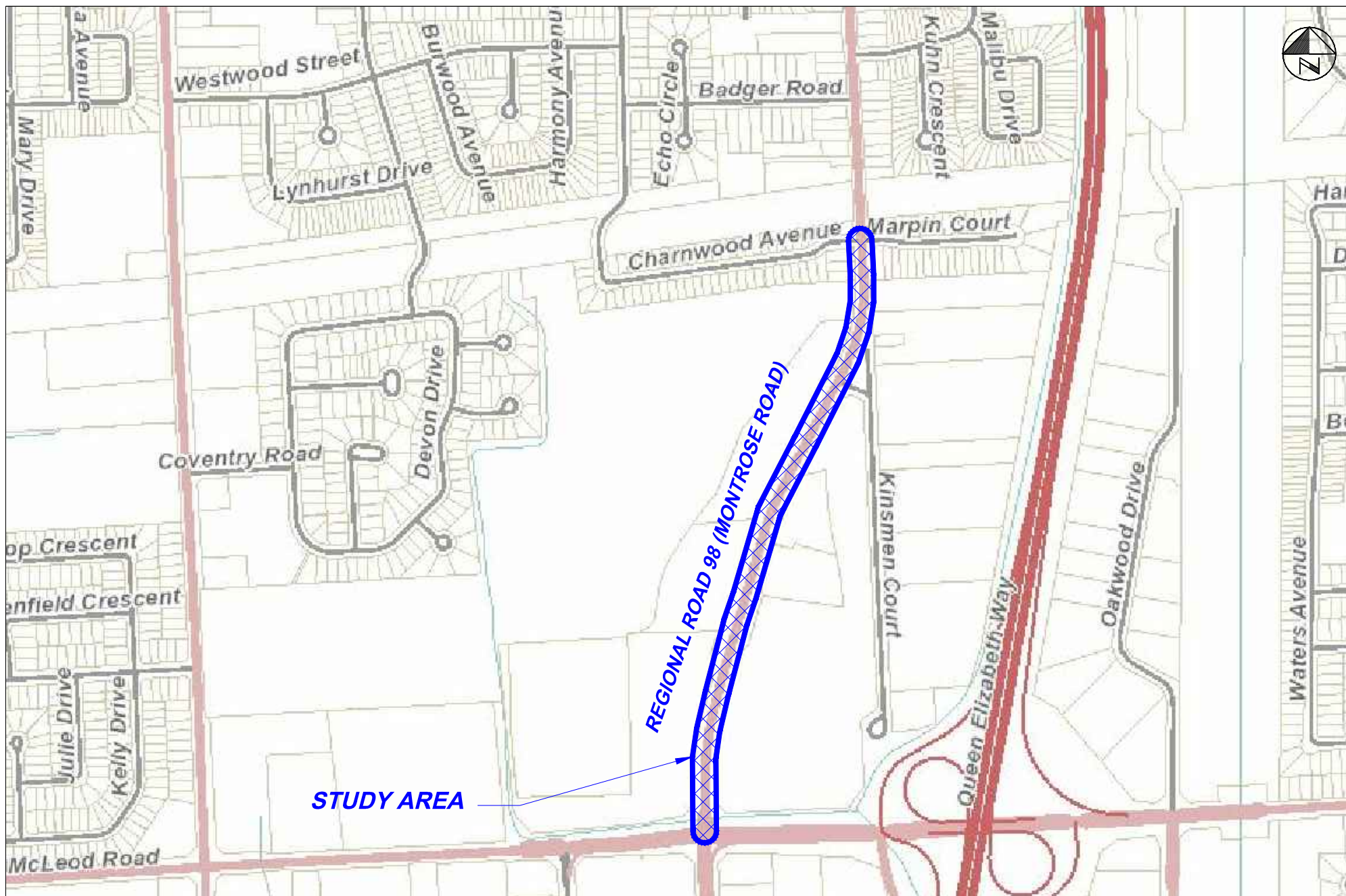
Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Frank Tassone, Associate Director Transportation Engineering and Brian McMahon, Program Financial Specialist, and reviewed by Carolyn Ryall, Director Transportation Services.

Appendices

Appendix 1	Key Plan	6
Appendix 2	Summary of Bids Received	7
Appendix 3	Total Estimated Project Cost	8



PW 25-2019 APPENDIX 2
Summary of Bids Received
Contract Award

**Reconstruction of Regional Road 98 (Montrose Road) between Regional Road 49
(McLeod Road) and Charnwood Avenue, Niagara Falls**

Bidder	Tender Price (Excluding HST)	Corrected Tender Price (Excluding HST)
Peters Excavating	\$ 6,118,068	\$ -
Beam Rankin Joint Venture	\$ 7,278,785	\$ -
Alfidome	\$ 7,299,233	\$ 7,194,650

PW 25-2019 APPENDIX 3
Total Estimated Project Cost
Contract Award

Reconstruction of Regional Road 98 (Montrose Road) between Regional Road 49 (McLeod Road) and Charnwood Avenue, Niagara Falls

	Council Approved Budget	Budget Increase/ Reallocation	Revised Council Approved Budget	Expended & Committed as of 04/10/19	Forecast	Budget Remaining
	(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C)-(D)- (E)
<u>Total Estimated Project Cost (20000503)*</u>						
(a) Construction (including Construction Contingency and 1.76% non-refundable HST)**	6,225,746		6,225,746	-	6,225,746	-
(b) Project Contingency	350,000		350,000	-	350,000	-
(c) Property Acquisition	55,700		55,700	5,699	50,001	-
(d) Consulting Engineering Services						
i. Detailed Design	-		-	-	-	-
ii. Contract Administration & Inspection	25,000		25,000	23,557	1,443	-
iii. Geotechnical Service-Quality Control	60,789		60,789	9,789	51,000	-
(e) Project Management (In-House) and Operations	310,018		310,018	2,612	307,406	-
(f) Traffic Signals and Signs	150,000		150,000		150,000	-
(g) Utility Relocation	8,630		8,630	13,718	(5,088)	-
(h) Subsurface investigation	-		-	-	-	-
(i) Miscellaneous	14,117		14,117	-	14,117	-
Total Estimated Project Cost	7,200,000	-	7,200,000	55,376	7,144,624	-

Project Funding Sources

Capital Variance Project - Levy	(1,210,000)		(1,210,000)	(1,210,000)	-	-
Federal Gas Tax Funding	(1,700,000)		(1,700,000)	(4,524)	(1,695,476)	-
Development Charges	(2,040,000)		(2,040,000)	(10,141)	(2,029,859)	-
Municipal Cost Sharing - Niagara Falls	(2,250,000)		(2,250,000)	-	(2,250,000)	-
	(7,200,000)	-	(7,200,000)	(1,224,665)	(5,975,335)	-

*All costs include 1.76% non-refundable HST.

** Total Contract Award is equal to i) \$6,118,068 before tax; ii) \$6,225,746 including 1.76% non-refundable HST; \$6,913,417 including 13% HST.

Subject: Thorold Zone 3 Elevated Tank Rehabilitation, 2019-T-129 (RN 19-29)

Report to: Public Works Committee

Report date: Tuesday, May 7, 2019

Recommendations

1. That the Gross Budget for Thorold Zone 3 Elevated Tank Rehabilitation **BE INCREASED** by \$627,110 and that the increase **BE FUNDED** from the Capital Variance – Water Project.

Key Facts

- The purpose of this report is to seek Council's approval for an increase in gross budget for Thorold Zone 3 Elevated Tank (ET) Rehabilitation project.
- Proposed works at Zone 3 ET is to undertake a full rehabilitation including interior and exterior coatings, piping, valve and instrumentation replacement, safety upgrades, electrical upgrades and site works.
- This tank has been in service for 40 years without any interior rehabilitation work. Based on annual inspection reports from 2016 and 2017, the tank was found to be at risk of failure requiring rehabilitation. Based on additional inspections, it was deemed that interim repairs were not feasible.
- \$2,365,000 has been approved in the 2018 Capital Budget for Water/Wastewater under ET Rehabilitation-Thorold South Zone 3.
- A public tender process was initiated and a total of two (2) bids were received with the lowest bid being \$2,430,434 (excluding taxes) resulting in the need to increase the construction budget

Financial Considerations

The Elevated Tank construction is a very niche market, with only four (4) qualified contractors in Ontario that could have participated in the bidding process. Only two (2) bids were received from the qualified contractors. Due to the operational risk of taking the Zone 3 ET out of service, the design consultant and bidding contractors were not able to enter the tank prior to tender. This left uncertainties regarding interior tank condition and specific rehabilitation works. Provisional items were included in the contract for these unknowns, however the risk with the uncertainties resulted in higher prices.

The total project expenditures and revenues are shown in the Total Project Budget Summary in Appendix 1. As outlined in Appendix 1, there is an overall approved budget of \$2,365,000 for this project (project number 20000626). Actual expenses and

commitments total \$229,346 as at April 10, 2019. The RFT has additional contingency and provisional items built-in to cover potential uncertainties such as additional metal works and unknown repairs. Due to the increase in contingency in the RFT, the Project Contingency was reduced by \$50,000. A \$25,000 increase to the consulting engineering services item was necessary, as the consulting fees were higher than anticipated. A budget increase is being requested in the amount of \$627,110 to be funded from the Water Capital Variance Reserve. As of April 10, 2019, the balance of the Water Capital Variance Reserve is \$1,553,537.

Any unspent surplus funds will be returned to the Water Capital Variance Project upon project completion so that these funds can be used to fund future capital projects.

Analysis

The Thorold Zone 3 ET provides a stable supply of potable water to the Thorold South area. The ET is a “Composite Design” which is comprised of a concrete base that provides the elevation needed to meet operational pressures and a steel tank that holds the needed water volume to meet the demands of the service area. The ET holds 2.7 million litres (ML). A standard practice for the Region is to have all ETs inspected every year to ensure that the condition is known and to address condition or safety related problems.

In the fall of 2016, Zone 3 ET was inspected by Landmark, using a remote operated underwater vehicle (ROV), and found the tank to be at risk of failure. “Tank Interior - The interior lining should be removed and replaced within the next 1 to 2 years before corrosion cells cause irreparable damage to the plate junctions and thinned out areas”, Landmark. An inspection conducted in 2017 confirmed the 2016 report and provide the same recommendations. Additional inspections were carried out to determine whether interim repairs could be undertaken; however, it was deemed that a full rehabilitation of the tank was more cost-effective.

It is imperative that the ET rehabilitation begin as soon as possible ensure severely corroded areas are repaired to reduce the risk of failure. Along with the interior lining, the tank also requires exterior painting, safety upgrades, process piping and instrumentation replacements, electrical upgrades and site civil works.

The ET rehabilitation design commenced in 2018 with the intent to begin construction in the spring of 2019. ET relining is seasonal work, as the temperature of the tank must remain above 15°C for lining coating. If construction is delayed and the schedule is extended into the late fall or winter, the entire ET and hoarding would require heating at a substantial cost to the project.

A budget increase in the amount of \$627,110 is required to award 2019-T-129 for \$2,473,210 (including 1.76% non-refundable HST).

Alternatives Reviewed

Delays in construction of the Thorold Zone 3 ET could increase the risk of failure, increase project costs, and potentially compromise the stable supply of potable water to Thorold South area.

Relationship to Council Strategic Priorities

This recommendation is related to Organizational Excellence since the planned rehabilitation will support a stable supply of potable water to the community of Thorold.

Other Pertinent Reports

None

Prepared by:

Lindsay Jones, P.Eng.
Senior Project Manager, Water &
Wastewater
Public Works Department

Recommended by:

Catherine Habermehl
Acting Commissioner
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared by Lindsay Jones, Senior Project Manager, Water & Wastewater in consultation with Pamela Hamilton, Program Financial Specialist W-WW, and reviewed by Tony Cimino, Associate Director, Water & Wastewater Engineering.

Appendices

Appendix 1	Total Estimated Project Cost	4
------------	------------------------------	---

**PW 26-2019 APPENDIX 1
TOTAL ESTIMATED PROJECT COST
Budget Adjustment**

Contract 2019-T-129 (RN 19-29) Thorold Zone 3 Elevated Tank Rehabilitation

Total Estimated Project Cost 20000626 *

- (a) Construction (includes contract contingency)
- (b) Project Contingency
- (c) Consulting Engineering Services (Design, Contract Administration, & Inspection)
- (d) Project Management & Internal Costs

Total Estimated Project Cost

Total Council Approved Budget	Budget Increase / Reallocation	Revised Council Approved Budget	Expended & Committed as of April 10, 2019	Forecast	Budget Remaining
(A)	(B)	(C) = (A) + (B)	(D)	(E)	(F) = (C)-(D)- (E)
1,821,100	652,110	2,473,210		2,473,210	-
289,000	(50,000)	239,000		239,000	-
195,400	25,000	220,400	222,636	(2,236)	-
59,500		59,500	6,710	52,790	-
2,365,000	627,110	2,992,110	229,346	2,762,764	-

Project Funding Sources

Regional Reserves & Debt

(2,365,000)	(627,110)	(2,992,110)	(229,346)	(2,762,764)	-
--------------------	------------------	--------------------	------------------	--------------------	----------

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

** Total lowest tender is equal to i) \$2,430,434 before tax; ii) \$2,473,210 including 1.76% non-refundable HST; iii) \$2,746,390 including 13% HST

Subject: GO Implementation Office – Quarterly Update**Report to:** Public Works Committee**Report date:** Tuesday, May 7, 2019

Recommendations

That Report PW 27-2019 **BE RECEIVED** for information.

Key Facts

- The purpose of this report is to provide an update to the extensive work undertaken as part of the ongoing collaborative relationship between Niagara's municipal partners and the Region in relation to the expansion of daily GO Rail Service to Niagara, and the integration of Niagara's transit systems.
- The GO Implementation Office is a dedicated, single-window, proactive conduit to our municipal partners, Provincial Ministries, public agencies (i.e. Metrolinx) and Niagara transit operators with the express focus to implement daily GO Rail Service and work towards an integrated Niagara transit system.
- Daily GO rail service commenced January 7, 2019, four years ahead of the previously announced schedule.
- A draft MOU to establish a municipal road at the St. Catharines GO Station will be presented to Planning and Economic Development Committee at its May 8 meeting.
- The Linking Niagara Transit Committee workplan is well underway with operational and governance components advancing for execution in 2019.

Financial Considerations

There are no financial costs directly associated with the projects outlined in this report that are not already covered in the approved 2019 Budget.

Analysis

GO Rail Expansion

The GO Implementation Office has been aggressively and proactively advancing the objective of securing daily, two-way, hourly GO rail service and associated station infrastructure. In December 2018, along with Niagara West MPP Sam Oosterhoff, Transportation Minister Jeff Yurek announced that daily commuter GO service to Niagara would be introduced effective January 7, 2019 – a full four (4) years ahead of the previous timetable. Now three (3) months into the inaugural service, ridership

continues to see a steady increase, with Metrolinx indicating they are very pleased with the uptake.

The summer seasonal weekend GO Train service will launch again this year for its eleventh season on the long weekend in May, returning June 21 through Labour Day. In 2018, the Niagara seasonal weekend GO Train service saw a 42 percent increase in ridership over 2017; a number expected to increase further in 2019 with the advent of additional tourism partnerships being secured. Furthermore, Metrolinx is set to implement a new fare harmonization policy effective April 20 with aim to align GO bus and rail fares with deeper discounts for those taking GO using PRESTO at \$17.79 one way from Niagara Falls to Union Station.

With regard to government relations, the Niagara GO Working Group, comprised of the Regional Chair and Mayors of Grimsby, Lincoln, St. Catharines and Niagara Falls (along with their respective CAOs), continue the ongoing dialogue with Metrolinx to advance the goal of securing hourly, two-way rail service to Niagara. An upcoming meeting with Metrolinx CEO Phil Verster and the Niagara GO Working Group regarding service acceleration is currently being scheduled. Additionally, planned connections with the City of Hamilton regarding alignment of strategy and impacts on the Grimsby Subdivision (the CN-owned rail corridor along which the Niagara extension operates) are being considered to ensure mutually beneficial goals are advanced in a coordinated partnership.

Negotiations with CN for increased service levels and infrastructure needs through the corridor continue to be led through the Metrolinx CEO's office with positive results for expected further announcements in 2019.

Lastly, the GO Implementation Office continues to work closely with Metrolinx to align the new daily commuter rail service at the St. Catharines VIA station to GO's Route 12 Bus which carries Niagara-bound passengers between Niagara Falls and Burlington GO station.

In-corridor Enabling Works (track, signals, structures)

A key component of the successful acceleration and enhancement of service to Niagara stations is predicated on the enabling in-corridor track and signaling works through Bayview Junction in Hamilton. Metrolinx, together with CN who owns the corridor, have been undertaking significant track improvements through this segment en route to the new Confederation Station in Stoney Creek. With these enabling works underway, track connections at West Harbour station will allow for more seamless transfers and train movements. At present, Toronto-bound Niagara trains must reverse on the CN mainline to enter the West Harbour Station. This is not operationally advantageous and new works commencing fall 2019 will allow for seamless pass through at West Harbour Station.

Niagara Region's GO Implementation Office continues to work very closely with Metrolinx to understand the extent of in-corridor rail infrastructure required to enable hourly service through to Niagara Falls.

Off-corridor Enabling Works (stations, associated road and access facilities)

Through Niagara Region's GO Implementation Office, Niagara is working diligently to determine whether or not there is a role for the Region and its partners to play within the provincial government's new transit oriented development (TOD) framework. Metrolinx is now advancing the TOD directive, and Niagara continues to actively pursue its role in the interest of fully leveraging daily GO train service to Niagara. Metrolinx is looking at both public and private sector partnerships for delivery of new station buildings. At this time it is early on in this process and staff do not have further information, but expect to be providing an update to Council before the end of Q3 2019.

The Metrolinx-led detailed design process is underway in St. Catharines and Niagara Falls, and staff are working closely with Metrolinx and our municipal partners to determine the role and scope for the Region and/or Cities at each of these sites throughout this process.

In St. Catharines, a draft Memorandum of Understanding (MOU) between Niagara Region, City of St. Catharines and Ridley College (if adopted by Regional and Municipal Councils), will enable a new municipal road to be constructed that will not only unlock the development potential around the new GO station, but also serve as the ideal primary station access.

At Niagara Falls Station, new federal and provincial funding opportunities through the Investing in Canada Infrastructure Program (ICIP) could provide a window to realize the broader Niagara Falls Station precinct vision. Staff are working closely with Metrolinx and our municipal partners to determine the role Niagara can play at these stations sites with a strategy for Council's consideration forthcoming.

Staff are also working with the Town of Lincoln to explore TOD opportunities on the site identified in GO Transit's 2011 Environmental Study Report (ESR). The GO Implementation Office continues to enable any and all opportunities for Niagara to leverage the current and future potential service at all of the locations identified in the 2011 ESR.

Niagara Region continues to work with rail partners CN and VIA Rail to explore options and opportunities to effectively and fully maximize the existing GO/VIA station lands and facilities at the St. Catharines and Niagara Falls sites, and the role the Region can play in achieving this. Further investigative works are underway with staff anticipating a report to Council in the coming committee cycles.

Metrolinx is also seeking Regional and Municipal support for installation of corridor radio communication towers along the Grimsby Subdivision. This infrastructure is required in order for Metrolinx to operate rail service through the corridor and the GO Office is working closely with municipal peers to ensure Metrolinx can facilitate this process as expeditiously as possible. Further updates related to this component will be brought forward to Committee at a future date once further details are solidified.

Inter-Municipal Transit

At the direction of the Linking Niagara Transit Committee (LNTC), the Inter-Municipal Transit Working Group (IMTWG) comprised of transit managers and transit staff from all 13 municipalities have been advancing the key elements of the 2019 workplan. This workplan is broken into two main components: operational and customer service enhancements; and governance options and business case development.

Operational and Customer Service Enhancements

- Options for an integrated call centre are being actively explored by the IMTWG in an effort to streamline operational customer service needs across transit providers for an enhanced user experience.
- 2019 U-Pass negotiations are underway with post-secondary student unions
 - A new provincial government policy regime has been announced that alters the rules surrounding mandatory and non-mandatory student fees. The changes will affect the way student unions and academic institutions deliver services by giving students the ability to opt out of certain fees.
 - The IMTWG is working closely with our post-secondary partners to examine the operational and financial impacts on transit providers as they relate to existing post-secondary agreements.
 - Committee will be apprised of the potential revenue risks and opportunities resulting from the development of prospective options throughout the negotiation process.
- 2019 Regional budget deployment for Niagara Region Transit (NRT)
 - A new service model for west Niagara is in early stages of development, intended for fall 2019 or January 2020 deployment, as it could be done in two phases. Staff are exploring the potential for other system integration opportunities to maximize coverage and budget resources.
 - The existing Port Colborne and Fort Erie Link routes are being coordinated with local staff for upload and service enhancements.
 - New fleet has been ordered as outlined in the 2019 capital budget. Transit staff, together with our local transit partners, will coordinate September 2019 service improvements according to expected bus delivery timelines. Regional transit staff are working with Niagara Falls Transit to lease buses to ensure

operational continuity to meet increasing demand and ridership during the procurement and delivery phase (which could be up to 12 months).

- MTO Provincial Gas Tax (PGT) Program / ICIP
 - As directed by the LNTC, initial discussions are underway with Port Colborne, Lincoln and Pelham to explore potential for joint reporting with mutual benefits realized through this strategy, as reported in LNTC-C 1-2019.
 - The 2019-2020 provincial budget will need to be reviewed and analyzed for any potential impacts to transit funding through the PGT. Transit staff will continue to monitor, work with provincial transit agencies, and discuss ongoing PGT requests with the MTO. Any additional impacts on Niagara's overall PGT position and/or impacts to Regional allocations will be reported to Committee when known in detail.
 - The joint federal/provincial ICIP Transit funding stream for transit is now open, closing May 28. The IMT Coordinating Committee are reviewing opportunities for joint applications which will enable further operational alignment referenced above. Projects requiring Council endorsement as part of the application process will be brought forward to committee under separate reporting.

Governance Options / Business Case

- An area CAO-led committee has been established to lead development of transit governance options. The terms of reference are under development and will be shared with the LNTC at its April 24 meeting.
- As outlined in the LNTC workplan, the Specialized Transit Study is now under way. This will undertake an operational and jurisdictional review, a customer service review and survey, and provide recommendations for future alignment.
 - PICs for the Specialized Transit Study are being held:
 - Tuesday April 23, 5-7 pm, Civic Square in the Community Room, 60 East Main St., Welland
 - Wednesday April 24, 5-7 pm, St. Catharines Public Library, 54 Church St., St. Catharines
 - This information has been shared by the transit team with members of the LNTC, Transportation Steering Committee and the Accessibility Advisory Committee. A further update will be provided at the April 24 LNTC meeting.
- The IMTWG are advancing a common fare strategy as outlined in the workplan:
 - Harmonization of fares across Niagara transit systems
 - Introduction of new technology (hardware and software)
 - Engagement with PRESTO for information and demonstration
 - A further update from the IMTWG will be provided at the April 24 LNTC meeting

Other Pertinent Reports

CL-C 41-2017 (GO Implementation Office – Supplementary Information)
CSD 46-2017 (GO Transit Capital Project – Debt Substitution and Initiation of Funds)
PW 20-2017 (Establishment of GO Implementation Office)
PW 47-2017 (GO Implementation Office – Quarterly Update)
PW 13-2018 (GO Implementation Office – Quarterly Update)
LNTC-C 20-2018 (IMT Universal Support Person Pass)
LNTC-C 21-2018 (IMT Service Implementation Strategy)
LNTC-C 22-2018 (IMT Financial Impact Analysis)
LNTC-C 23-2018 (IMT Capital Plan 2019)
PDS 15-2018 (OPA 6 – Grimsby GO Transit Station Secondary Plan)
PDS 24-2018 (OPA 125 – Niagara Falls Transit Station Secondary Plan)
PDS 28-2018 (OPA 19 – St. Catharines GO Transit Station Secondary Plan)
PDS 30-2018 (OPA 4 – Beamsville GO Transit Station Secondary Plan)
PDS-C 23-2018 (Functional Station Designs – Niagara’s GO Stations)
PW 39-2018 (GO Implementation Office – Quarterly Update)
PDS-C 3-2019 (Update on the Status of GO Service to Grimsby)
PDS-C 4-2019 (Niagara Falls GO Station Functional Design)
PDS-20- 2019 (Ridley MOU)

Prepared by:

Matt Robinson
Director
GO Implementation Office

Recommended by:

Catherine Habermehl
Acting Commissioner
Public Works Department

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with Kumar Ranjan, P. Eng, Transportation Lead – GO Implementation Office; Cheryl Selig, MCIP, RPP, Planning Lead, GO Implementation Office; Robert Salewysch, Transit Services Planning Coordinator; Alex Morrison, Planner, Planning and Development Services; Heather Talbot, Special Projects Consultant, Financial Management and Planning, and reviewed by Dan Ane, Manager, Program Financial Support

MEMORANDUM**PWC-C 10-2019****Subject: Source Water Protection Overview****Date: May 7, 2019****To: Public Works Committee****From: Jen Croswell, C.Tech.**

After the Walkerton tragedy in May 2000, Justice Dennis O'Connor was commissioned to lead an inquiry into the contamination of the Walkerton municipal water supply and more broadly, the safety of Ontario's drinking water. The results of the Walkerton inquiry included 121 recommendations to ensure the protection of municipal drinking water in Ontario—all of which have been implemented. Source water protection planning, under the *Clean Water Act, 2006* (CWA), fulfills several of these recommendations. The purpose of this memorandum is to inform Regional Council about the source water protection program in Niagara.

Multi-Barrier Approach

Source water protection is part of the multi-barrier approach towards the protection of drinking water. Ontario's drinking water is protected and governed, with a source-to-tap focus, under two main acts: The *CWA*, and the *Safe Drinking Water Act, 2002* (SDWA).

The CWA focuses on prevention and protects sources of drinking water by:

- Requiring source water protection plans for municipal drinking water systems within Conservation Authority boundaries;
- Outlining a mandatory framework for how vulnerability and risks to drinking water are assessed and determined; and,
- Providing municipalities with the authority to regulate threat activities, as determined under the established regulations.

The SDWA ensures the provision of safe drinking water by requiring:

- Adequate treatment processes dependent on source water characteristics;
- Mandatory licencing, operator certification and training requirements;
- Regular and reliable testing and monitoring of both the treatment process and distribution system to ensure health-based drinking water standards are met;
- Prescribed corrective actions in the event of adverse test results; and
- Routine inspections by the Ministry of Environment, Conservation, and Parks (MECP).

Niagara Source Protection Planning

The Niagara Peninsula Source Protection Area (Area) overlies the same jurisdiction as the Niagara Peninsula Conservation Authority (NPCA) and encompasses Niagara region and portions of Haldimand County and the City of Hamilton. Niagara Region is the only municipality which owns and operates municipal drinking water systems (six total) within these boundaries and the identified vulnerable areas and risk mitigation policies currently only apply to Niagara Region's drinking water systems.

A science based assessment for the Area was conducted and summarized within an assessment report. The assessment included:

- Delineations of vulnerable areas including municipal water treatment plant Intake Protection Zones (IPZs), highly vulnerable aquifers, and significant groundwater recharge areas;
- Assessments of activities that would be significant or moderate drinking water threats in these vulnerable areas, particularly with respect to municipal drinking water systems;
- Identification of water quality issues associated with the raw (untreated) water supplied to the municipal water treatment plants, which could be addressed through source protection planning;
- A water budget analysis and water quantity stress assessment for the whole source protection area; and
- General background information that may be useful in developing the Source Protection Plan (SPP).

The findings identified in the assessment report are used to focus risk mitigation policies within the SPP. These policies are based on the vulnerability and the associated hazards which are presented by threats (as defined in O. Reg. 287/07). The vulnerability scores for Niagara Region's IPZs are identified in Table 1. Associated mapping can be found in Appendix I.

Table 1: Niagara's Vulnerability Scores

Intake	IPZ-1 (distance to intake)	IPZ-2 (two hour time of travel)
Niagara Falls	8.0	6.4
Port Colborne	9.0	8.1
Welland	7.0	N/A (contained within IPZ-1)
Decew Falls Main Intake and 406	8.0	4.9
Decew Falls Lake Gibson	8.0	5.6
Rosehill	7.0	5.6
Grimsby	5.0	4.0

The IPZ-1 for the Decew Falls and Niagara Falls intakes and the IPZ-1 and IPZ-2 for Port Colborne's intake are considered highly vulnerable and significant drinking water threats have been identified for these intakes in accordance with the CWA. An IPZ-3, which is based on local modelling, was determined specifically to identify diesel fuel spills as a significant threat in the Welland Canal which impacts the Decew Falls, Port Colborne, and Welland drinking water systems. These and the remaining intakes also have moderate and low risk threats associated with them. Intake vulnerabilities and threats are managed through the multi-barrier approach, identified above, which includes adequate water treatment, testing, and verification in addition to a preventive approach of risk mitigation through the SPP. A table of identified significant drinking water threats can be found in Appendix II.

Policy options to manage the identified threats range from softer approaches (such as encouraging best management practices by way of a public education program) to more regulatory style approaches (such as requiring risk management plans), and in specific cases, particular activities may be prohibited within the IPZ. Some significant drinking water threat policies, such as the requirement of a risk management plan or prohibition, are enforceable under Part IV of the CWA and carry penalties if not complied with.

The rationale for policy choices are summarized in the explanatory document. The SPP was approved by the MECP in December 2013 and came into effect on October 1, 2014. As of March, 2018, the implementation of the SPP was deemed as "progressing well/on target" since the "majority of threats have been assessed and the remaining policies are on track for implementation".

Roles and Responsibilities

The CWA defines several contributor groups which are unique to source water protection. These include:

- Source Protection Authority – Follows the same structure as the current NPCA board;
- Source Protection Committee – Includes municipal, sector, and public interest representatives; and
- Risk Management Official and Risk Management Inspector – Appointed by Regional Council, or delegated authority, and is typically employed by the municipality.

In April 2016, Jen Croswell, Water Compliance Specialist, was appointed as Risk Management Official and Risk Management Inspector by the Commissioner of Public Works. Deanna Barrow, Manager of Quality and Compliance, was appointed as back-up. This appointment was communicated to Public Works Committee through PWC-C 16-2016.

In addition to the contributors identified above, many other stakeholders contribute to the planning and implementation of source protection in Niagara. A high-level overview of responsibilities under the CWA has been outlined in *Table 2*:

Table 2: Clean Water Act, 2006, Roles and Responsibilities Overview

Entity	Role	Responsibility
Ministry of Environment, Conservation, and Parks	Governing Body	Provide guidance, oversight, approval and funding to Source Protection Authority
Niagara Peninsula Conservation Authority	Source Protection Authority	Completes Section 36 amendments for the SPP
Niagara Peninsula Conservation Authority	Source Protection Authority	Facilitates annual implementation reporting, Source Protection Committee meetings, and plan updates
Independent/Sector Representatives	Source Protection Committee	Reviews and approves annual reporting and plan updates
Council (Regional and Area Municipal)	Governing Body	Approves revisions to the SPP via Council resolution
Niagara Region	Technical Expert	Completes Technical work for CWA Section 34/36 amendments to the plan
Niagara Region	Risk Management Official and Risk Management Inspector	Enforces Part IV of SPP policies
Niagara Region	Risk Management Official	Completes annual reporting on Part IV enforcement activities
Niagara Region	Policy Implementer	Various departments (Water and Wastewater, Transportation and Planning and Development) implement source protection policies
Niagara Region	Stakeholder	Participates in consultation opportunities
Area Municipality/Other Agencies/Public	Policy Implementer	Implements source protection policies
Area Municipality/Other Agencies/Public	Stakeholder	Participates in consultation opportunities

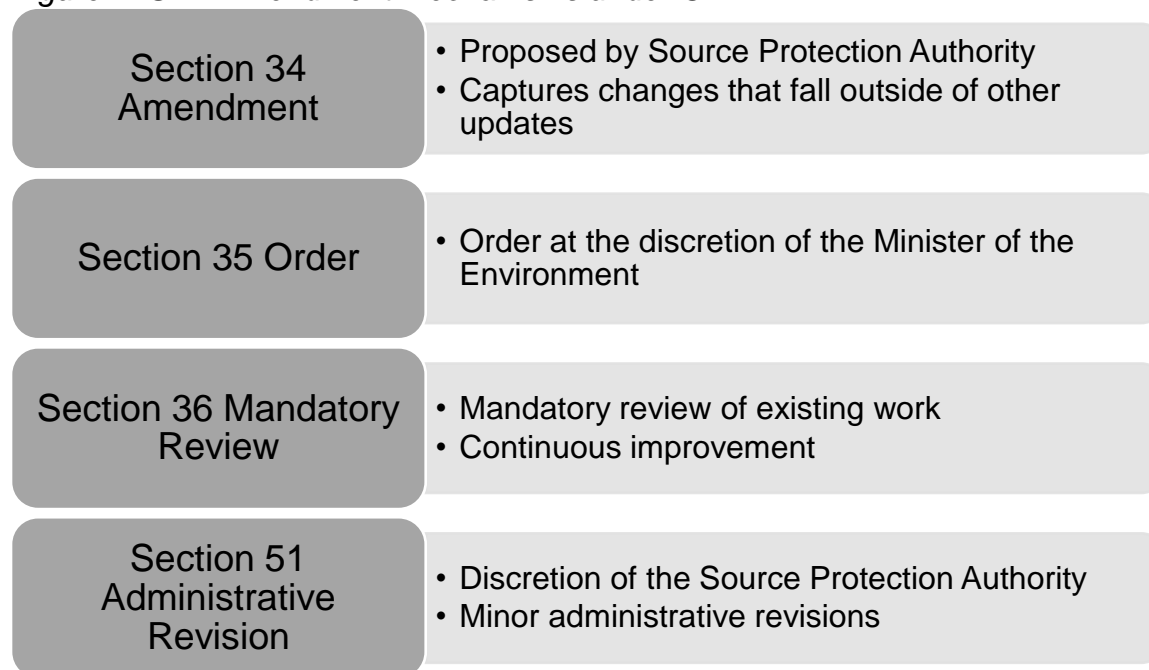
SPP Updates

Within the next five (5) years, Niagara Region is anticipating changes to the IPZs of the Decew Falls, Niagara Falls, Welland, and Rosehill drinking water systems. In most cases, it is anticipated that these changes will reduce the vulnerability and resulting threats to the impacted IPZs. See Table 1Table 3 for a high-level description of this work. Updates to the SPP are expected and can be initiated by several mechanisms within the CWA. These mechanisms are identified in Figure 1.

Table 3: Anticipated Infrastructure Changes Impacting Existing Intake Structures

Water Treatment Plant	Description	Motivation
Decew Falls	Encasement of existing raw water channel	Reduction in land-use impacts and increase in supply security
Niagara Falls	Relocation from Welland River to Niagara River	Ability to maintain water taking during Ontario Power Generation maintenance work on hydro canal
Welland	Minor relocation	Major water treatment plant upgrade requiring minor relocation of intake for water taking
Rosehill	Increase distance from shore and depth of intake	Life-cycle replacement and reduction in land-use impacts

Figure 1: SPP Amendment Mechanisms under CWA



The SPP is currently undergoing a Section 36 mandatory review which, where timing permits, will include the anticipated infrastructure work to Niagara Region's drinking water intakes and other area of interest as identified in the Section 36 work plan proposal.

It should be noted that the IPZ delineation is current to the date of plan approval by the MECP (December 2013). Mapping updates will be completed as the source water technical work is undertaken and integrated into the assessment report. Technical work will be carried out in stages as this work is completed on a per project basis. O. Reg. 205/18 under the SDWA ensures that the SPP has been updated prior to new intake infrastructure being put into service.

In the event the timing of these changes does not coincide with the mandated Section 36 update, a Section 34 amendment can be initiated. In both cases, Niagara Region will be an active participant in the planning process and Regional Council, along with impacted area municipal Councils, will be required to approve the SPP prior to final MECP approval.

Annual Reporting

As identified above, NPCA is responsible for annual source protection program reporting as mandated under the CWA. Niagara Region and other policy implementers work collaboratively with NPCA by providing information required to complete the annual progress report. The 2018 annual progress report will be published in the coming months.

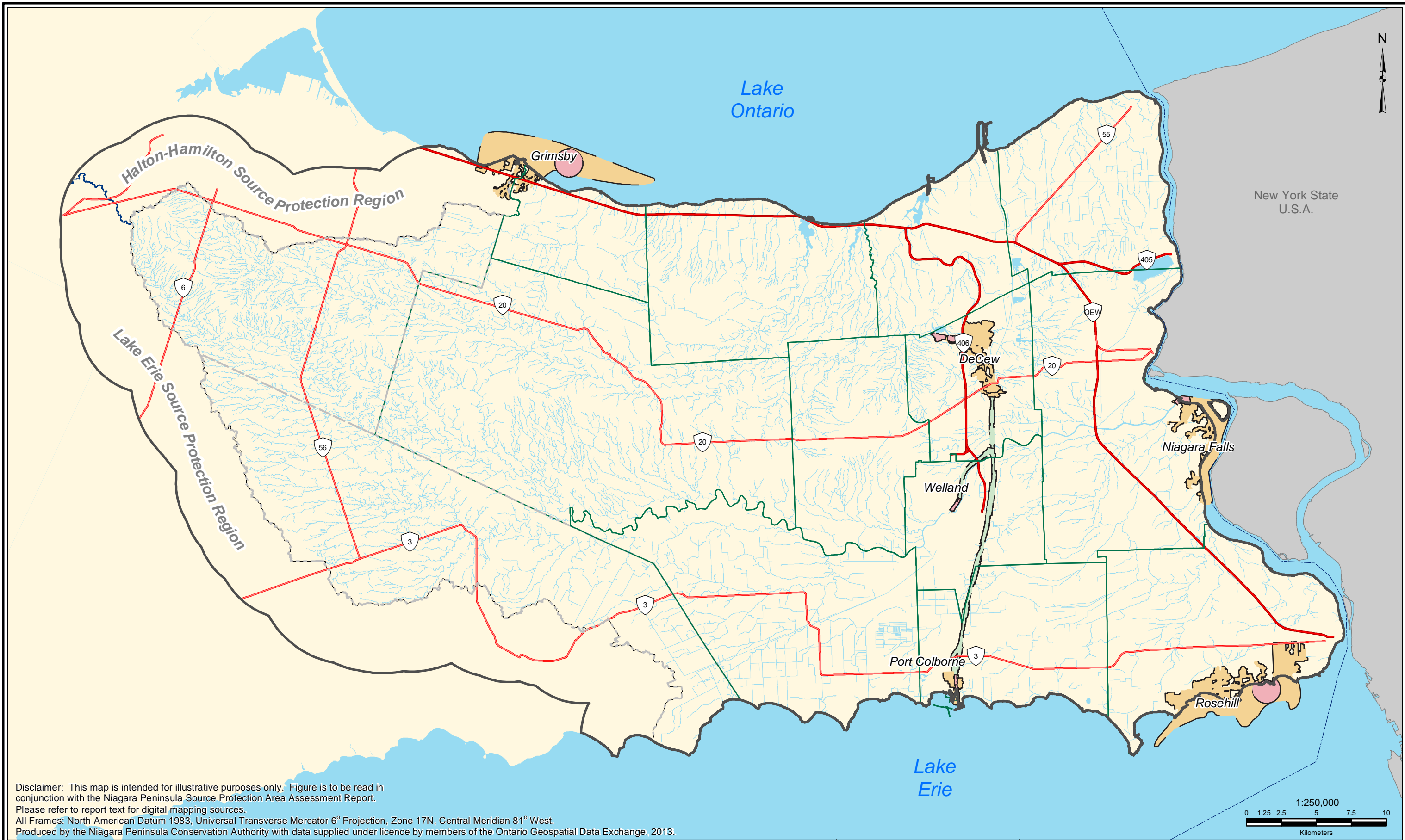
Additional Information

Additional source water protection resources, including the SPP, assessment report, explanatory document, work plan proposal, and annual progress reports can be found on the Niagara Peninsula Source Water Protection website (<http://www.sourceprotection-niagara.ca>).

Respectfully submitted and signed by

Jen Croswell, C.Tech., RMO/RMI
Water Compliance Specialist

- Appendix I Map of Niagara Region's Intake Protection Zones
- Appendix II Identified Significant Drinking Water Threats for Niagara Region's Intake Protection Zones



PWC-C 10-2019 Appendix II – Identified Significant Drinking Water Threats for Niagara Region’s Intake Protection Zones

Threat Category	Decew Falls IPZ-1	Niagara Falls IPZ-1	Port Colborne IPZ-1	Port Colborne IPZ-2
1 - Waste disposal sites	x	x	x	x
2 - Sanitary, storm, and industrial discharges	x	x	x	x
3, 4, and 21 – Agricultural source material (application and storage)	x	x	x	x
6, 7 – Non-agricultural source material (application and storage)	x	x	x	x
10 – Pesticide application				x
11 – Pesticide storage and handling				x
13, 14 – Road salt and snow storage				x
18 – Aircraft de-icing runoff				x

A full list of possible prescribed drinking water threats, as identified in Ontario Regulation 287/07, is included below:

1. The establishment, operation or maintenance of a waste disposal site within the meaning of Part V of the Environmental Protection Act.
2. The establishment, operation or maintenance of a system that collects, stores, transmits, treats or disposes of sewage.
3. The application of agricultural source material to land.
4. The storage of agricultural source material.
5. The management of agricultural source material.
6. The application of non-agricultural source material to land.
7. The handling and storage of non-agricultural source material.
8. The application of commercial fertilizer to land.
9. The handling and storage of commercial fertilizer.
10. The application of pesticide to land.
11. The handling and storage of pesticide.
12. The application of road salt.
13. The handling and storage of road salt.
14. The storage of snow.
15. The handling and storage of fuel.
16. The handling and storage of a dense non-aqueous phase liquid.
17. The handling and storage of an organic solvent.
18. The management of runoff that contains chemicals used in the de-icing of aircraft.
19. An activity that takes water from an aquifer or a surface water body without returning the water taken to the same aquifer or surface water body.
20. An activity that reduces the recharge of an aquifer.
21. The use of land as livestock grazing or pasturing land, an outdoor confinement area or a farm-animal yard.

Minute Item No. 6.1
COM 20-2019
Ontario Works Caseload

That Report COM 20-2019, dated May 7, 2019, respecting Ontario Works Caseload, **BE RECEIVED** for information.

Minute Item No. 6.2
COM 14-2019
Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD)

That Report COM 14-2019, dated May 7, 2019, respecting Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD), **BE RECEIVED** and **REFERRED** to the Council Strategic Planning Session being held on May 11, 2019, for further discussion.

Minute Item No. 6.3
Consent Items for Information

That the following items **BE RECEIVED** for information:

COM 21- 2019
Ontario Health Teams

COM-C 2-2019
Senior Services Long-Term Care Homes - Summer Celebration Events

CWCD 173-2019
Public Health Modernization

**THE REGIONAL MUNICIPALITY OF NIAGARA
PUBLIC HEALTH & SOCIAL SERVICES COMMITTEE
OPEN SESSION**

**PHSSC 05-2019
Tuesday, May 7, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Regional Chair Bradley, Bellows, Butters, Chiocchio (Committee Co-Chair), Darte, Gibson, Greenwood (Committee Co-Chair), Heit, Insinna, Ip, Jordan, Nicholson, Rigby, Whalen

Absent/Regrets: Diodati, Sendzik, Villella

Staff: C. Cousins, Director, Homelessness and Community Engagement, K. Desharnais, Communications Consultant, D. Edgar, Director, Children's Services, Dr. A. Feller, Associate Medical Officer of Health, R. Ferron, Deputy Chief/Associate Director, Emergency Medical Services, Dr. M. Hirji, Acting Medical Officer of Health, K. Lotimer, Legislative Coordinator, K. Lutz, Commander/Manager Quality Management & Professional Standards, M. Trennum, Deputy Regional Clerk, R. Tripp, Acting Chief Administrative Officer, L. Watson, Director, Social Assistance and Employment Opportunities

1. CALL TO ORDER

Co-Chair Greenwood called the meeting to order at 2:01 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

3.1 What Causes Ill Health in Niagara?

Dr. Mustafa Hirji, Acting Medical Officer of Health/Acting Commissioner, Public Health and Emergency Services and Sinéad McElhone, Manager, Public Health Surveillance and Evaluation, Public Health and Emergency Services, provided Committee members with information respecting What Causes Ill Health in Niagara. Topics of the presentation included:

- Top Illnesses & Risk Behaviours
- The Life Course
- Top Illnesses Across the Life Course
- Top Risk Factors Across the Life Course
- Social Determinants of Health
- Top Illnesses Across Social Determinants of Health Gradients

4. **DELEGATIONS**

There were no delegations.

5. **ITEMS FOR CONSIDERATION**

There were no items for consideration.

6. **CONSENT ITEMS FOR INFORMATION**

6.1 **COM 20-2019**

Ontario Works Caseload

Lori Watson, Director, Social Assistance and Employment Opportunities, provided information respecting Ontario Works Caseload. Topics of the presentation included:

- Financial Assistance
- Caseload Size & Profile
- Employment Assistance
- Performance Outcomes
- Innovation
- Provincial Changes
- Client Testimonials

Moved by Councillor Ip

Seconded by Councillor Gibson

That Report COM 20-2019, dated May 7, 2019, respecting Ontario Works Caseload, **BE RECEIVED** for information.

Carried

6.2 COM 14-2019

Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD)

Moved by Councillor Butters
Seconded by Councillor Jordan

That Report COM 14-2019, dated May 7, 2019, respecting Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD), **BE RECEIVED** and **REFERRED** to the Council Strategic Planning Session being held on May 11, 2019, for further discussion.

Carried

6. **CONSENT ITEMS FOR INFORMATION**

Moved by Councillor Rigby
Seconded by Councillor Heit

That the following items **BE RECEIVED** for information:

COM 21- 2019
Ontario Health Teams

COM-C 2-2019
Senior Services Long-Term Care Homes - Summer Celebration Events

CWCD 173-2019
Public Health Modernization

Carried

7. **OTHER BUSINESS**

7.1 Folk Arts Festival

Councillor Heit advised Committee members of the Folk Arts Festival currently taking place in St. Catharines and encouraged members to take part in the festivities.

7.2 Pelham Art Festival Show and Sale

Councillor Greenwood advised Committee members of the Pelham Art Festival Show and Sale that is taking place from May 10 to May 12, 2019, at the Meridian Community Centre in Pelham.

8. **CLOSED SESSION**

There were no closed session items.

9. NEXT MEETING

The next meeting will be held on Tuesday, June 11, 2019, at 2:00 p.m. in the Council Chamber, Regional Headquarters.

10. ADJOURNMENT

There being no further business, the meeting adjourned at 3:02 p.m.

—
Councillor Greenwood
Committee Co-Chair

—
Councillor Chiocchio
Committee Co-Chair

—
Kelly Lotimer
Legislative Coordinator

—
Matthew Trennum
Deputy Regional Clerk

What Causes Ill Health in Niagara?

Public Health & Social Services Committee
May 7, 2019

M. Mustafa Hirji
Medical Officer of Health & Commissioner (Acting)

Sinéad McElhone
Manager (Surveillance & Evaluation)

Outline

- Top Illnesses & Risk Behaviours
- The Life Course
- Putting Them Together #1
 - Top Illnesses Across the Life Course
 - Top Risk Factors Across the Life Course
- Social Determinants of Health
- Putting Them Together #2
 - Top Illnesses Across Social Determinants of Health Gradients

Top Illnesses & Risk Behaviours

The Data

Indicators	Where did it come from?	Type of analysis	Years available
Self-reported behaviours	Canadian Community Health Survey	Percent with the reported condition	2011-2014
Self-reported conditions	Canadian Community Health Survey	Percent engaging in the behaviour	2011-2014
Infectious disease incidence	iPHIS	Incidence rate per 100,000	2011-2013
EMS transports	EMS Edge	Frequency of occurrence	2013-2015
Injuries that report to EDs	National Ambulatory Care Reporting System	Diagnoses per 100,000	2011-2013
ED visit diagnoses	National Ambulatory Care Reporting System	Diagnoses per 100,000	2011-2013
Hospital discharge diagnoses	Discharge Abstract Database	Hospital admissions per 100,000	2011-2013
Mortality	Vital Statistics	Causes of death per 100,000	2009-2011

Top Health Issues in Niagara

- Cancer
- Circulatory system infections and diseases
- Diabetes
- Digestive system infections and diseases
- Injuries
- Maternal/reproduction
- Mental health (including dementia)
- Poisoning
- Respiratory infections and diseases
- Sexually transmitted infections

The Life Course

The Past Shaping the Future

1

LATENT EFFECTS

Experiences, particularly during sensitive periods, that influence health later in life.

2

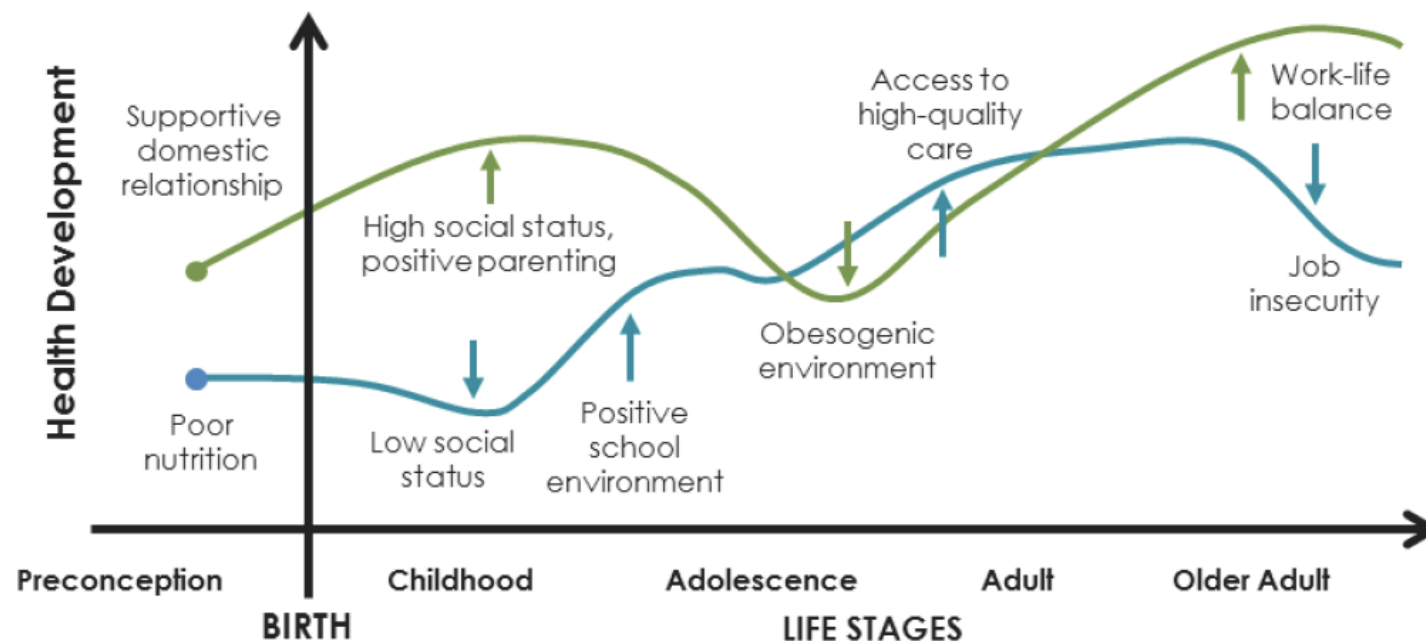
PATHWAY EFFECTS

Experiences that set people on certain health development trajectories.

3

CUMULATIVE EFFECTS

Experiences that accumulate over time and manifests in health. A combination of latent and pathway effects.

**PHASES OF HEALTH DEVELOPMENT**

Generativity

Acquisition

Maintenance

Decline

*Reproduced
with permission from
Halfon, Larson, Lu, et al
(2014)*

Putting It Together #1

Top Illnesses & Risk Behaviours Across the Life Course

Emergency Department Visits

Niagara	1	2	3	4	5
0<1 years	Acute Upper Respiratory Infections	General Signs & Symptoms	Other Acute Lower Respiratory Infections	Middle Ear & Mastoid Diseases	Head Injuries
1-4 years	Acute Upper Respiratory Infections	Middle Ear & Mastoid Diseases	Head Injuries	General Signs & Symptoms	Intestinal Infectious Diseases
5-9 years	Acute Upper Respiratory Infections	Head Injuries	Middle Ear & Mastoid Diseases	Digestive/Abdominal Signs & Symptoms	Wrist & Hand Injuries
10-14 years	Wrist & Hand Injuries	Acute Upper Respiratory Infections	Ankle & Foot Injuries	Head Injuries	Elbow & Forearm Injuries
15-19 years	Wrist & Hand Injuries	Digestive/Abdominal Signs & Symptoms	Acute Upper Respiratory Infections	Head Injuries	Ankle & Foot Injuries
20-24 years	Digestive/Abdominal Signs & Symptoms	Wrist & Hand Injuries	Acute Upper Respiratory Infections	Head Injuries	Ankle & Foot Injuries
25-44 years	Digestive/Abdominal Signs & Symptoms	Wrist & Hand Injuries	Circulatory/Respiratory Signs & Symptoms	Acute Upper Respiratory Infections	Ankle & Foot Injuries
45-64 years	Exam/ Investigation	Circulatory/Respiratory Signs & Symptoms	Digestive/Abdominal Signs & Symptoms	Wrist & Hand Injuries	General Signs & Symptoms
65-74 years	Exam/ Investigation	Lens Disorders	Circulatory/Respiratory Signs & Symptoms	Digestive/Abdominal Signs & Symptoms	Benign Neoplasms
75-84 years	Lens Disorders	Circulatory/Respiratory Signs & Symptoms	Exam/ Investigation	General Signs & Symptoms	Digestive/Abdominal Signs & Symptoms
85+ years	Circulatory/Respiratory Signs & Symptoms	Other Forms of Heart Disease	General Signs & Symptoms	Other Urinary System Diseases	Lens Disorders

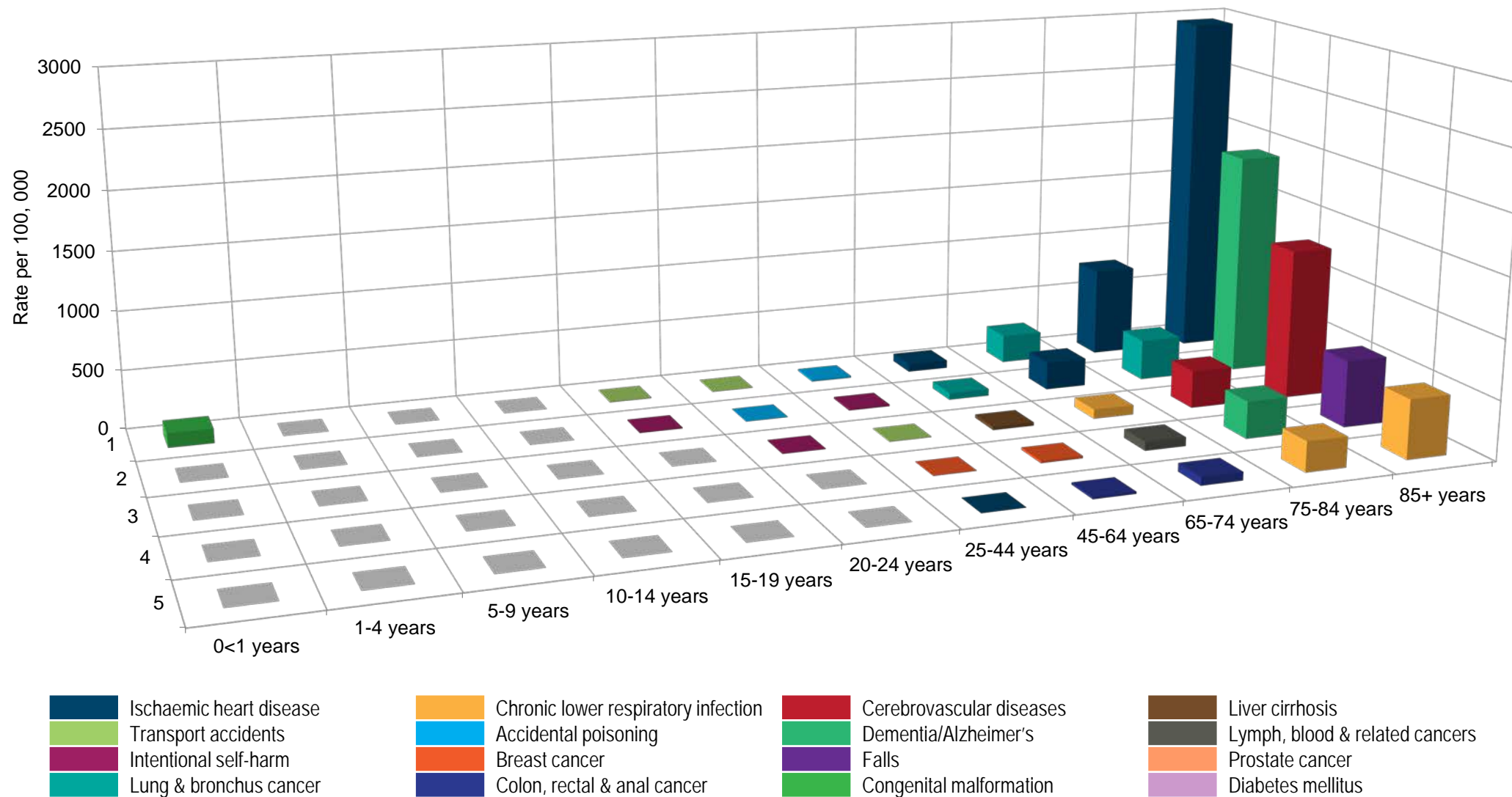
Hospital Discharge Diagnoses

Niagara	1	2	3	4	5
0<1 years	Length of Gestation/Fetal Growth Problems	Perinatal Respiratory/ Cardiovascular Disorder	H & H Disorders of Fetus & Newborn	General Signs & Symptoms	Intestinal Infectious Diseases
1-4 years	Intestinal Infectious Diseases	Influenza & Pneumonia	Chronic Lower Respiratory Diseases	General Signs & Symptoms	Other Urinary System Diseases
5-9 years	Intestinal Infectious Diseases	Influenza & Pneumonia	Chronic Lower Respiratory Diseases	Diseases of Appendix	Digestive/Abdominal Signs & Symptoms
10-14 years	Mood (Affective) Disorders	Diseases of Appendix	Digestive/Abdominal Signs & Symptoms	Intestinal Infectious Diseases	Diabetes Mellitus
15-19 years	Labour & Delivery Complications	Mood (Affective) Disorders	Diseases of Appendix	Fetus & Delivery Problems	Diabetes Mellitus
20-24 years	Labour & Delivery Complications	Fetus & Delivery Problems	Diseases of Appendix	Knee & Lower Leg Injuries	Gall, Biliary Tract & Pancreatic Disorders
25-44 years	Labour & Delivery Complications	Fetus & Delivery Problems	Non-inflammatory Female Genital Tract Disorder	Gall, Biliary Tract & Pancreatic Disorders	Diseases of Appendix
45-64 years	Ischaemic Heart Diseases	Arthrosis	Other Forms of Heart Disease	Comp. of Surg. & Med. Care NEC	Other Intestinal Diseases
65-74 years	Arthrosis	Ischaemic Heart Diseases	Other Forms of Heart Disease	Chronic Lower Respiratory Diseases	Comp. of Surg. & Med. Care NEC
75-84 years	Other Forms of Heart Disease	Ischaemic Heart Diseases	Arthrosis	Chronic Lower Respiratory Diseases	Other Intestinal Diseases
85+ years	Other Forms of Heart Disease	Ischaemic Heart Diseases	Hip & Thigh Injuries	Chronic Lower Respiratory Diseases	Influenza & Pneumonia

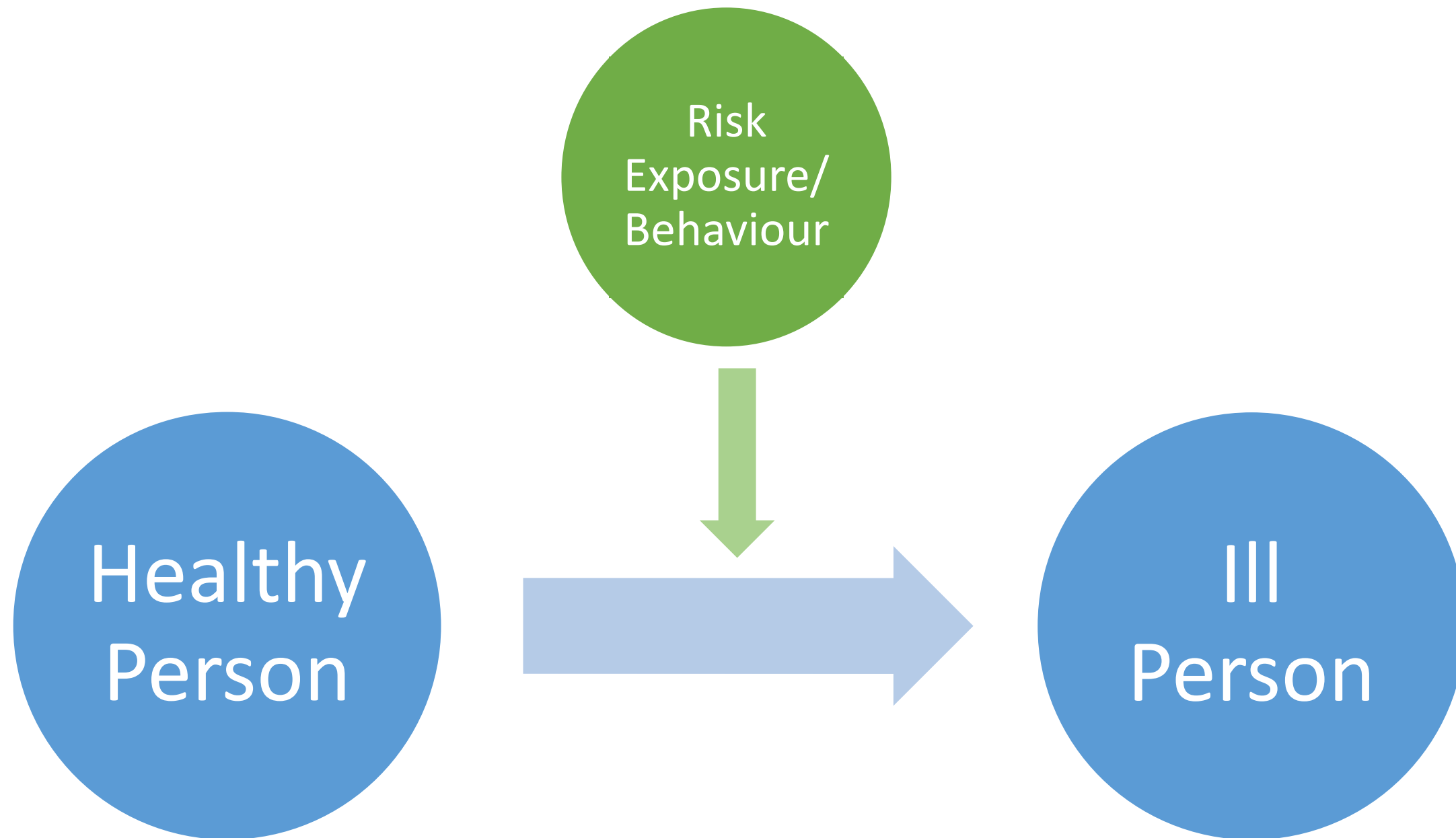
Mortality

Niagara	1	2	3	4	5
0<1 years	Congenital Malformation	Not Reportable**	Not Reportable**	Not Reportable**	Not Reportable**
1-4 years	Not Reportable**	Not Reportable**	Not Reportable**	Not Reportable**	Not Reportable**
5-9 years	Not Reportable**	Not Reportable**	Not Reportable**	Not Reportable**	Not Reportable**
10-14 years	Not Reportable**	Not Reportable**	Not Reportable**	Not Reportable**	Not Reportable**
15-19 years	Transport Accidents	Intentional Self-Harm	Not Reportable**	Not Reportable**	Not Reportable**
20-24 years	Transport Accidents	Accidental Poisoning	Intentional Self-Harm	Not Reportable**	Not Reportable**
25-44 years	Accidental Poisoning	Intentional Self-Harm	Transport Accidents	Breast Cancer	Ischaemic Heart Disease
45-64 years	Ischaemic Heart Disease	Lung & Bronchus Cancer	Liver Cirrhosis	Breast Cancer	Colon, Rectal & Anal Cancer
65-74 years	Lung & Bronchus Cancer	Ischaemic Heart Disease	Chronic Lower Respiratory Infection	Lymph, Blood & Related Cancer	Colon, Rectal & Anal Cancer
75-84 years	Ischaemic Heart Disease	Lung & Bronchus Cancer	Cerebrovascular Diseases	Dementia/Alzheimer's	Chronic Lower Respiratory Infection
85+ years	Ischaemic Heart Disease	Dementia/Alzheimer's	Cerebrovascular Diseases	Falls	Chronic Lower Respiratory Infection

Mortality Rates









Self-reported Behaviours

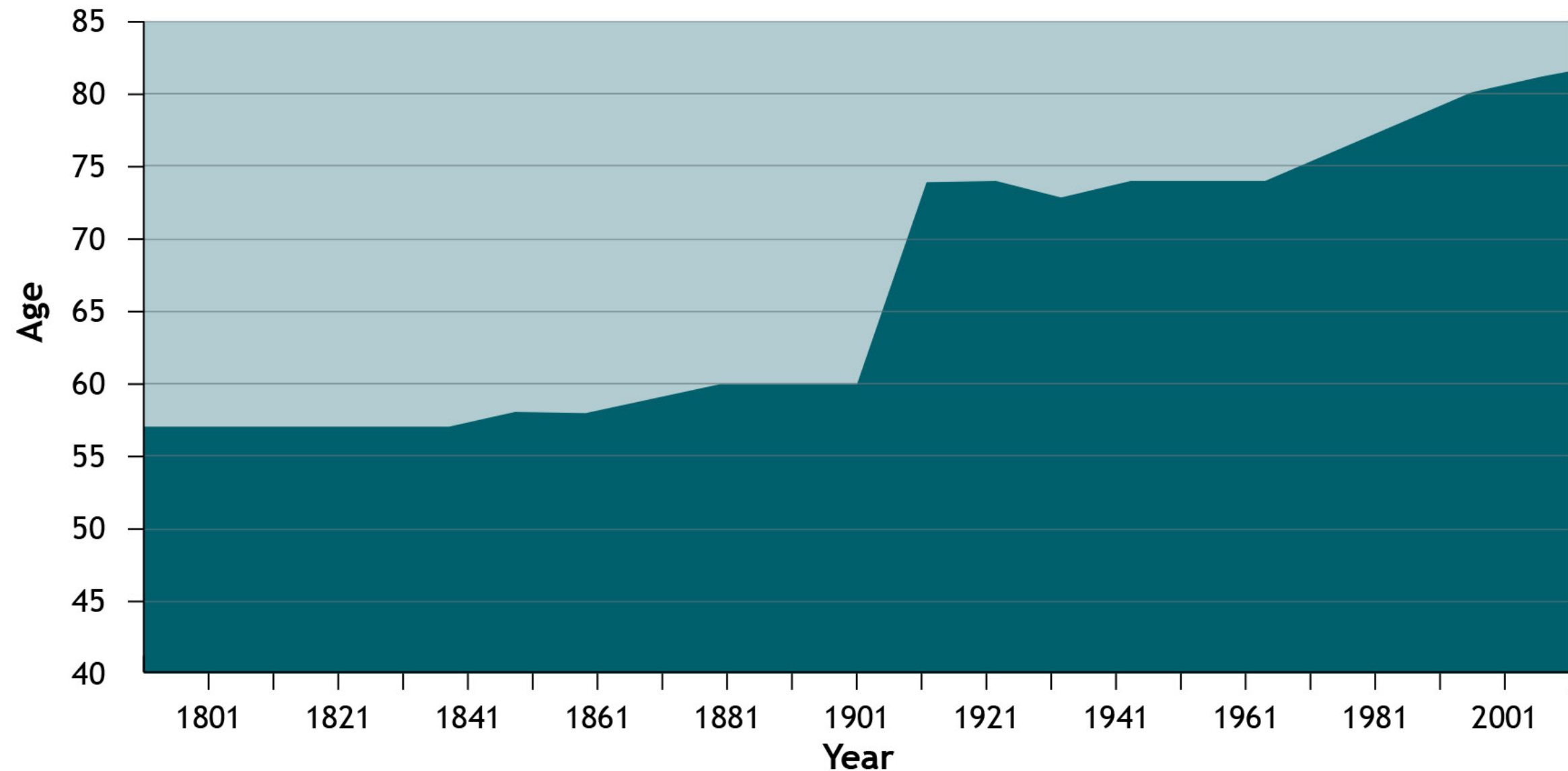
Niagara	1	2	3	4	5
12-19 years	4 or less fruits and vegetables	Inactive during leisure time	Underage drinking	Illicit drug use	Cannabis use
19-44 years	Exceeds LRADG	4 or less fruits and vegetables	Inactive during leisure time	Current smokers	Illicit drug use
45-64 years	4 or less fruits and vegetables	Exceeds LRADG	Inactive during leisure time	Current smokers	Illicit drug use
65+ years	Inactive during leisure time	4 or less fruits and vegetables	Exceeds LRADG	Current smokers	<i>Not Reportable**</i>

Social Determinants of Health

Determine 50% of Health Outcomes



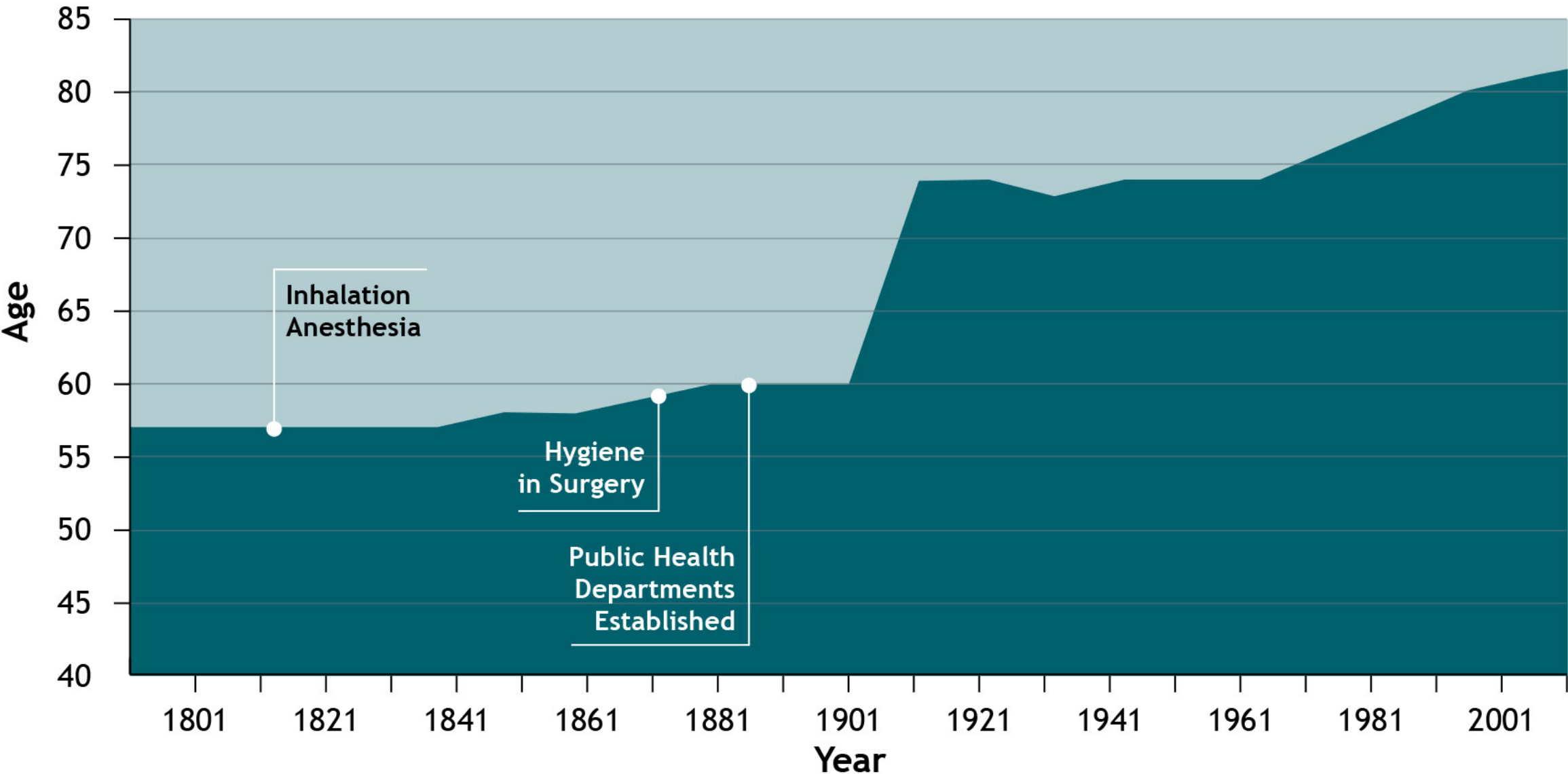
Average Expected Age at Death in Ontario for a 50 Year Old



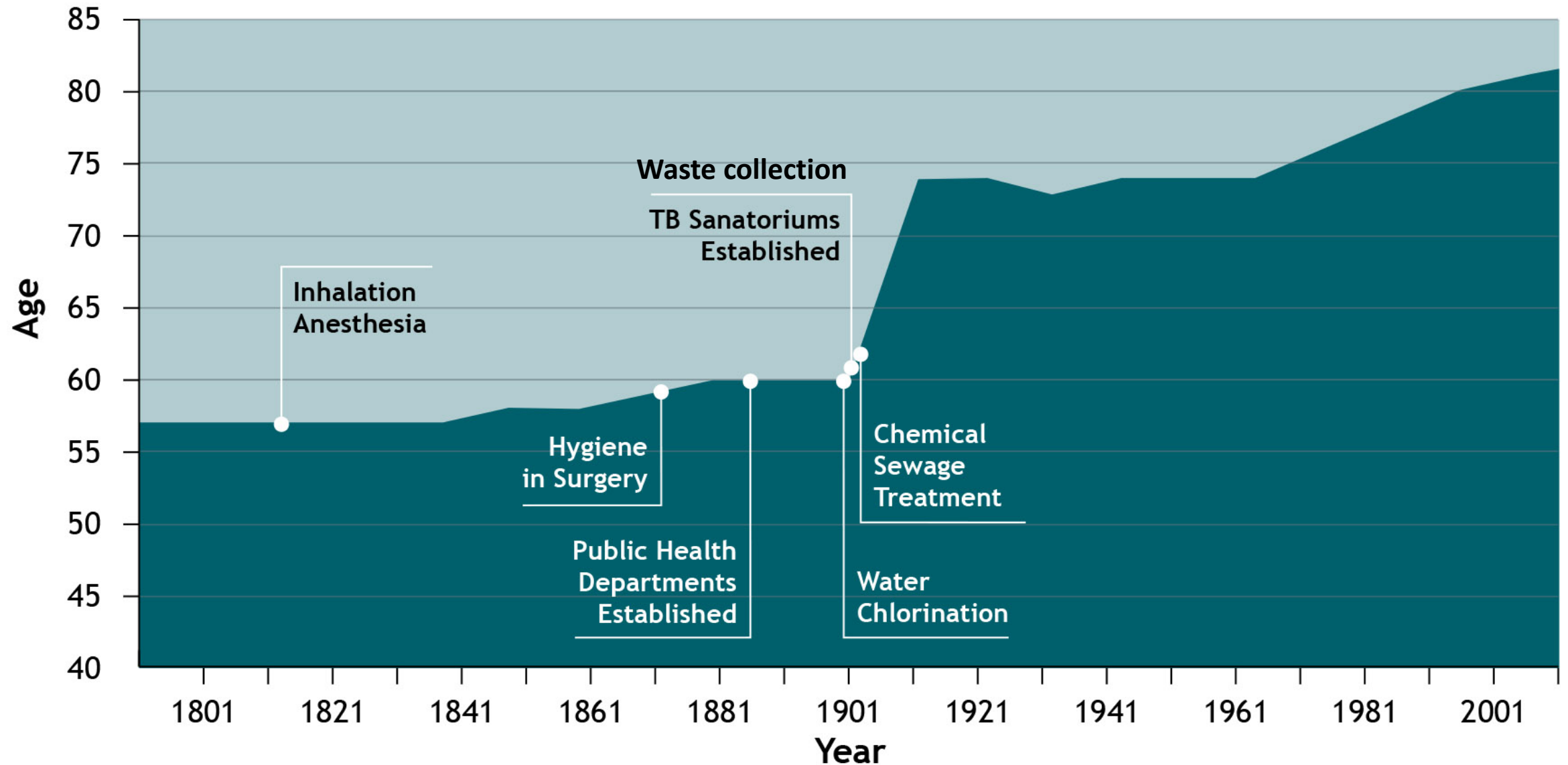
LifeInsuranceCanada.com Inc. <https://www.lifeinsurancecanada.com/life-expectancy-calculator/>



Average Expected Age at Death in Ontario for a 50 Year Old

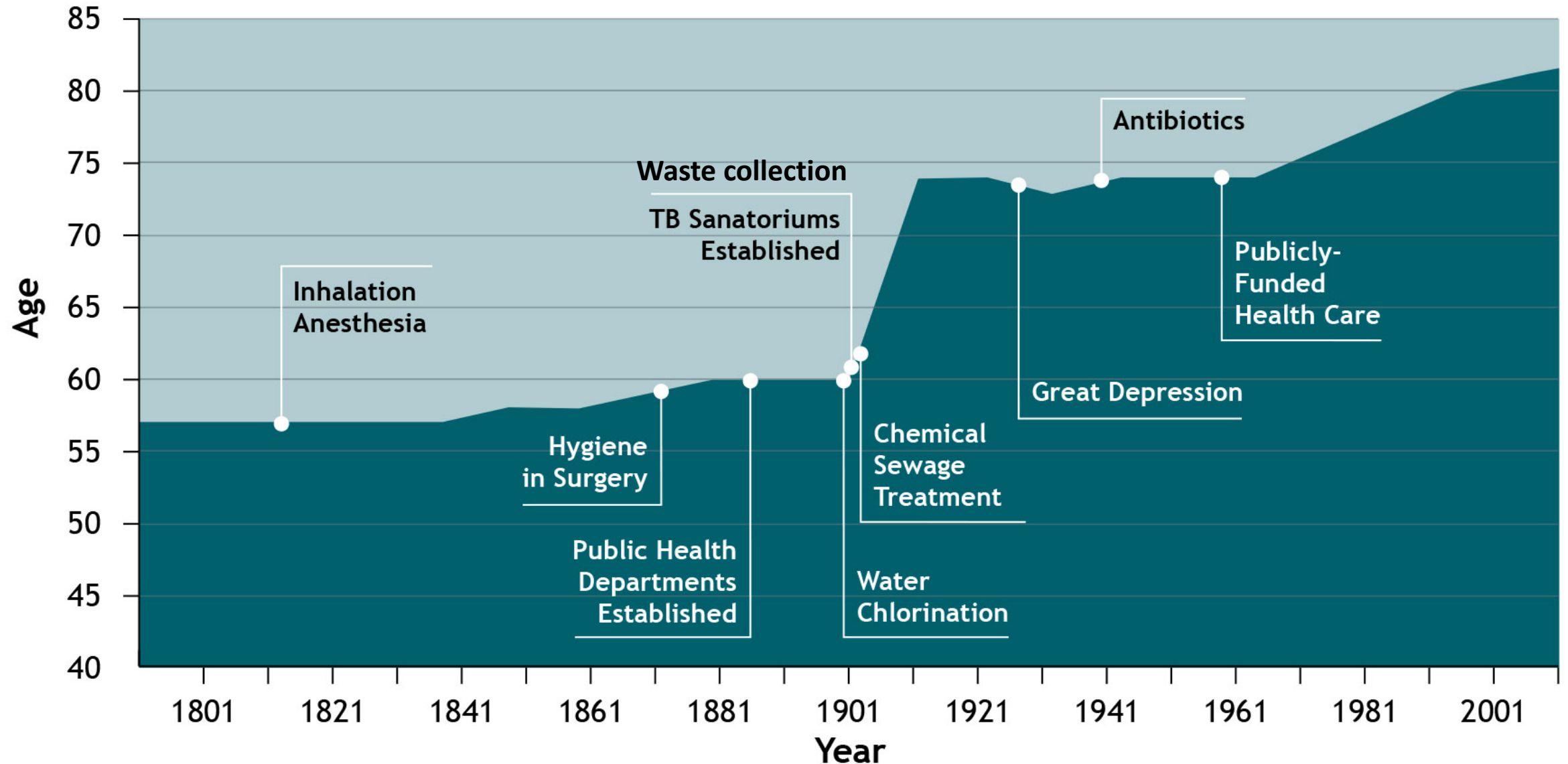


Average Expected Age at Death in Ontario for a 50 Year Old



LifeInsuranceCanada.com Inc. <https://www.lifeinsurancecanada.com/life-expectancy-calculator/>

Average Expected Age at Death in Ontario for a 50 Year Old



Public health - Wikipedia Sanitation rated the greatest medic... Achievements in Public Health, 1...

become a supporter

the guardian

news / opinion / sport / arts / life

fashion / food / recipes / love & sex / health & fitness / more

Sanitation rated the greatest medical advance in 150 years






21

Sarah Boseley, health editor

Friday 19 January 2007 09:19 GMT

Sanitation is the greatest medical milestone of the last century and a half, according to a poll carried out by the British Medical Journal.

Sanitation was the clear winner among 15 milestones shortlisted by readers of the journal, including the development of vaccines, which has safeguarded many children's lives, and the invention of the contraceptive pill, which was a contributory factor to significant social change.

The winner was chosen by more than 11,000 members of the public around the world, who were invited to read articles championing each of the 15 contenders by prominent scientists, either in the journal or on the BMJ website. The competition was to mark the relaunch of the BMJ and all the innovations had to have taken place since it was first published in 1840.



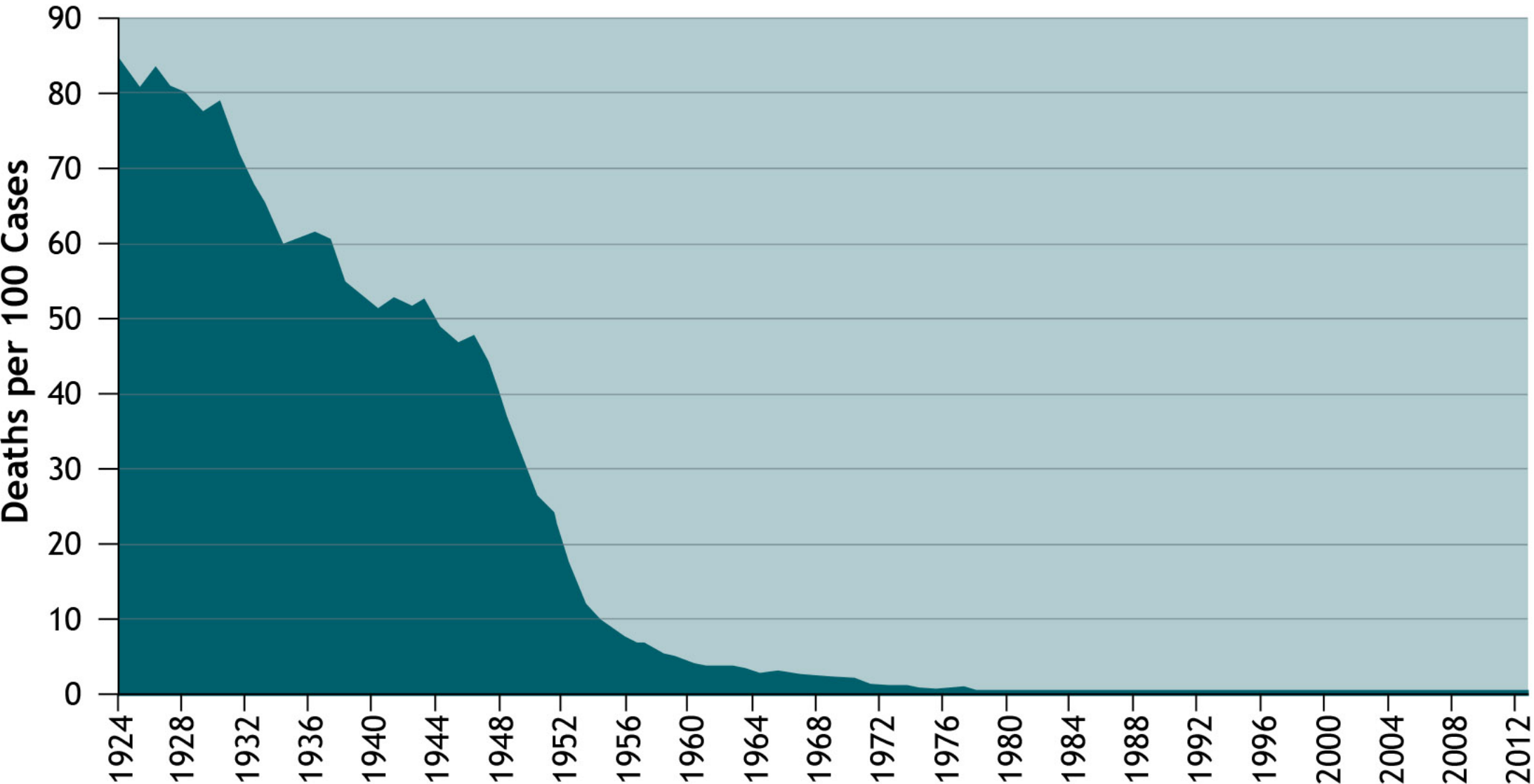
Sanitation was the undisputed winner, with 1,795 votes, over antibiotics in second place with 1,642 votes, and anaesthesia which took third place with 1,574.

Johan Mackenbach of Erasmus University Medical Centre in Rotterdam, who championed sanitation, said: "I'm delighted that sanitation is recognised."

Guardian Today: the



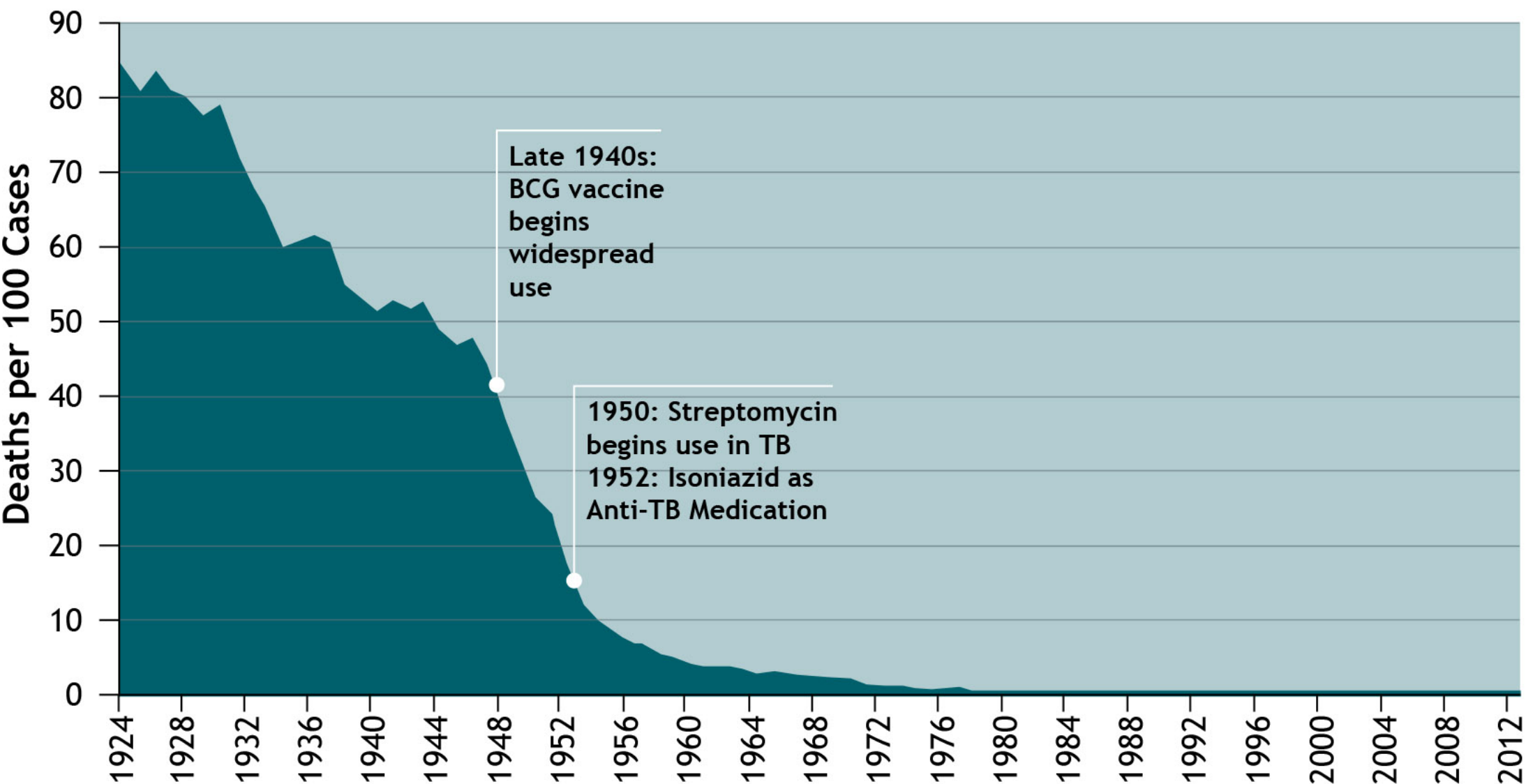
Fatality Rate from TB



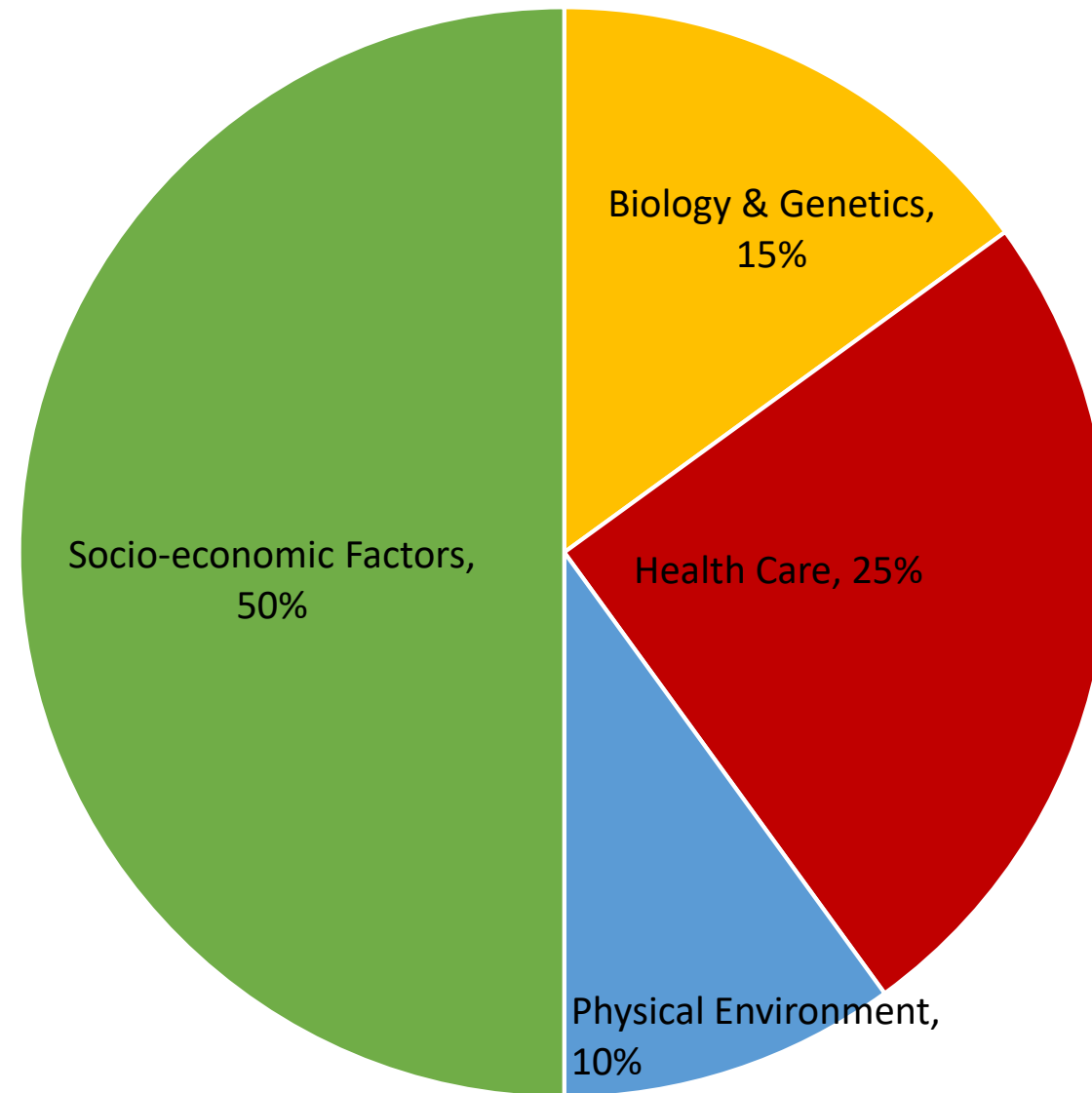
CCDR: Volume 40-6, March 20, 2014 <http://www.phac-aspc.gc.ca/publicat/ccdr-rmtc/14vol40/dr-rm40-06/assets/longdesc/dr-rm40-06-ld-eng.php#fig1>



Fatality Rate from TB

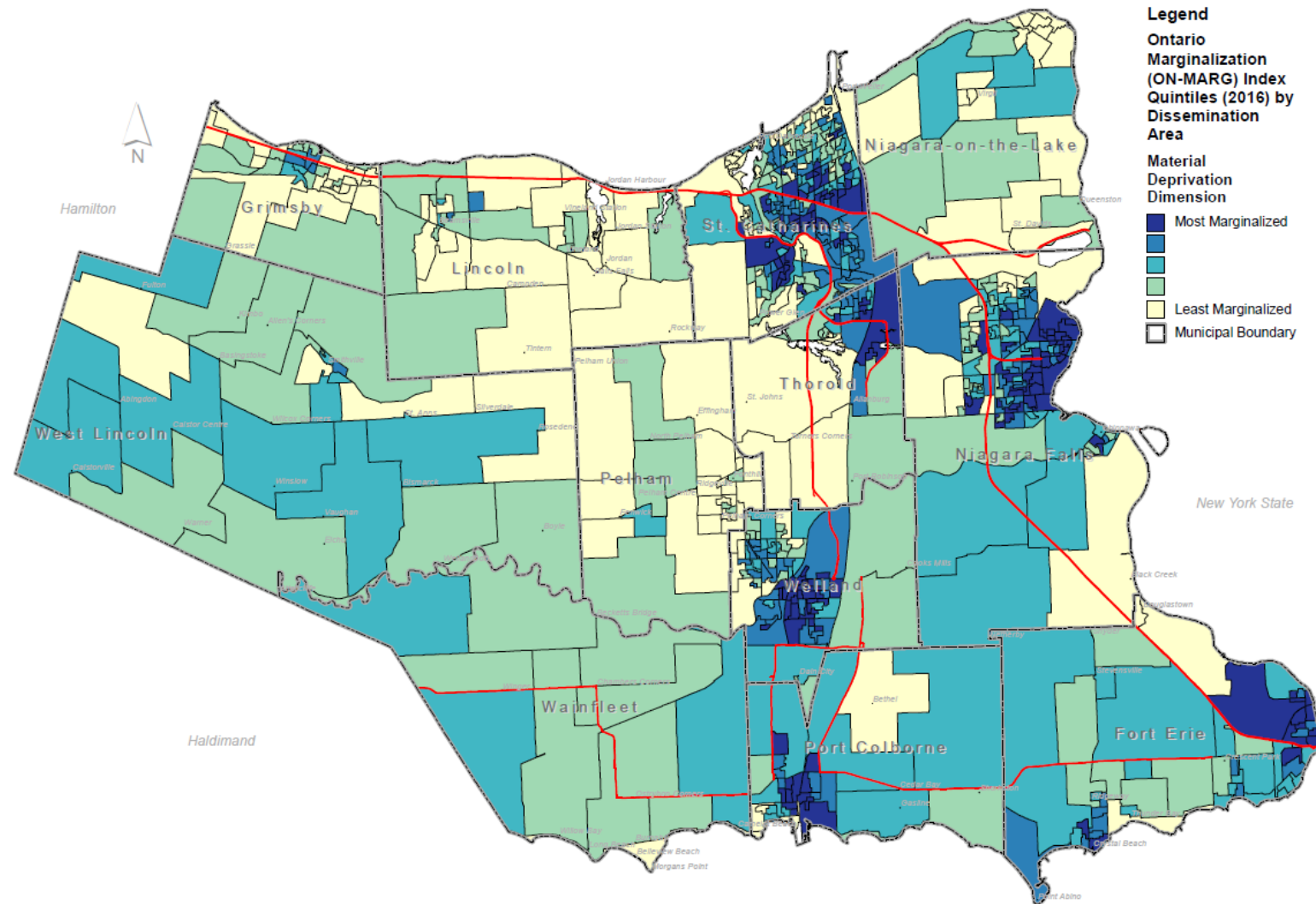


CCDR: Volume 40-6, March 20, 2014 <http://www.phac-aspc.gc.ca/publicat/ccdr-rmtc/14vol40/dr-rm40-06/assets/longdesc/dr-rm40-06-ld-eng.php#fig1>



Keon & Pepin. A Healthy, Productive Canada: A Determinant of Health Approach.
The Standing Senate Committee on Social Affairs, Science and Technology Final Report of Senate Subcommittee on Population Health. June 2009.

2016 ON-Marg Material Deprivation



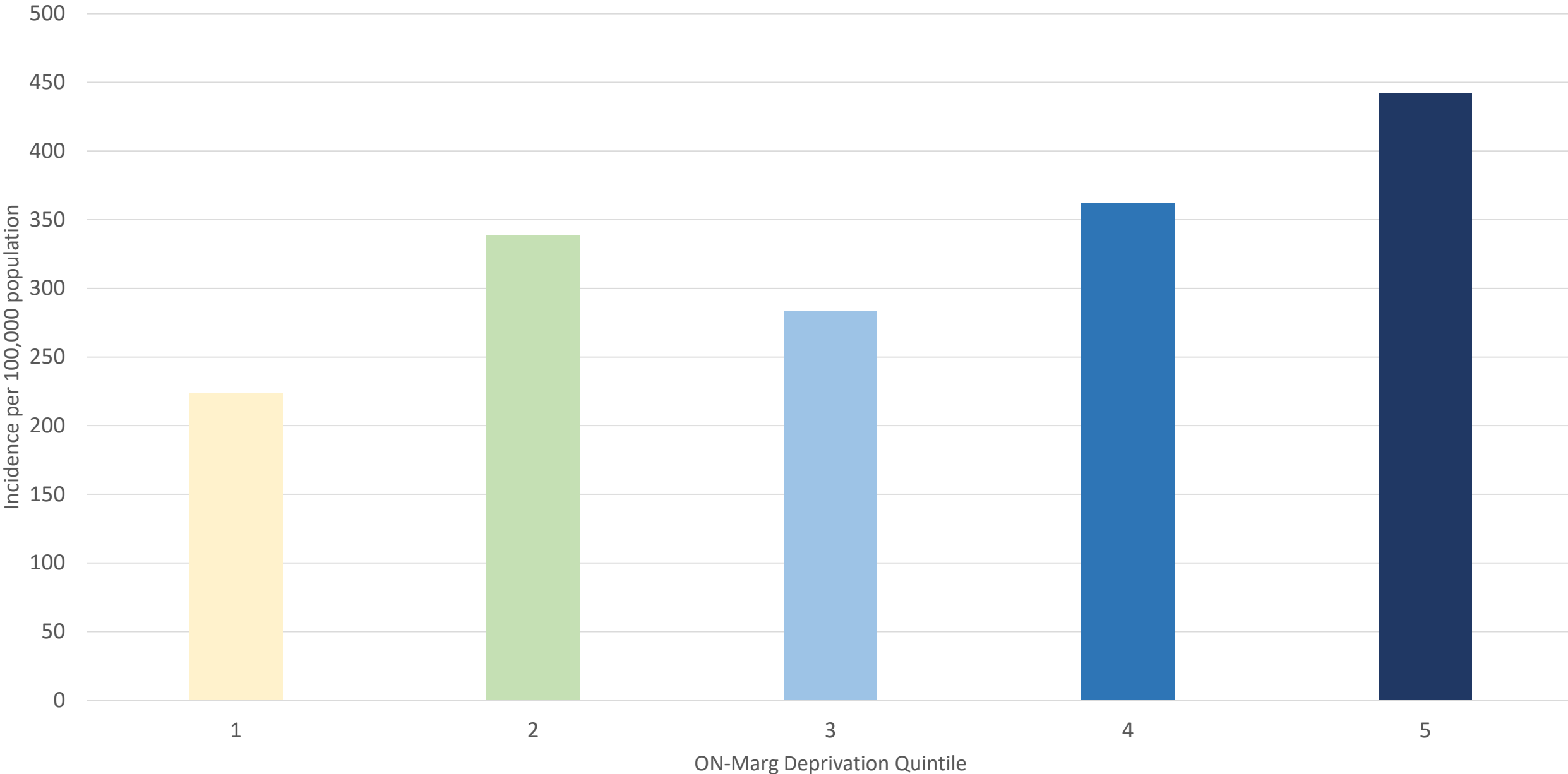
Data Source: Matheson, F.; Ontario Agency for Health Protection and Promotion (Public Health Ontario). 2016 Ontario marginalization index: user guide Toronto, ON: Providence St. Joseph's and St. Michael's Healthcare; 2016. Joint publication with Public Health Ontario.

Putting It Together #2

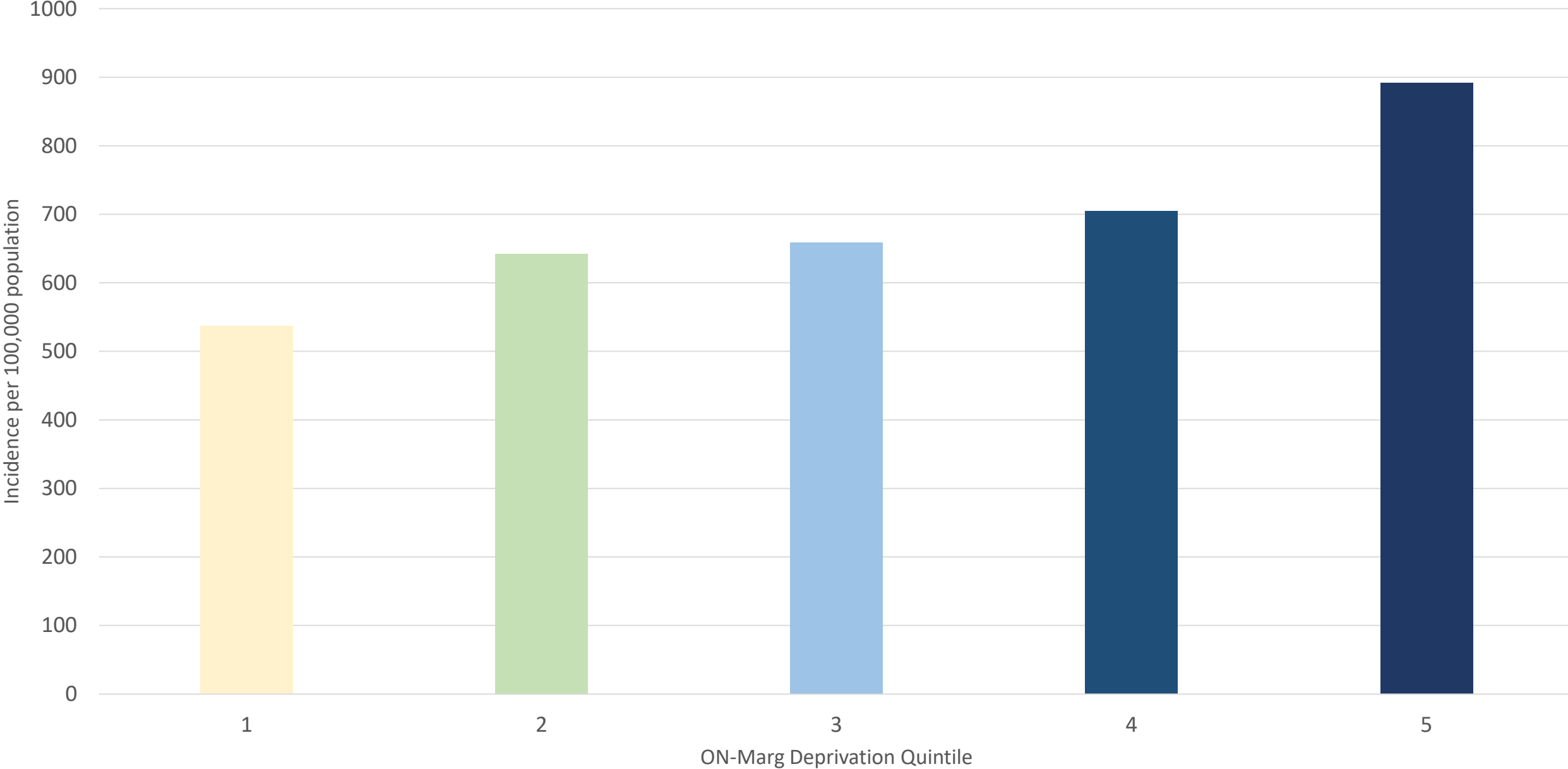
Top Health Issues Across the Social Determinant of Health Gradient



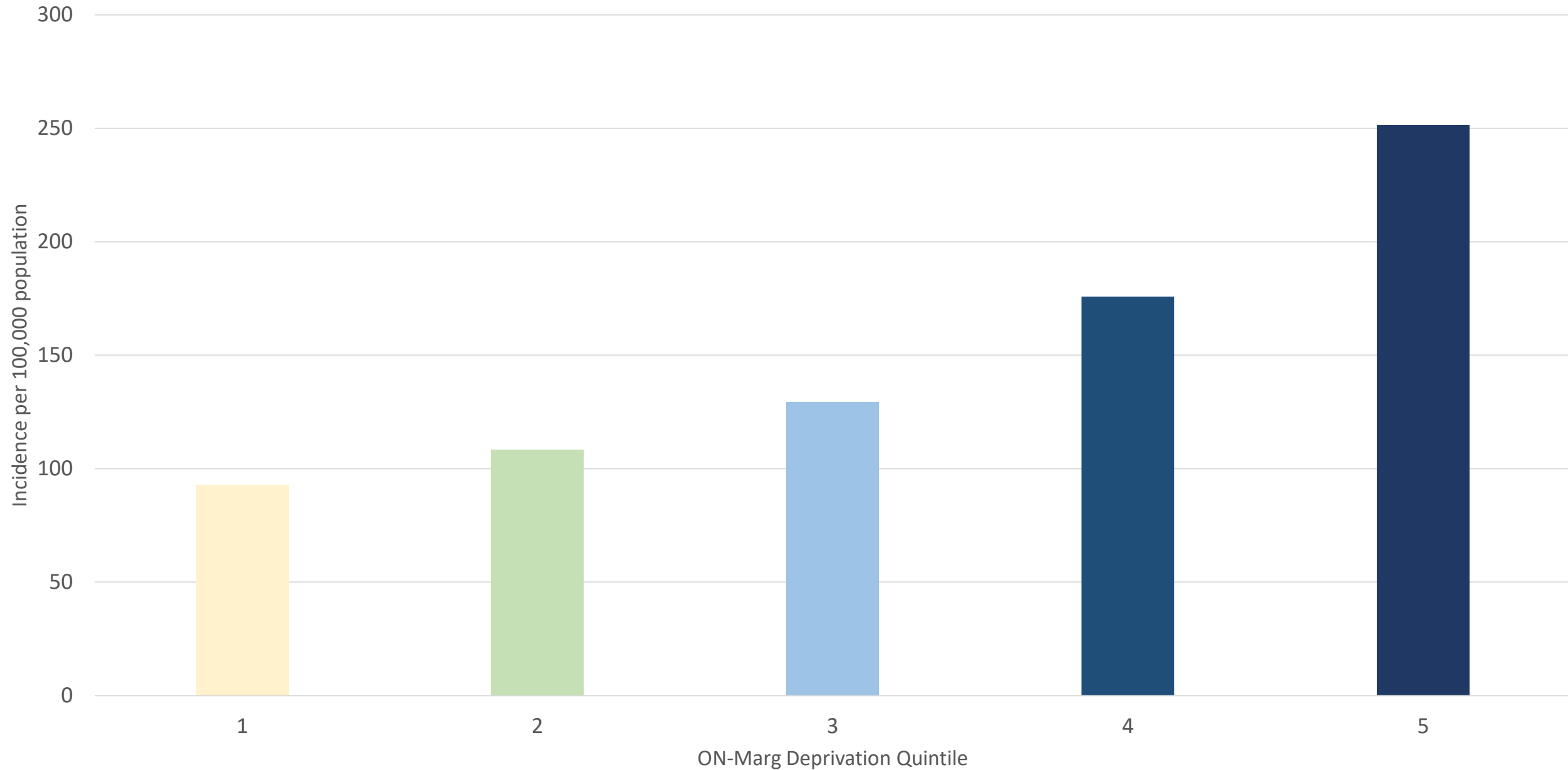
Chlamydia Infections in Niagara by Material Deprivation in 2017



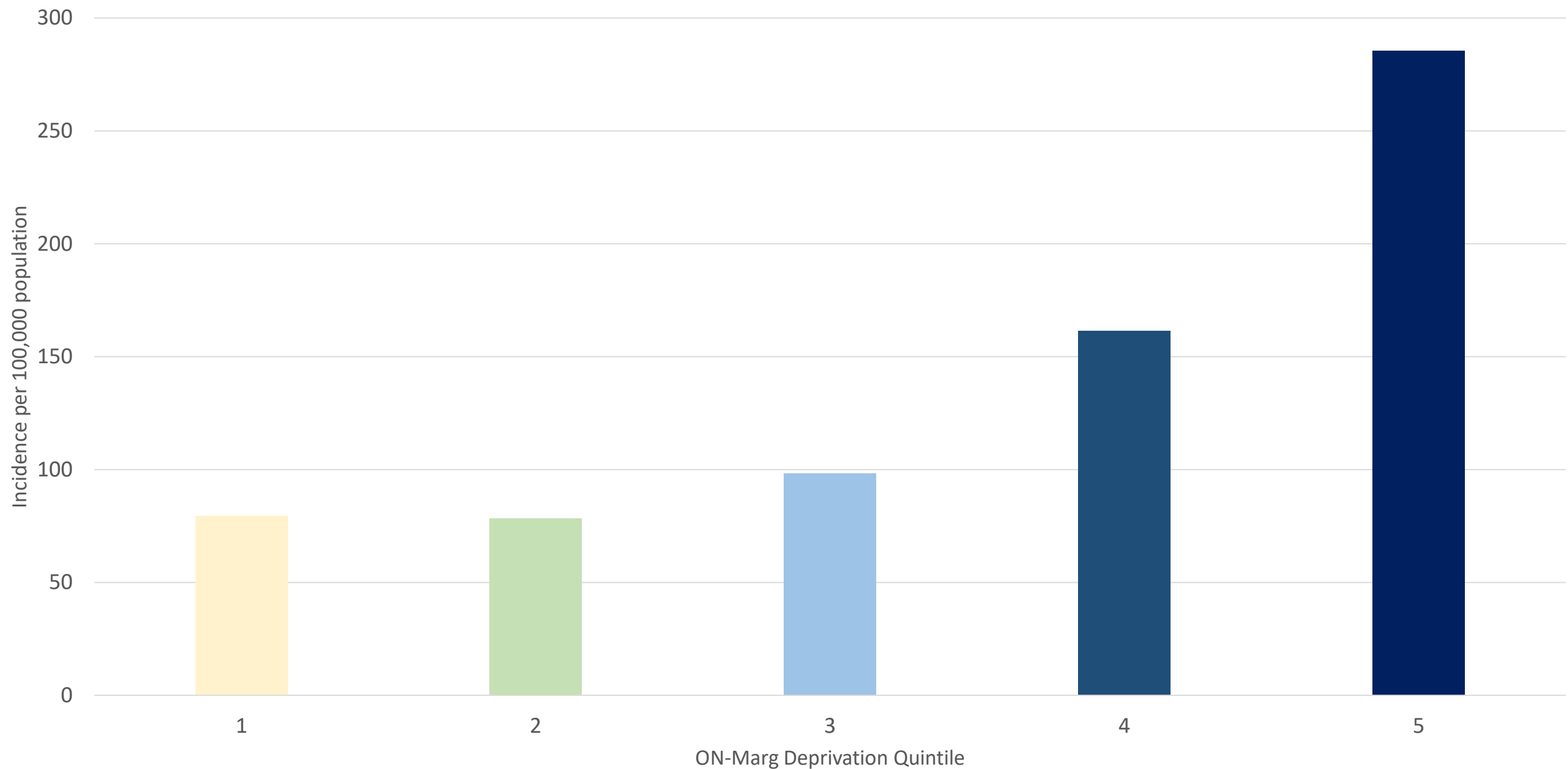
Motor Vehicle Collision ED Visits in Niagara by Material Deprivation in 2017



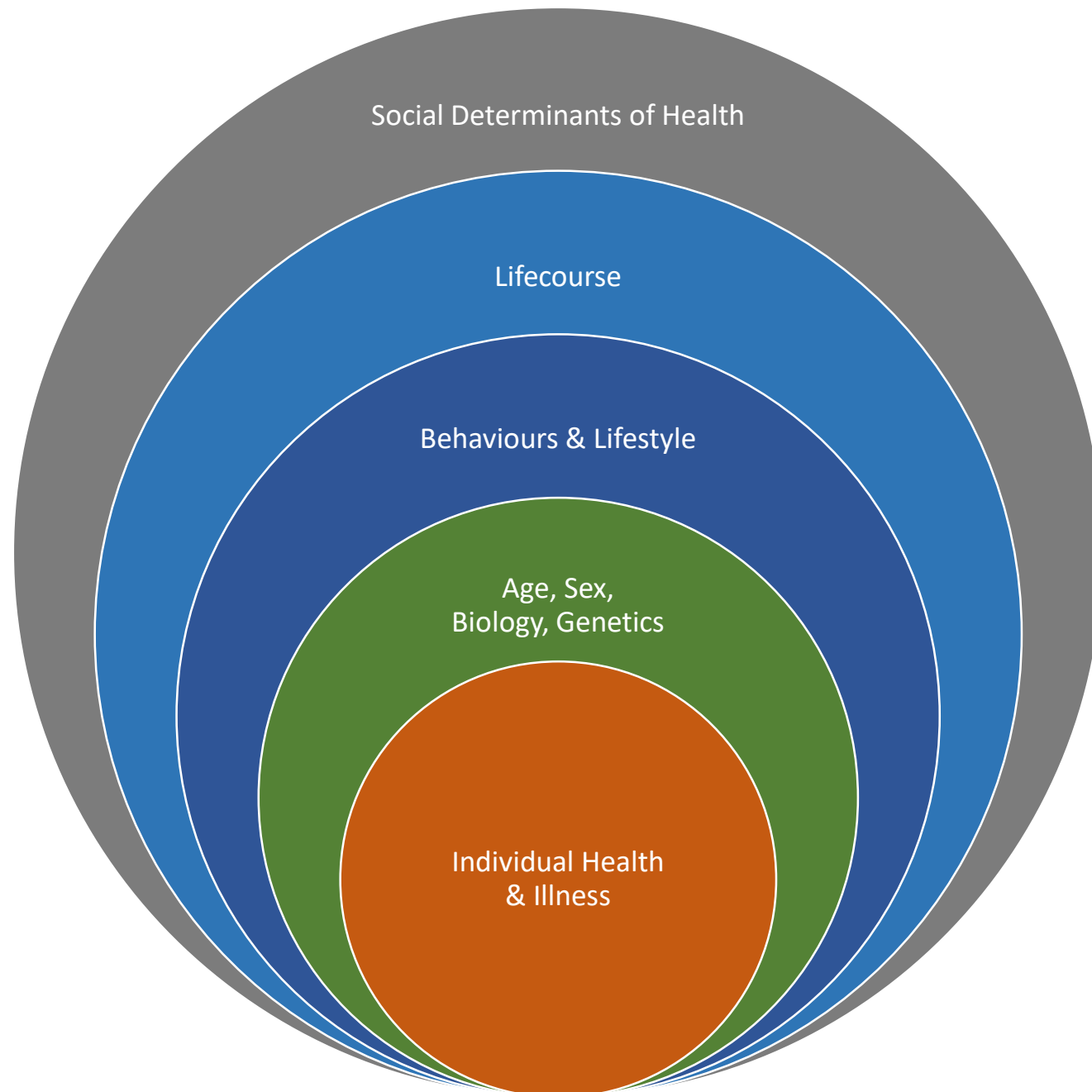
Self-Harm ED Visits in Niagara by Material Deprivation in 2017



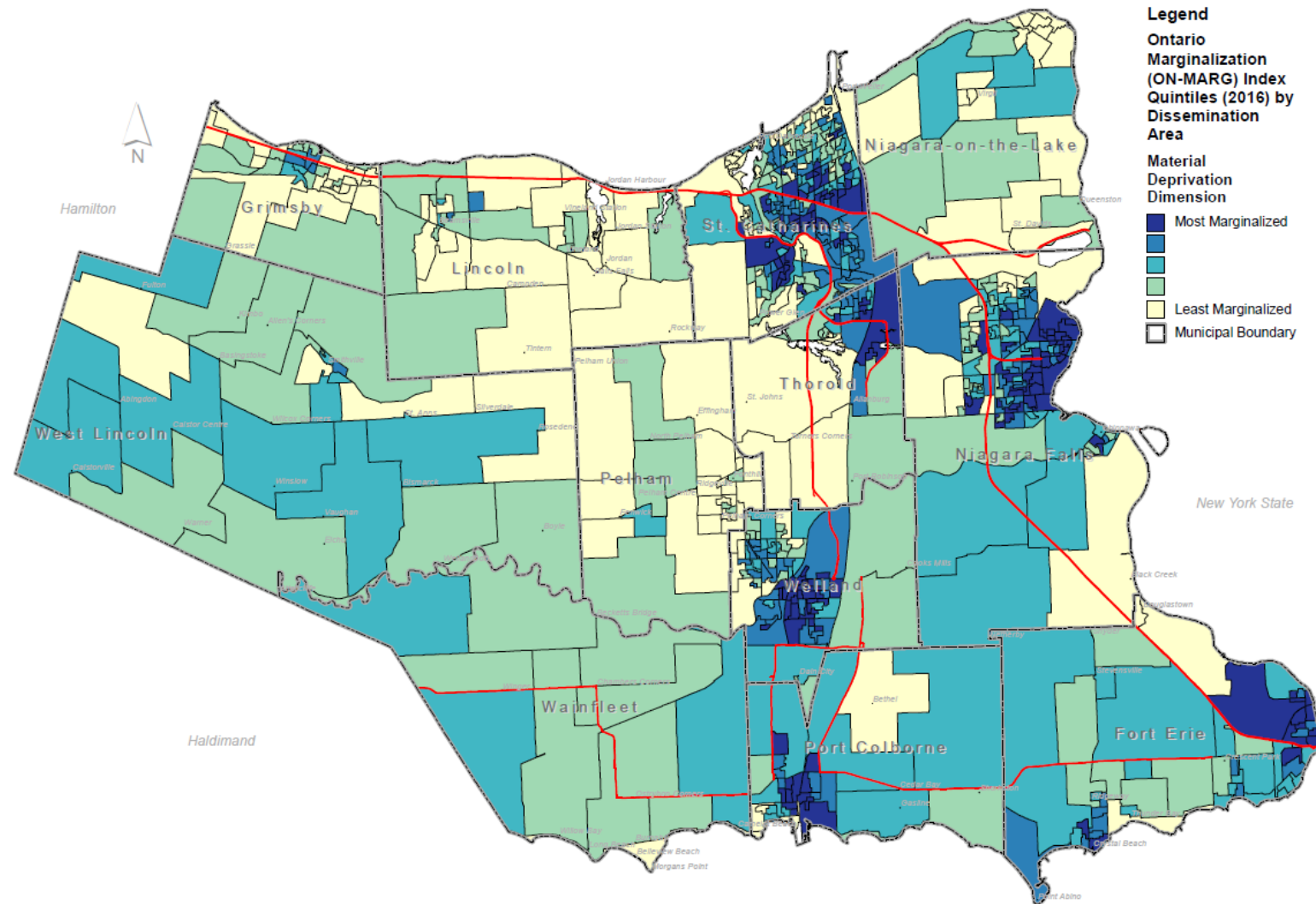
Diabetes Hospitalizations in Niagara by Material Deprivation in 2017







2016 ON-Marg Material Deprivation



Data Source: Matheson, F.; Ontario Agency for Health Protection and Promotion (Public Health Ontario).
2016 Ontario marginalization index: user guide Toronto, ON: Providence St. Joseph's
and St. Michael's Healthcare; 2016. Joint publication with Public Health Ontario.

Questions?

Social Assistance & Employment Opportunities

Ontario Works Program

Topics

- Financial Assistance
- Caseload Size & Profile
- Employment Assistance
- Performance Outcomes
- Innovation
- Provincial Changes
- Client Testimonials

Monthly Social Assistance Rates

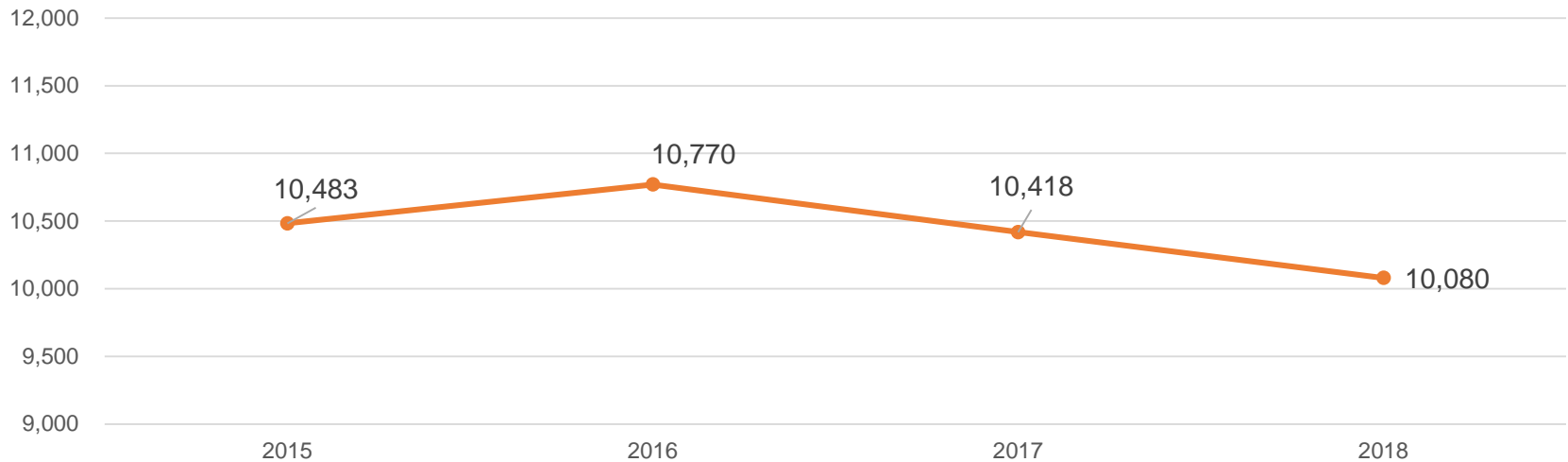
(Food & Shelter)

Single	Single Parent (one child)	Couple	Couple (two children)
\$733 /month	\$1,002 /month	\$1,136 /month	\$1,408 /month

Average rent for an available
one bedroom apartment is \$1,250

OW Caseload

Over 7,400 individuals contact
SAEO per year

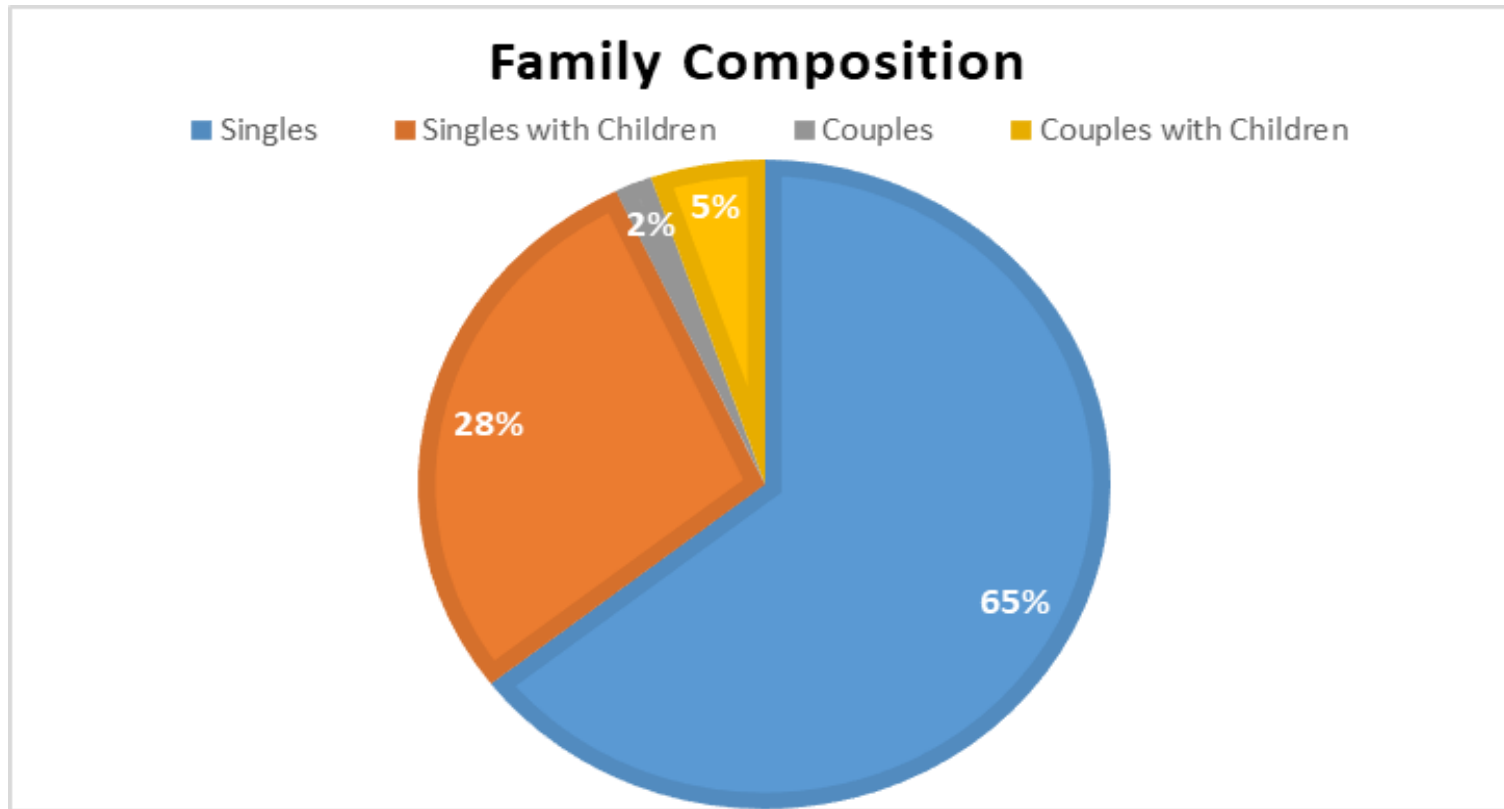


17,000 people
3.8% of Niagara's population

Caseload Distribution

	St. Catharines	Niagara Falls	Welland	Fort Erie	Port Colborne	Satellite Offices
OW Caseload	45%	24%	16%	7%	5%	3%

Caseload Composition



Consistent with provincial and municipal comparators

Case Types

Case Type	Description	% of caseload
Youth / Learning, Earning & Parenting	Youth under 18 unable to reside in parental home and young parents under 25	6%
Newcomers	Individuals and families that immigrated to Canada within the last three years	4%
Temporary Care	Children living with an adult (not parent)	5%
General	Balance of OW caseload	85%

Caseload Profile

- 46% are between the ages of 20-34 years
- Male to female ratio is 46:54
- 32% do not have a grade 12 education
- 21% have a drivers license and own a vehicle
- Average length of time on OW is 33 months, provincial average is 35.7

Employment Assistance

Building Employment Networks Niagara

Designed to assess employment readiness
and match clients to training & jobs



Over 12,500 assessments completed

Employment Activities

Employment Readiness Categories	Activities	% Caseload
Life Stabilization	Housing search, mental health, addiction services	20%
Preparing for Employment	Training programs, volunteer placements, high school, ESL, life skills workshops	53%
Finding & Retaining Employment	Resume preparation, interview workshops, job searching	27%

Job Matches

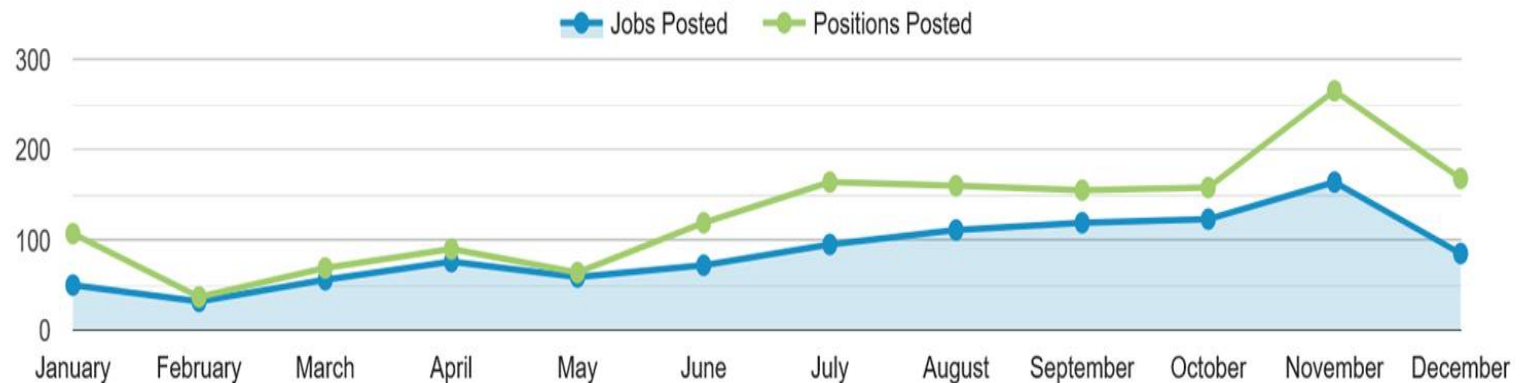
1,869 clients started a new job
↑ 22% from 2017

 TOTALS

[View Job List](#)

1042 Jobs Posted

1556 Positions Added



MCCSS Performance Outcomes

MCCSS Targets	Niagara	Province	Hamilton	Waterloo
% of caseload with earnings	16.3%	13.0%	14.0%	13.6%
Avg. monthly earnings per case	\$798	\$868	\$873	\$860
% terminations exiting to employment	17.2%	18.0%	16.5%	16.5%

SAEO earned the full maximum employment subsidy of \$8.2M

Innovation



Ontario Municipal Social Services Association
Local Champion Award



Awarded one-time funding for
Social Assistance Modernization Initiative

Provincial Initiatives

- Social Assistance Reform
- Social Assistance Modernization
- Transformation of Employment Services
- Human Services Integration

SAEO will continue to provide excellent service to the individuals we serve, using best practices and ensuring responsible use of funding.

Client Testimonials

Subject: Ontario Works Caseload

Report to: Public Health and Social Services Committee

Report date: Tuesday, May 7, 2019

Recommendations

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

Key Facts

- The 2018 year-end average monthly Ontario Works (OW) caseload was 10,080, a decrease of 3% from 2017.
- More than 1,850 clients started a new job, representing a 22% increase from 2017.
- Niagara earned the full maximum provincial subsidy of \$8.2M for achieving employment targets.
- The Social Assistance and Employment Opportunities (SAEO) team received the Ontario Municipal Social Services Association (OMSSA) Local Champion award for *Building Employment Networks Niagara (BENN)*, an online system designed to match clients to jobs and training.
- There are a number of anticipated provincial initiatives and policy changes in the coming months that may influence changes to funding, service delivery and caseload size.

Financial Considerations

There are no financial implications associated with this report. SAEO has an approved 2019 operating budget of \$133M (\$15M net tax levy). This operating budget is inclusive of program operating costs and income benefits paid to recipients.

Analysis

The purpose of this report is to provide an overview of the provincially mandated OW program delivered by SAEO.

The primary intent of the OW program is to help people in temporary financial need find sustainable employment. OW provides basic financial assistance and employment assistance.

Financial assistance provides individuals and families with a monthly amount for basic needs and shelter. Benefit rates are established by the province and determined by family size and shelter cost.

Current monthly OW income benefits are as follows:

Single	Single Parent (one child)	Couple	Couple (two children)
\$733 /month	\$1,002 /month	\$1,136 /month	\$1,408 /month

A single person receives a maximum of \$390 for shelter and \$343 for food/basic needs per month. In 2018, the average market rent for all one-bedroom apartments in Niagara was \$871¹. However, average rent for available one-bedroom apartments was \$1,250². The 2016 Low Income Measure - LIM³ (after tax) for a single person is \$22,133. A single person on OW receives \$8,796 per year, 60% below LIM.

Caseload Size

In 2018, SAEO received over 7,485 telephone and online applications from individuals seeking information about social assistance, down from 8,000 in 2017. As per ministry requirements, financial eligibility must be determined within four business days. On average, Niagara Region grants financial assistance within three business days.

The 2018 year-end average monthly caseload was 10,080 cases representing approximately 17,000 individuals or 3.8% of Niagara's population. Children aged 0 to 17 represent approximately 40% of the total individuals within this caseload.

As noted below, the caseload has decreased over the last two years, consistent with the decrease in the unemployment rate in Niagara.



SAEO also provides employment supports to 600 Ontario Disability Support Program (ODSP) non-caregiving spouses and non-disabled dependant adults.

¹ (2019, April 16). Canadian M Housing Corporation Housing Market Information Portal

² (2019, April 16). Rent Trends for Apartments in St. Catharines retrieved from <https://www.padmapper.com/apartments/st-catharines-on>

³ The LIM concept is that all persons in a household have low income if their adjusted household income falls below half of the median adjusted income. Statistics Canada, 2016 Census of Population. Retrieved from: http://www12.statcan.gc.ca/census-recensement/2016/ref/dict/tab/t4_2-eng.cfm

In addition, SAEO assisted over 9,000 individuals or families receiving OW or ODSP to access discretionary benefits. Discretionary benefits include items such as dental care and dentures, funerals, beds, and housing stability benefits (e.g. preventing homelessness through provision of first or last month's rent, rent arrears, moving costs).

SAEO's staff to case ratio of 1:47 remains within the recommended range of 1:35-1:51 (caseload ratios were examined in an externally led staffing review in 2015, identifying Niagara's ratios to be at the high end of the range, relative to municipal comparators).

Distribution

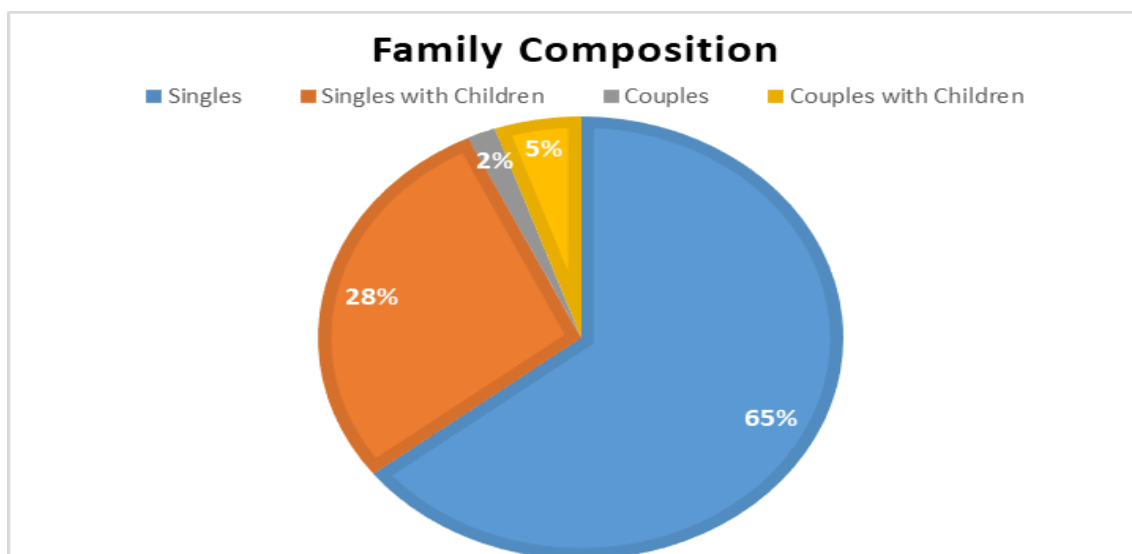
SAEO has five permanent offices: St. Catharines, Niagara Falls, Welland, Port Colborne, Fort Erie; and three satellite offices: Beamsville, Smithville and Grimsby. The percentage of OW clients per office is as follows:

	St Catharines	Niagara Falls	Welland	Fort Erie	Port Colborne	Satellite Offices
OW Caseload	45%	24%	16%	7%	5%	3%

Family Composition

The caseload consists of various family compositions including singles, singles with children, couples and couples with children.

As outlined below, 65% of OW clients are single, consistent with provincial and municipal comparators.



Case Type

There are four case types:

Case Type	Description	% of caseload
Youth / Learning, Earning & Parenting (LEAP)	Youth under the age of 18 who are unable to reside in their parental home and LEAP - young parents under 25	6%
Newcomers	Individuals and families that immigrated to Canada within the last three years	4%
Temporary Care	Children living with an adult (not parent)	5%
General	Balance of OW caseload	85%

Age

Of the adult OW population, 46% fall between the ages of 20 to 34 years.

Gender

The male to female ratio of OW clients is 46:54 respectively, which is consistent with Niagara population statistics.

Education

Of the OW adult population, 32% do not have a grade 12 education, compared to 11.5% of Niagara residents.

Transportation

In Niagara, 21% of adults on OW have a driver's license and own a vehicle. Therefore it can be assumed that 79% rely on public transportation, walk, bike, etc. in order to job search, attend appointments and interviews and to get to and from work.

Average length of time on assistance

Niagara's average length of time on assistance is 33 months, which is less than the provincial average of 35.7 months.

Employment Assistance

OW clients are required to participate in employment assistance activities that support progress towards sustainable employment. As per the OW directives, staff meet with clients at a minimum every three months to review progress and provide ongoing employment coaching and supports.

In November 2017, SAEO launched *Building Employment Networks Niagara (BENN)*, an online system designed to assess employment readiness and assist staff with aligning employment activities with a client's experience, skills and circumstances. To date, staff have completed over 12,500 employment readiness assessments.

The chart below breaks the caseload into four employment readiness categories:

Employment Readiness Categories	Activities	% Caseload
Life Stabilization	Housing search, referral to or engaged with mental health, addiction services	20%
Preparing for Employment	Training programs, volunteer placements, high school, ESL, life skills workshops	53%
Finding & Retaining Employment	Resume preparation, interview workshops, job searching	27%

The amount of time a client needs to engage in activities designed to help him or her increase employability and obtain sustainable employment varies. Staff issue funding to clients to assist with the cost of purchasing items such as a bus pass, work boots and clothing for interviews to support employment related activities.

Employment Matches

BENN is designed to match clients to potential job opportunities. SAEO Job Developers work with local employers to identify jobs for clients. These jobs are posted in BENN, which generates potential matches for clients based on their skills, experience and interests. Staff contact clients to confirm readiness and provide employment coaching and supports to obtain the position.

In 2018, 1,869 clients started a new job, an increase of 22% from 2017. As noted below, 1,556 of these positions were posted in BENN.

 TOTALS

[View Job List](#)



SAEO Job Developers marketed 130 job fairs to OW clients for employers such as White Oaks, Niagara Parks, Canadian Tire Financial and Tim Hortons. Job Developers offer a full range of customized recruitment and retention supports to employers.

Training Matches

BENN also matches clients to training programs. SAEO supports over 20 training programs, delivered by non-profit and for profit agencies, designed to meet the needs of local employers and clients. Programs range from pre-employment workshops to job specific skills training such as the Home Renovation program. For example, of the ten OW clients who completed the six-week Home Renovation program;

- six people secured employment in the field
- one person is pursuing pre-apprenticeship
- three people are actively job searching.

MCCSS Employment Performance Measures

The Ministry of Children, Community and Social Services (MCCSS) provides Employment Assistance funding to the Region linked to achieving outcome targets. SAEO earned the full maximum employment subsidy of \$8.2M in 2018.

As noted below, the percentage of caseload with earnings in Niagara is higher than both the provincial average and comparators of municipalities of similar size. However, the average monthly earnings in Niagara is lower, reflective of the local preponderance of seasonal, part time work. The percentage of terminations due to employment in Niagara is lower than the provincial average, yet higher than municipal comparators.

MCCSS Targets	Niagara	Province	Hamilton	Waterloo
% of caseload with earnings	16.3%	13.0%	14.0%	13.6%
Avg. monthly earnings per case	\$798	\$868	\$873	\$860
% terminations exiting to employment	17.2%	18.0%	16.5%	16.5%

SAEO is working with Niagara Region's Economic Development division and local economic development offices to explore strategies to increase partnership opportunities that respond to local labour market needs.

Innovation

In 2018, SAEO received the Ontario Municipal Social Services Association (OMSSA) Local Champion award for the BENN system. More than ten Ontario Works offices have contacted SAEO to explore the use of BENN to support the delivery of social assistance and help people get back to work.

SAEO was one of two successful Ontario Works offices in the province awarded one-time funding to research, develop and test a training program for staff to support Social

Assistance Service Modernization and shift organizational culture from enforcement to a risk-based paradigm. The training will be showcased at the OMSSA Leadership Conference in May 2019.

Provincial Announcements

There are a number of government initiatives that may influence policy, directives, service delivery and caseload size including social assistance reform, social assistance modernization, human services integration and the transformation of employment services. SAEO anticipates receiving more information in the coming months as MCCSS provides program specific funding and policy directives. Changes that may affect funding, client benefits, caseload size, or performance requirements will be shared with council as they become known. SAEO will continue to provide excellent service to our clients, using best practices and ensuring responsible use of the funding we receive.

Alternatives Reviewed

N/A

Relationship to Council Strategic Priorities

N/A – Pending the development of Council's new Strategic Priorities.

Other Pertinent Reports

N/A

Prepared by:

Lori Watson
Director
Community Services

Recommended by:

Adrienne Jugley, MSW, RSW, CHE
Commissioner
Community Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared by Lori Watson, Director, Social Assistance & Employment Opportunities.

Subject: Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD)

Report to: Public Health and Social Services Committee

Report date: Tuesday, May 7, 2019

Recommendations

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

Key Facts

- Staff created this report further to a request for information from Councillor Ip
- The Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD), launched in March 2004 by UNESCO, consists of a network of cities interested in sharing their experiences to improve their policies against racism, discrimination, exclusion and intolerance.
- Membership benefits include access to a network of municipalities from different areas in Canada and around the world, the opportunity to share experiences and access to resources to help eliminate racism and other forms of discrimination.
- Municipalities participating in CCMARD are guided by 10 Common Commitments and agree to undertake work in these areas.
- The Common Commitments and the municipality's unique plan of action will be an integral part of the municipality's vision, strategies and policies.
- Municipalities involved in the Coalition report publicly on an annual basis on actions undertaken toward the realization of these Common Commitments.

Financial Considerations

There is no fee to join the Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD), however there would be costs (e.g. dedicated staffing and community engagement costs), associated with participating should a municipality agree to join.

Analysis

The Canadian Coalition of Municipalities Against Racism and Discrimination (CCMARD), launched in March 2004 by UNESCO. In Canada, 75 cities are members of CCMARD.

CCMARD is based on a common desire among municipalities to achieve two key goals:

- share experiences and lessons learned and;

- strengthen policies to counter all forms of discrimination to achieve greater social inclusion.

Membership benefits include access to a network of municipalities from different areas in Canada and around the world, the opportunity to share experiences and access to resources to help eliminate racism and other forms of discrimination.

Municipalities participating in CCMARD are guided by 10 Common Commitments and agree to undertake work in these areas. The Common Commitments and the municipality's unique plan of action will be an integral part of the municipality's vision, strategies and policies.

The 10 Common Commitments are grouped under three broad umbrellas of municipal responsibility:

The municipality as a guardian of public interest

- Providing increased vigilance against systemic and individual racism and discrimination
- Monitoring racism and discrimination in the community broadly and taking action to address them
- Informing and supporting people who experience racism and discrimination
- Supporting police efforts to combat racism and discrimination

The municipality as an organization in the fulfillment of human rights

- Providing equal opportunities as a municipal employer, service provider and contractor
- Supporting measures to promote equity in the labour market
- Supporting measures to challenge racism and discrimination and promote diversity and equal opportunity in housing

The municipality as a community that shares responsibility for respecting and promoting human rights and diversity

- Involving citizens by giving them a voice in anti-racism initiatives and decision-making.
- Supporting measures to challenge racism and discrimination and promoting diversity and equal opportunity in the education sector and in other forms of learning.
- Promoting respect, understanding and appreciation of cultural diversity, and including Aboriginal and racialized communities into the cultural fabric of the municipality.

There is no fee to join CCMARD, however there would be costs (e.g. dedicated staff time, community engagement costs) associated with participating in CCMARD. Participating municipalities agree to:

- Allocate resources according to its unique circumstances, and within its means and jurisdiction
- Develop a Plan of Action outlining priorities, actions and timelines to respond to the 10 Common Commitments
- The Plan of Action will be an integral part of the municipality's vision, strategies and policies.
- Report publicly on an annual basis on actions undertaken toward the realization of these Common Commitments.
- Exchange expertise and share best practices with other municipalities involved in the Coalition.

Alternatives Reviewed

Community Services provides leadership to the Niagara Local Immigration Partnership Council (LIP), with two dedicated FTE's funded by the Ministry of Immigration, Refugees and Citizenship Canada (IRCC). LIPs are municipal or regional coalitions funded by IRCC designed to strengthen local capacity to attract newcomers and improve integration.

LIP is steered by a Partnership Council comprised of key community members representing important local organizations. The Partnership Council is tasked with stewardship over initiatives such as community needs assessments and asset mapping; its main goal is to oversee a targeted action plan to produce a more welcoming and inclusive community for newcomers.

In December 2018, the LIP Partnership Council approved the creation of an anti-stigma campaign that is also aligned with the goals and objectives of CCMARD, as one deliverable within the approved LIP 2019 work plan designed to attract and improve integration of newcomers to Niagara. LIP's work plan also includes activities that support health and safety, economic growth and prosperity, education and development of agencies serving newcomers as well as local level research to inform community-based planning. Niagara LIP continues to support the attraction and retention of newcomers in ways that are both within scope and that give consideration to the finite resources available to advance their work.

The campaign will build on the success of an anti-stigma campaign created by the Kingston LIP. The Kingston LIP has shared the research done to learn about best practices from a variety of anti-racism / anti-discrimination campaigns carried out by different municipalities across Canada and abroad. Research also included the United Nations – Let's Fight Racism campaign and UNESCO's Canadian Municipalities Coalition against Racism and Discrimination.

Niagara LIP will collaborate with local agencies including both settlement and non-settlement organizations, employers, school board, health centres and networks, boards

of trade, levels of government, professional associations, ethno-cultural organizations, faith-based organizations, the community and the social services sector to implement an anti-stigma campaign with a completion date in early 2020.

Relationship to Council Strategic Priorities

N/A – Pending the development of Council's new Strategic Priorities

Other Pertinent Reports

N/A

Prepared by:

Lori Watson
Director
Community Services

Recommended by:

Adrienne Jugley, MSW, RSW, CHE
Commissioner
Community Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

Subject: Ontario Health Teams

Report to: Public Health and Social Services Committee

Report date: Tuesday, May 7, 2019

Recommendations

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

Key Facts

- Ontario Health Teams are defined by the Ministry of Health and Long-Term Care as groups of providers and organizations that are clinically and fiscally accountable for delivering a full and coordinated continuum of care to a defined geographic population.
- The Ministry of Health and Long-Term Care has issued an open invitation to providers across the full continuum of care to come together and demonstrate their readiness to become Ontario Health Teams.
- The health restructuring goal is for all health service providers to eventually join or become Ontario Health Teams.

Financial Considerations

Ministry of Health and Long-Term Care (MOHLTC) health care restructuring includes the introduction of Ontario Health Teams. Niagara Region services currently funded through the Local Health Integration Network including community programs, mental health, community paramedicine and long-term care will continue to be funded as per established Multi-Sector Accountability Agreements (MSAA's) and Long-Term Care Accountability Agreements (LSAA's) until Ontario Health Teams are approved and have moved through a number of developmental stages to maturity. It is proposed that at maturity all providers that are part of an Ontario Health Team will be funded through an integrated funding envelope issued by Ontario Health (the Super Agency) to Ontario Health Teams.

Analysis

Ontario Health Teams, as defined by the MOHLTC, are groups of providers and organizations that are clinically and fiscally accountable for delivering a full and coordinated continuum of care to a defined geographic population – working together to deliver a full continuum of care even if they are not in the same organization or physical location.

Quadruple Aim

Each Ontario Health Team team will work toward four common goals:

- improved patient and population health outcomes
- better patient and caregiver experience
- better provider experience and
- better value and efficiency

Eight Components of the Ontario Health Team Model

There are eight components to the Ontario Health Team model and the MOHLTC has expectations of Ontario Health Teams relative to these components as they move from submitting a readiness assessment to achieving maturity as a designated Ontario Health Team. At a high level these components are:

1. Patient/Resident Care and Experience
2. Patient/Resident Partnership and Community Engagement
3. Defined Patient Population
4. In-Scope Services
5. Leadership, Accountability, and Governance
6. Performance Measurement, Quality Improvement, and Continuous Learning
7. Funding and Incentive Structure
8. Digital Health

The Four Steps to Becoming a Designated Ontario Health Team

The MOHLTC has clarified that the establishment of Ontario Health Teams is not a pilot project. Eventually it is expected that all providers will be part of an Ontario Health Team. Providers are required to complete four steps in their bid to become a designated Ontario Health Team.

Step 1 - Self-Assessing Readiness

Interested groups of providers and organizations must assess their readiness and begin working to meet key readiness criteria for implementation

Step 2 – Validating Provider Readiness

Based on self-assessments, groups of providers are identified by the MOHLTC as being ‘in discovery’ or ‘in development’ stages of readiness

Step 3 - Becoming an Ontario Health Team ‘Candidate’

Groups of providers that demonstrate, through a full application, (which may only be submitted on invitation) that they meet key readiness criteria are selected to begin implementation of the Ontario Health Team Model

Step 4 - Becoming a Designated Ontario Health Team

Ontario Health Team candidates that are ready to receive an integrated funding envelope and enter into an Ontario Health Team accountability agreement with the funder can be designated as an Ontario Health Team.

Ontario Health Teams: Scope

Services that fall within the scope of Ontario Health Teams include:

- primary care (including inter-professional primary care and physicians);
- secondary care (e.g., in-patient and ambulatory medical and surgical services (includes specialist services));
- home care;
- community support services;
- mental health and addictions;
- health promotion and disease prevention;
- rehabilitation and complex care;
- palliative care (e.g., hospice);
- residential care and short-term transitional care (e.g. supportive housing, long-term care homes, retirement homes);
- long-term care home placement;
- emergency health services;
- laboratory and diagnostic services;
- midwifery services; and
- other social and community services and other services, as needed by the population.

Next Steps:

Providers across Niagara have started to explore the feasibility of submitting a readiness assessment.

The following timelines have been provided by the MOHLTC:

May 15, 2019	Deadline to submit self-assessments
June 3, 2019	Selected groups will be invited to submit a full application
July 12, 2019	Deadline to submit full applications
Fall 2019	Announce Ontario Health Teams

After the first wave of announcements the MOHLTC will continue to accept, assess and evaluate groups interested in becoming an Ontario Health Team. Regional staff will provide further updates further to local implications as information becomes available.

Alternatives Reviewed

N/A

Relationship to Council Strategic Priorities

N/A – Pending the development of Council's new Strategic Priorities.

Other Pertinent Reports

COM C 1—2019 Ministry of Health and Long-Term Care Announcement: 'New Plan for Health Care Reform'

Prepared by:

Henri Koning
Director
Community Services

Recommended by:

Adrienne Jugley, MSW, RSW, CHE
Commissioner
Community Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared by Henri Koning, Director, Community Services and Kevin Smith, Chief, Niagara Emergency Medical Services, Public Health and Emergency Services, based on information provided by the MOHLTC and reviewed by Jordan Gamble, Program Financial Specialist, Enterprise Resource Management Services.

MEMORANDUM

COM-C 2-2019

Subject: Seniors Services Long-Term Care Homes – Summer Celebration Events
Date: May 7, 2019
To: Public Health and Social Services Committee
From: Adrienne Jugley, Commissioner, Community Services

Each of the Seniors Services Long-Term Care Homes will be hosting a family day picnic this summer.

The family day picnics are an opportunity for residents, staff and family members to come together and socialize.

You are cordially invited to join us. Please refer to the attached schedule of events occurring between June and September. We hope you can attend these picnics as your schedule permits. RSVP information is provided on the schedule.

Thank you for your consideration.

Respectfully submitted and signed by,

Adrienne Jugley, MSW, RSW, CHE
Commissioner, Community Services

SENIORS SERVICES HOMES: 2019 FAMILY DAY PICNICS

HOME	DATE	TIME	RSVP CONTACT
Gilmore Lodge 50 Gilmore Road Fort Erie, ON	Sunday, June 2, 2019	2:00-4:00 pm Greetings at 2:00 pm	Antonieta Todd 905-871-6160 ext. 4660 antonieta.todd@niagararegion.ca
Deer Park Villa 150 Central Avenue Grimsby, ON	Saturday, June 8, 2019	1:00-3:30 pm Greetings at 1:30 pm	Charlene Ferns 905-945-4164 ext. 4802 charlene.ferns@niagararegion.ca
The Meadows of Dorchester 6623 Kalar Road Niagara Falls, ON	Sunday, June 9, 2019	12:00-2:30 pm Greetings at 12:30 pm	Aimie Taylor 905-357-1911 ext. 4360 aimie.taylor@niagararegion.ca
Northland Pointe 2 Fielden Avenue Port Colborne, ON	Sunday, June 9, 2019	12:00-3:00 pm Greetings at 12:00 pm	Tammy Wright 905-835-9335 ext. 4760 tammy.wright@niagararegion.ca
Woodlands of Sunset 920 Pelham Street Welland, ON	Sunday June 9, 2019	10:00-2:00 pm Greetings at 12:00 pm	Richard VanHuizen 905-892-3845 ext. 4560 richard.vanhuizen@niagararegion.ca
Rapelje Lodge 277 Plymouth Road Welland, ON	Sunday, August 11, 2019	12:00-2:00 pm Greetings at 1:00 pm	Dave Stortz 905- 714-7428 ext. 4260 dave.stortz@niagararegion.ca
Linhaven 403 Ontario Street St. Catharines, ON	Sunday, September 8, 2019	12:00-3:00 pm Greetings at 1:30 pm	Kristin Mechelse 905-934-3364 ext. 4160 kristin.mechelse@niagararegion.ca
Upper Canada Lodge 272 Wellington St NOTL, ON	Sunday, September 15, 2019	12:00-2:00 pm Greetings at 12:30 pm	Bryan Neumann 905-468-4208 ext. 4402 Bryan.neumann@niagararegion.ca

**Ministry of Health
and Long-Term Care**

Office of Chief Medical Officer of Health,
Public Health
393 University Avenue, 21st Floor
Toronto ON M5G 2M2

Telephone: (416) 212-3831
Facsimile: (416) 325-8412

**Ministère de la Santé
et des Soins de longue durée**

Bureau du médecin hygiéniste en chef,
santé publique
393 avenue University, 21^e étage
Toronto ON M5G 2M2

Téléphone: (416) 212-3831
Télécopieur: (416) 325-8412

April 29, 2019

TO: Chairpersons, Boards of Health
Medical Officers of Health, Public Health Units
Chief Executive Officers, Public Health Units

RE: Public Health Modernization

As you are aware, the Ontario government released its Budget on April 11, 2019. The government is taking a comprehensive approach to modernize Ontario's health care system which includes a coordinated public health sector that is nimble, resilient, efficient, and responsible to the province's evolving health needs and priorities.

While the broader health care system undergoes transformation, a clear opportunity has emerged for us to transform and strengthen the role of public health and its connectedness to communities. Modernizing and streamlining the role of public health units across the province will better coordinate access to health promotion and disease prevention programs at the local level, ensuring that Ontario's families stay safe and healthy.

As you know well, public health is a uniquely placed sector that must evolve to better meet ever-changing community needs. To that end, the Ministry of Health and Long-Term Care (the "ministry") has been working to define what a more resilient, modernized public health sector will look like, and also how it can contribute to the patient experience and better align to the new Ontario Health Agency, local Ontario Health teams, and the health system at large.

Notably, with respect to the public health sector, the ministry is proposing the following:

- Changing the cost-sharing arrangement with municipalities that would reflect an increased role for municipalities within a modernized public health system beginning 2019-20. The ministry will graduate the cost-sharing changes slowly over the next 3 years and will vary the final ratios by population size of the new Regional Public Health Entities. This is being done to recognize the variation across the province (i.e., geography, disbursement of populations, etc.). The cost-sharing changes, which will also apply to all 100% provincial programs funded by MOHLTC (except for the unorganized territories grant provided to northern public health units, and the new seniors dental program) are planned as follows:

- **2019-20 (April 1, 2019):** 60% (provincial) / 40% (municipal) for Toronto; and, 70% (provincial) / 30% (municipal) for all other public health units.
 - **2020-21 (April 1, 2020):** 60% (provincial) / 40% (municipal) for the Toronto Regional Public Health Entity; and, 70% (provincial) / 30% (municipal) for all other Regional Public Health Entities.
 - **End State 2021-22 (April 1, 2021):** 50% (provincial) / 50% (municipal) for the Toronto Regional Public Health Entity; 60% (provincial) / 40% (municipal) for 6 larger Regional Public Health Entities with populations over 1 million; and, 70% (provincial) / 30% (municipal) for 3 smaller Regional Public Health Entities with populations under 1 million.
- Creating 10 Regional Public Health Entities, governed by autonomous boards of health, with strong municipal and provincial representation. Realigning the public health sector at a regional level provides for enhanced system capacity, consistent service delivery and greater coordination to support health system planning. The role of municipalities are core aspects of public health that the ministry wants to preserve in this new model and will do so by maintaining a local public health presence in communities.
 - Modernizing Public Health Ontario to reflect changes in the health and public health landscape.
 - Introducing a comprehensive, publicly-funded dental care program for low-income seniors. The program aims to prevent chronic disease, reduce infections, and improve quality of life, while reducing burden on the health care system.

It is important to note that the \$200 million annual provincial savings target identified in the 2019 Ontario budget (by 2021-22) incorporates provincial savings related to the cost-sharing change, as well as savings from the proposed creation of 10 Regional Public Health Entities.

As mitigation, and to support boards of health experiencing challenges during transition, the Ministry of Health and Long-Term Care will consider providing one-time funding to help mitigate financial impacts on municipalities and consider exceptions or “waivers” for some aspects of the Ontario Public Health Standards on a board by board basis. Implementation of these exceptions will ensure that critical public health (health protection and health promotion) programs and services are maintained for the protection for the public’s health.

The proposed changes in both structure and cost-sharing are premised on the fact that essential public health program and service levels would be maintained and will remain local. The Ministry of Health and Long-Term Care will work with boards of health and public health units to manage any potential reductions in budgets, including encouraging public health units to look for administrative efficiencies rather than reductions to direct service delivery.

As a first step, we will be arranging calls with each of the Health Units over the next week to discuss the Annual Business Plan and Budget Submissions you have submitted, discuss the planned changes for this year and related mitigation opportunities, and ensure this next phase of planning supports your local needs and priorities.

Further details on the 2019 Ontario Budget can be found on the government's website at: <http://budget.ontario.ca/2019/contents.html>.

As previously noted, there is a significant role for public health to play within the larger health care system and it will continue to be a valued partner. I look forward to your input and collaboration as we work to modernize the public health sector.

Thank you for your ongoing support as the ministry continues to build a modern, sustainable and integrated health care system that meets the needs of Ontarians.

Sincerely,

Original signed by

David C. Williams, MD, MHSc, FRCPC
Chief Medical Officer of Health

c: Business Administrators, Public Health Units
Executive Director, Association of Municipalities of Ontario
City Manager, City of Toronto
Executive Director, Association of Local Public Health Agencies

Minute Item No. 6.3

CSD 31-2016

Councillor Information Request re: Councillor Expense Policy

That Report CSD 31-2019, dated May 8, 2019, respecting Councillor Information Request re: Councillor Expense Policy, **BE RECEIVED** and that the following recommendations **BE APPROVED**:

1. That the current Expense Policy **BE REVISED** to include items 1 through 15 outlined in the Alternatives Reviewed section of Report CSD 31-2019;
2. That the revised Expense Policy **BE SENT** to the next Procedural By-law Review Committee meeting for final review prior to Council approval; and
3. That staff **PROVIDE** Corporate Services Committee with a report comparing the first two quarters to the same two quarters of the previous terms of Council to determine if there has been an increase in mileage and other similar types of expenses, since making Councillors 'whole' again after the federal tax policy change.

Minute Item No. 6

Consent Items for Information

That the following Items **BE RECEIVED** for information:

CSD 09-2019

Regional Development Charges, Grants and Exemptions Summary

CSD 15-2019

Development Charge Reserve Fund Statement 2018

CSD 32-2019

Property Transactions Under Delegated Authority (2017 and 2018)

**THE REGIONAL MUNICIPALITY OF NIAGARA
CORPORATE SERVICES COMMITTEE
OPEN SESSION**

**CSC 05-2019
Wednesday, May 8, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Bradley (Regional Chair), Butters, Campion, Edgar, Fertich, Foster (Committee Chair), Heit, Ip, Redekop, Rigby, Whalen (Committee Vice-Chair)

Absent/Regrets: Diodati, Easton, Gale

Staff: E. Amirault, Associate Director, Finance, Operations and System, H. Chamberlain, Director, Financial Management & Planning/Deputy Treasurer, R. Fleming, Senior Tax & Revenue Analyst, D. Gibbs, Director, Legal & Court Services, T. Harrison, Commissioner/Treasurer, Enterprise Resource Management Services, B. Menage, Director, Procurement & Strategic Acquisitions, M. Murphy, Associate Director, Budget Planning & Strategy, A.-M. Norio, Regional Clerk, K. Scholtens, Manager, Business Development Expedited Services, M. Trennum, Deputy Regional Clerk

1. CALL TO ORDER

Committee Chair Foster called the meeting to order at 9:30 a.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

There were no presentations.

4. DELEGATIONS

There were no delegations.

5. ITEMS FOR CONSIDERATION

There were no items for consideration.

6. CONSENT ITEMS FOR INFORMATION

There being no objection, Report CSD 31-2019 (Agenda Item 6.3) was considered at this time.

6.3 CSD 31-2019

Councillor Information Request re: Councillor Expense Policy

Moved by Councillor Ip

Seconded by Councillor Butters

That Report CSD 31-2019, dated May 8, 2019, respecting Councillor Information Request re: Councillor Expense Policy, **BE RECEIVED** and that the following recommendations **BE APPROVED**:

1. That the current Expense Policy **BE REVISED** to include items 1 through 15 outlined in the Alternatives Reviewed section of Report CSD 31-2019;
2. That the revised Expense Policy **BE SENT** to the next Procedural By-law Review Committee meeting for final review prior to Council approval; and
3. That staff **PROVIDE** Corporate Services Committee with a report comparing the first two quarters to the same two quarters of the previous terms of Council to determine if there has been an increase in mileage and other similar types of expenses, since making Councillors 'whole' again after the federal tax policy change.

Carried

6. CONSENT ITEMS FOR INFORMATION

Moved by Councillor Whalen

Seconded by Councillor Butters

That the following Items **BE RECEIVED** for information:

CSD 09-2019

Regional Development Charges, Grants and Exemptions Summary

CSD 15-2019

Development Charge Reserve Fund Statement 2018

CSD 32-2019

Property Transactions Under Delegated Authority (2017 and 2018)

Carried

7. **OTHER BUSINESS**

There were no items of other business.

8. **CLOSED SESSION**

There were no closed session items.

10. **NEXT MEETING**

The next meeting will be held on Wednesday, June 12 at 9:30 a.m. in the Council Chamber, Regional Headquarters.

11. **ADJOURNMENT**

There being no further business, the meeting adjourned at 9:50 a.m.

Councillor Foster
Committee Chair

Matthew Trennum
Deputy Regional Clerk

Ann-Marie Norio
Regional Clerk

Subject: Councillor Information Request re: Councillor Expense Policy

Report to: Corporate Services Committee

Report date: Wednesday, May 8, 2019

Recommendations

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

Key Facts

- The purpose of this report is to respond to Councillor Ip's information request from the January 9, 2019 Corporate Services Committee meeting regarding the Regional Council Expense Policy.
- The Regional Council Expense Policy C-RC-001, approved by Council in November 2017 and last revised in April 2018, is meant to govern the reimbursement of expenses incurred by Members of Council during activities related to the Regional Business of Niagara Region.
- Andrew Sancton Consulting, as an Independent External Governance Auditor, first reported on the expense policy in his September 30, 2018 Fact Book, and again in his Final Report dated April 5, 2019 presented to the Committee of the Whole on April 11, 2019.
- This report compares the Regional Council Expense Policy, Dr. Sancton's analysis and recommendations, and staff expense policy and financial best practices.

Financial Considerations

There are no direct financial implications to changing the Regional Council Expense Policy; however, if Council were to impose limits that exceed the available budget there would be a corresponding financial impact. The 2019 annual budget for administrative expenses is \$80,300 for the office of the Regional Chair, and \$139,352 for Members of Council.

Analysis

At the January 9, 2019 Corporate Services Committee, Councillor Ip requested *"that staff provide a report respecting recommendations from a financial and accounting perspective regarding potential amendments to the Councillor Expense Policy related to expense approvals, spending limits, permitted expenses and required back up documentation to coincide with the independent external governance auditor's report respecting Councillor expenses."*

Dr. Sancton's and Dr. Cobban's Final Report COTW-C 04-2019 was brought forward at the April 11, 2019 Committee of the Whole meeting. Staff has completed a comparison of the independent external governance auditor's recommendations, the current Regional Council Expense Policy C-RC-001 (Appendix 1), and staff's interpretation of best practices regarding processing and approving business-related expenses.

Expense approvals

The independent auditor's final report made no recommendations regarding overall approval of Councillor expenses. Staff noted in our review that the policy is not clear on who is ultimately responsible for executing approval. Under Roles and Responsibilities, Members of Council, item 5.1.c states that Councillors "sign-off on all expenses submitted to or paid by Niagara Region". Regional Administrative Staff responsibility 5.2.d says staff "advise Members if any submitted or proposed expenditure is an ineligible expense or a breach" of the Councillor expense policy.

The Region uses PeopleSoft Financials (PSF) to process all employee travel and expense reports, including for Councillors, with an electronic workflow method of approval. Presently, Council expense reports are keyed into PSF by Region administrative staff and Councillors are not currently required to sign-off or review those expenses after receipts are submitted, therefore no evidence of item 5.1.c electronically exists. The Regional Clerk is assigned the authority in PSF to electronically approve Councillor expenses, and the CAO electronically approves the Regional Chair's expenses. Specific language regarding who owns authorization of the eligibility of an expense, and, by extension, the electronic approval responsibility for Council expenses, should be included in the policy for clear accountability.

In comparison, Region employee process is established based on best practice in accounting which suggests that an individual should not approve their own expenses, and based on our corporate structure, expenses should go to an approver. Employees are required to either key their own expenses into PSF, or, for those who have an administrative staff key expenses on their behalf, to regularly review their department operating statements for errors or omissions. Regardless of who keys the submission, all expenses are sent for electronic approval to the employee's manager. The employee is responsible for adhering to the policy and the manager is responsible for ensuring consistent application of the policy and authorizing the expense. (Please note, the employee expense policy is currently under review with updates expected to several sections in 2019; it was last revised in 2005.)

In addition, there seems to be ambiguity in the policy language regarding instances where staff is unable to confirm that the expense is eligible for reimbursement. The responsibilities for Audit Committee item 5.3 include to "a) Review any expenditures submitted by Members but not processed by Regional Administrative Staff as per this

policy; and b) Provide recommendation on reimbursement to Council who will make the final decision.”

In staff’s opinion, the policy should specify that expenses should only be directed to Audit Committee for approval when a reimbursement request is submitted that falls within a grey area of allowable expenses based on administrative staff’s review. This aligns with the independent auditor’s recommendation “that staff be required to forward any expense claims that do not clearly conform to the expense policy to the Audit Committee.” As currently written, it could be interpreted that Audit Committee, and ultimately Council, has the ability to override and authorize expenses deemed ineligible within the policy.

Staff recommends the policy should state that approval is delegated to the Regional Clerk for Councillors and to the CAO for the Regional Chair, with decisions regarding ambiguous expense eligibility to Audit Committee, as per the current operating model.

Spending limits

Dr. Sancton’s report recommends “That councillors may attend up to 3 conferences per year of two or more days in duration requiring overnight accommodations. Conferences must be related to their duties as a Regional Councillor, and they must register as a Regional Councillor (i.e., not as a Mayor). Conferences must be located within continental North American. No more than 4 council members may attend any one particular conference. Exceptions to these stipulations require approval of Council.”

We anticipate that will be difficult to administer such limits within grey areas, i.e. if the conference is two or more days, how to define the requirement of overnight accommodations, where then the maximum does not apply, despite what may be high registration and travel costs.

Also, the intricacy of Dr. Sancton’s suggestion could not be restricted in PeopleSoft Financials since budget checking for an expense category (i.e. registration fees) does not cross-reference against a group of employees. Therefore, the four council member maximum would require a manual verification process and be subject to error due to the timing of expense submissions (staff may not know who has registered until Councillors submit receipts one or more months after the fact). To mitigate this, a centralized registration or pre-approval process would be required so staff could ensure the maximum number of councillors is not exceeded, thereby adding additional processing complexity.

Administrative burden aside, from 2016 to 2018, an average of 14 Members of Council (including some mayors) were reimbursed for attendance at AMO’s annual conference each year, with an average of 12 (also including some mayors) reimbursed for each annual FCM conference over the same period. There were very few paid registrations

by Councillors at any conference outside of these two. As such, Dr. Sancton's recommendation would require a significant shift to Regional Council's usual practices. Staff also observed that in spite of having this number of Councillors attending AMO and FCM, we have not exceeded the Members of Council administrative budget over the same period (excluding one unusual legal expense).

Dr. Sancton discussed in the Final Report that he was not opposed to creating an overall budget limit for individual councillor expenses, but expressed concern regarding the equality of applying the same limits when each councillor is subject to differing population and geographic influences. In the Fact Book, he identified several comparable municipalities (Peel, Durham, and Waterloo) that applied equal limits on either overall spending or certain expense categories. In the spirit of transparency and ability to ensure consistent application of the policy, staff believe that if a spending limit per Councillor is to be considered it should be for an overall annual limit. For example, the 2019 administrative expense budget for all Members of Council is \$139,352 (includes registration fees; office, printing, and postage; advertising and promotion; travel and meals; and telephone and communication expenses). This budget could be split between all 31 Councillors so each has an annual budget of \$4,495, to be used for any conference, travel, and other expenses as a Councillor deems appropriate to serve their constituents (within expense policy guidelines) in furtherance of Regional business. The Regional Chair would be subject to different limits. Such limits could be managed electronically within the PeopleSoft Financials expense process.

In reviewing attendance at the AMO and FCM conferences, an average of five mayors were reimbursed for each annually from 2016 to 2018. Dr. Sancton's recommendation is that a mayor's attendance should instead be reimbursed at the local area municipality level and this would require amendment to the current policy.

It is important to note that in prior years when one-third of Councillor remuneration was deemed to be expenses and therefore exempt from taxation, some members expensed little to no mileage or meals. With the federal government's elimination of the tax-exempt Municipal officers' expense allowance as of January 1, 2019, we may find an increase in expense submissions. As such, the current 2019 administrative expense budget may not stretch as far as in the past. Staff will monitor expenses throughout 2019 to determine the ultimate impact.

On the whole, with respect to spending limits, staff are recommending an overall annual spending limit per Councillor, and updating the policy language to exclude reimbursement to mayors for the AMO and FCM conferences.

Permitted expenses

Staff believe that much of the language around permitted expenses is reasonable within usual prudent financial policy. The following areas are exceptions and may require clarification.

Annual newsletter

The final report from Dr. Sancton included a recommendation “That councillors be reimbursed for the expenses of producing and distributing 1 newsletter annually.” In the interest of determining an expense’s eligibility, staff would prefer to have as little ambiguity and as much ease of administration as possible. As such, a limit on newsletters or promotional materials could be accommodated within the spending limits discussed above. In addition, the policy does not currently specify newsletters as an allowable expense; instead item 4.7.d refers to “Promotional material related to Regional Business” and will require updating.

Staff also recommends specifying newsletters as allowable and stating a limit to the annual allowance during an election year to add clarity over and above the existing reference in section 4.10 to the *Use of Municipal Resources During an Election Campaign Period* policy. For example, Peel Region’s Councillor expense policy specifies that in an election year, “no newsletter shall be distributed or any expenses reimbursed relating to newsletters from May 1 to the end of the Council term”.

Legal expenses

In Dr. Sancton’s Fact Book, he questioned if legal costs relating to a Code of Conduct complaint should be considered “routine” enough to be included in the expense policy. The Final Report recommended “That legal expenses arising from or in any way related to complaints under the Code of Conduct be deemed ineligible expenses.”

In staff’s experience, “routine” isn’t a guiding accounting principle of expense reimbursement; instead “business purpose” and correlation to the requirements of an employee’s role would normally be considered. However, staff agrees with Dr. Sancton’s recommendation to deem legal fees related to Code of Conduct complaints as ineligible expenses. This was previously recommended by staff when the expense policy was last updated in 2018. Eligibility of other legal costs should continue to be governed by the Region’s *Legal Indemnification* policy, as currently referenced in expense policy section 4.9.c.

Mileage

The Councillor expense policy states in item 4.3.d that “the mileage rate applied will be in accordance with Canada Revenue Agency (CRA) guidance”, but does not specify a

rate. For clarity, the Region pays mileage for staff and Councillors at one year behind the current year's CRA rate (i.e. the 2019 Region rate is the 2018 CRA rate), as per direction given by Corporate Services Committee in 2013. The policy item should be updated to reflect as such.

In addition, under the Region's staff expense policy, an employee's travel from their home to their "normal work location" would not be an eligible expense, as that would be deemed a taxable benefit by CRA. It should be noted that Councillors are not employees of the Region. At this time, Councillor mileage to Regional headquarters is reimbursed, and Dr. Sancton's Final Report suggested that mileage for attending council meetings should continue to be an allowable expense claim. Therefore, the Council expense policy should clearly deem that Regional headquarters is not a Councillors' "normal work location" and, accordingly, mileage for travelling to committee and council meetings would be eligible for reimbursement.

Staff note that a Regional Chair would be excluded from this definition, given that his or her office is located at Regional headquarters. We also found that making this change in accordance with Dr. Sancton's recommendation would differ than some other upper tier municipality council expense policies. For example, in their policy, Peel Region specifically defines their headquarters address as the "normal work location" and states that "travel from home to a Member of Council's normal workplace and back is considered by the Canada Revenue Agency as personal use of the vehicle and is not subject to reimbursement".

The mileage calculation section also does not specify what constitutes an allowable trip; therefore, staff recommends adding language regarding what is permitted as "Regional business". In the Final Report, Dr. Sancton recommends "That councillors be reimbursed for mileage for attending official regional functions only". The independent auditor also comments that "travel costs related to other activities that, while they may relate to their duties and responsibilities as regional councillors, do not constitute official regional business (e.g., attending community events, meeting with constituents)" and should therefore not be reimbursed.

Consequently, along with recommending that the policy states that the mileage rate will be paid at one year behind the current year's CRA rate and defining "normal work location", Staff recommend defining "Regional business" within the expense policy as "attendance at official Regional functions". Staff acknowledge that this definition will be subject to interpretation unless Council wishes to define it more explicitly.

Per Diems

In reviewing the Council expense policy, staff also noted that the Councillors' applicable per diem rate is \$85 (item 4.5.c). For comparison, Peel Region, Waterloo Region, Durham Region, and Hamilton all have a Council per diem rate of \$75.

The policy also does not index the per diem rate for Councillors, nor does the Region's employee expense policy. (The rate is currently set at \$65 for staff and is under review as part of the employee expense policy update planned for this year).

Staff recommend updating the per diem rate to \$75 to be in line with comparable municipalities, and indexing the rate to inflation once per council term.

Required backup documentation

Staff found several gaps in the policy and procedure with respect to required backup documentation. For example, CRA guidelines require that when meals are reimbursed (as under the expense policy Meals/Per Diem sections 4.5.f and 4.5.g) the names of those attending the meal and business reason for expense must be specified with the receipt. This requirement is not specified in the existing policy. Adding such language would bring the Region in line with clauses in similar policies at several other municipalities including Peel Region, City of Toronto, and City of Ottawa.

Adding this requirement will also assist staff in properly administering the policy. When receipts are submitted without proper reference, staff may not be able to identify if a receipt was an allowable meal, or if it should have been included as part of a per diem (which could result in a Councillor being over-reimbursed). Councillors also do not always log information regarding the nature of the business on the receipt, so staff is unable to verify it was for Council-related ("Regional") business.

The policy does not currently require Councillors to provide documentation to support a mileage claim (see item 4.1). The policy should state that a Google Map printout (or equivalent) be provided as backup, similar to the requirements for staff under the employee expense policy.

We also recommend reviewing the expense submission process to ensure consistent application of the policy by Councillors (for example, by requiring a standard submission form that includes Councillor sign-off, or even granting limited PeopleSoft Financials access so Councillors can view and submit their own expenses electronically).

Overall, to improve requirements for documentation, staff recommend updating the policy language to require noting the names of attendees and business reason for the expense on meal receipts, to record brief details of the nature of the Regional business on any receipt, to provide a Google Map printout (or equivalent) as backup to a mileage claim, and to implement a new submission process for Councillor expenses.

Other - Timeliness

In addition to the four categories requested by Councillor Ip, staff are highlighting one other item for review. We noted that within the current Councillor expense policy there

exists conflicting instructions for Councillors regarding the timeliness of submission. Under item 4.11 Timelines, Councillors are required to submit expense reports within 30 days after the end of each quarter; however, item 5.1.b under Roles and Responsibilities for Members of Council states to “submit expenses on a regular monthly timeline.” Not only would standard business and accounting practices suggest that submitting at least once a month is preferable, but by submitting 30 days after quarter end, such expenses may not comply with the Region’s quarterly financial reporting timelines.

Adding in staff processing time, a Councillor’s expenses, if submitted 30 days after quarter end, would miss the quarterly financial statement deadline and therefore also miss inclusion in the Region’s quarterly Open Data report posted on our website. (Dr. Sancton recommended “That staff publish the councillor expenses quarterly disclosures on the Niagara Regional Council webpage”; however, this is already required and currently occurs accordingly under Council expense policy item 4.11.b). Those expenses would then not be included on any reports until the subsequent quarter end (potentially up to six months after the expense was actually incurred).

Staff recommend updating the policy language to require Councillors submit expenses at least once per month to align with best practices and to meet financial reporting deadlines.

Alternatives Reviewed

Instead of accepting this report for information only, Council could choose to accept some or all of the following staff recommendations regarding updating language and processes within the Council expense policy:

1. That section 5.2 be updated to define that approval of Councillor expenses shall be delegated to the Regional Clerk for Councillors and to the CAO for the Regional Chair;
2. That section 5.3.b regarding Audit Committee responsibilities be updated to state that when staff are unable to make determinations regarding eligibility, expenses shall be forwarded for approval by the Audit Committee;
3. That a clause be added to section 4 stating that allowable expenses shall be limited to an overall annual amount for each Councillor and Regional Chair, to be set as part of the annual budgeting process for the Region;
4. That section 4.8 regarding Ineligible Expenses be updated to include reimbursement to mayors for the AMO and FCM conferences;

5. That the list of Eligible Expenses item 4.7.d is updated to include newsletters, specifically: “promotional material related to Regional Business, including newsletters”;
6. That language is added under Election Year Restrictions item 4.10 to clarify that “In an election year, no newsletters or promotional material shall be distributed or any expenses reimbursed relating to newsletters or promotional material from May 1 to the end of the Council term”;
7. That Legal Expenses item 4.9.a regarding Code of Conduct complaints is updated to state “Legal costs arising from or in any way related to complaints under the Code of Conduct are Ineligible Expenses”;
8. That mileage section 4.3.d.ii is updated to specify that the rate will be paid at one year behind the current year’s CRA rate;
9. That mileage section 4.3.d.i is updated to define an eligible trip as travel for “Regional business”, which is subsequently defined as “attendance at official Regional functions”, as well as to define that, with the exception of Regional Chair, a Councillor’s “normal work location” is not Regional headquarters;
10. That the per diem rate in 4.5.c is amended to \$75 and language added to increase the per diem rate based on the Consumer Price Index once per term of council;
11. That an item is added to the Meals/Per Diem section 4.5 to require that the names of all attendees and Regional business reason for the meeting must be listed on a meal receipt when claiming an actual meal expenditure instead of a per diem;
12. That the supporting documentation section 4.1 is updated to require that any expense claim includes a brief description of the nature of the Regional business;
13. That the supporting documentation section 4.1 is updated to require a Google Map printout (or equivalent) as backup to a mileage expense;
14. That the Timelines item 4.11.a is revised to require Councillors to submit expenses at least once every month; and
15. That staff be directed to formalize the expense submission process for Councillors, either with an updated Excel or PDF form (or equivalent), or with secure access to PeopleSoft Financials.

Relationship to Council Strategic Priorities

Though the current strategic priorities are under review, this report would tie to Advancing Organizational Excellence by improving expense transparency and streamlining processes.

Other Pertinent Reports

CL-C 64-2018 Niagara Region Independent External Governance Auditor Fact Book
COTW-C 04-2019 Niagara Region Independent External Governance Auditor Final Report

Prepared by:

Erin Amirault, MBA
Associate Director, Finance Operations
and Systems
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 Lyndsey Ferrell, Program Financial Specialist, Nora Charette, Manager ERP Business Support, and Ann-Marie Norio, Regional Clerk, and reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer and Donna Gibbs, Director, Legal & Court Services

Appendices

Appendix 1 C-RC-001 Regional Council Expense Policy

<i>Policy Category</i>	<i>Name of Policy</i>
<i>Regional Council</i>	<i>Regional Council Expense Policy</i>

Page 1 of 7

Policy Owner	Administration – Corporate Services, Office of the Regional Clerk, Regional Clerk
Approval Body	Council
Approval Date	November 16, 2017
Effective Date	November 17, 2017
Review by Date	August 31, 2019

1. Policy

- 1.1. The Regional Council Expense Policy governs the reimbursement of expenses incurred by Members during activities related to the Regional Business of Niagara Region.

2. Purpose

- 2.1. The objective of this policy is to provide consistent rules and guidelines to Members with respect to Eligible Expenses incurred in performing their duties.
- 2.2. The policy provides specific and clear direction regarding diverse expenses, and clarifies what are Eligible Expenses and Ineligible Expenses.
- 2.3. The policy establishes the provision of public access to expense information of Members.
- 2.4. The policy captures the following principles:
 - a) Maintain Integrity of Council
 - i. The integrity of Council as a whole and the offices of the Members must be protected; and
 - ii. The interest of Council as a whole takes precedence over the personal interest of individual Members.
 - b) Maintain Accountability
 - i. Members are the stewards of resources and are ultimately accountable to the public for the type and level of expenses they incur;

<i>Policy Category</i>	<i>Name of Policy</i>
<i>Regional Council</i>	<i>Regional Council Expense Policy</i>

- ii. Since members use public funds when they perform their duties, the public expects public funds to be used solely for fulfillment of their public duties;
 - iii. Members' expenses should be reasonable and reflect what the public expects of an elected official; and
 - iv. Members' personal expenses must be kept separate from expenses related to Regional Business.
- c) Maintain Transparency
 - i. The public has a right to know how public funds allocated to Members are spent; and
 - ii. The public's right to Members' expense information must be balanced against the need to protect personal information, and the need to allow time for proper account and reconciliation of expenses.

3. Scope

- 3.1. This policy applies to all Members and establishes the basis upon which the Members will be reimbursed or have payment coverage for Eligible Expenses incurred while undertaking activities related to Regional Business while acting in their role as an elected official.

4. Roles and Responsibilities

- 4.1. All expenses submitted for reimbursement must be accompanied by supporting documentation and itemized receipts, except for mileage.
- 4.2. Members may attend conferences, conventions, meetings and other events using allocated funds in the current budget for registration fees and Eligible Expenses.
- 4.3. Transportation
 - a) Members shall make every attempt to use the most economical and efficient mode of transportation including:
 - i. economy airfare, first class rail fare including taxi fares to and from terminals or parking where required, or
 - ii. mileage rate for personal automobile usage and parking, or
 - iii. rented automobile and actual fuel cost.
 - b) Members shall make efforts to share travel costs when travelling to the same destination.

<i>Policy Category</i>	<i>Name of Policy</i>
<i>Regional Council</i>	<i>Regional Council Expense Policy</i>

- c) If a more expensive means of transportation is chosen, only the most economical equivalent charges will be allowed. For example, if a Member chooses to drive to a destination where it is more economical to use air transportation, only the equivalent air transportation charge will be permitted.
- d) Calculation of Mileage
 - i. Mileage calculation will be based on the lesser of the actual distance being either from the Member's home to the destination, or the distance from the Member's normal work location to the destination.
 - ii. The mileage rate applied will be in accordance with Canada Revenue Agency guidance.

4.4. Accommodation

- a) Where overnight accommodation is required, the single room rate will be paid and must be accompanied by appropriate receipts.

4.5. Meals/Per Diem

- a) A \$85.00 per diem rate represents the maximum that will be paid to each Member attending a conference, convention, or other event when an overnight stay is required.
- b) Where all meals are included in registration fees, the per diem rate is not applicable.
- c) Where some meals are included in registration fees, the allocation for included meals shall be deducted from the per diem using the following guideline:

Breakfast	\$15.00
Lunch	\$20.00
Dinner	\$35.00
Incidentals	<u>\$15.00</u>
	\$85.00

- d) There shall be no reimbursement for any meal expenditure incurred during the time that a Member is entitled to a per diem allowance.
- e) The daily rate allowance is to be calculated on a 24-hour basis and not a working day basis. It shall be paid from the time of leaving for the function until the time of arrival home, to the nearest 1/2 day.

<i>Policy Category</i>	<i>Name of Policy</i>
<i>Regional Council</i>	<i>Regional Council Expense Policy</i>

- f) Notwithstanding (b), (c) and (d), actual expenditures incurred may be reimbursed in lieu of the per diem rate; however, such expenditures must be reasonable in the circumstances based on the explanation provided by the Member which must accompany the receipt.
 - g) Members may be reimbursed for reasonable Eligible Expenses related to meals incurred during the course of Regional Business and shall include the following:
 - i. Meals while travelling on behalf of Niagara Region; or,
 - ii. Meals required where circumstances warrant.
- 4.6. Monetary exchange costs will be allowed at the prevailing rates in order to convert Canadian dollars to other currencies (primarily to U.S. dollars). Payment will be made to Members in Canadian dollars.
- 4.7. The following is a list, though not exhaustive, of Eligible Expenses:
- a) Memorabilia and souvenirs for constituents
 - b) Mobile devices in accordance with the current information technology mobile device policy. While engaged in Regional business, Members shall arrange an appropriate out of country mobile device plan in order to avoid excessive roaming charges.
 - c) Office supplies (e.g. paper, pens, printer cartridges, etc.)
 - d) Promotional material related to Regional Business
 - e) Subscriptions related to Regional Business or municipalities in general
 - f) A maximum of one ticket for a Member when representing Niagara Region at an event of a public nature (e.g. community dinners, events with proceeds going to charity, etc.).
 - g) 407 ETR, GO TRAIN ticket
 - h) Parking related expenses save and except parking fines.
- 4.8. The following is a list, though not exhaustive, of Ineligible Expenses
- a) Additional accommodation for days outside a formal Conference
 - b) Alcohol and alcoholic beverages are ineligible expenses unless purchased or provided as a matter of hospitality for protocol while conducting Regional Business
 - c) Mobile devices outside the current information technology mobile device policy
 - d) Companion registration fees and expenses at Conferences
 - e) Personal entertainment (e.g. sight-seeing, concerts, sporting events, etc.)
 - f) Personal services (e.g. shoe shine, valet service, spa treatments, etc.)
 - g) Personal vehicle costs beyond mileage (e.g. maintenance, repair, etc.)
 - h) Traffic and parking fines

<i>Policy Category</i>	<i>Name of Policy</i>
<i>Regional Council</i>	<i>Regional Council Expense Policy</i>

4.9. Legal Expenses

- a) Legal costs arising from or in any way related to complaints under the Code of Conduct are Eligible Expenses.
- b) Legal costs related to personal conflict of interest opinions are Ineligible Expenses.
- c) Costs involving certain legal proceedings against Members shall be reimbursed in accordance with the current legal indemnification policy and are subject to review by the Audit Committee for recommendation to Council.
- d) Requests for reimbursement of legal costs outside this policy or the legal indemnification policy shall be submitted to the Audit Committee for recommendation to Council.

4.10. Election Year Restrictions

Note: Revision 1.0 - April 12, 2018, section 4.10 subsections (a) and (b) were repealed (see Report GM 5-2018).

Note: Revision 1.0 – April 12, 2018, section 4.10 was amended by adding the following clause (see Report GM 5-2018):

- c) Regional Councillors shall be directed by the *Use of Municipal Resources During the Election Campaign Period* policy.

4.11. Timelines

- a) Members shall submit quarterly expense reports with itemized receipts attached within 30 days after the end of each quarter to allow time for staff to verify and reconcile expenses before posting online; and
- b) Expense report information will be posted online on a quarterly basis and for a rolling period of 7 years plus current year.

5. Roles and Responsibilities

5.1. Members of Council

- a) Adhere to this policy;
- b) Submit expenses on a regular monthly timeline;
- c) Sign-off on all expenses submitted to or paid by Niagara Region;
- d) Meet all financial, legal and tax obligations; and,
- e) Consult with Regional Administrative staff for guidance with respect to the eligibility of an expense and/or any interpretation on the application of this policy.

5.2. Regional Administrative Staff

- a) Ensure consistent application of this policy;
- b) Process expenses in accordance with this policy;
- c) Ensure the supporting documentation is in place and that expenditures conform to this policy;

<i>Policy Category</i>	<i>Name of Policy</i>
<i>Regional Council</i>	<i>Regional Council Expense Policy</i>

- d) Advise Members if any submitted or proposed expenditure is an Ineligible Expense or a breach of this policy;
 - e) Track actual expenses against approved budget; and
 - f) Each year, incorporate budget dollars in the annual budget for Council to consider for funding or reimbursing Members' Eligible Expenses
 - g) Complete the yearly Councillor Remuneration Report as required by the Act
- 5.3. Audit Committee
- a) Review any expenditures submitted by Members but not processed by Regional Administrative Staff as per this policy; and
 - b) Provide recommendation on reimbursement to Council who will make the final decision.

6. References and Related Documents

6.1 Legislation

- a) Section 283 of the Act provides the authority for councils to pass by-laws to pay remuneration and expenses to members of council and local boards.
- b) Section 284(1) of the Act requires that in each year, on or before March 31, the treasurer provide to council, a statement on remuneration and expenses paid to members of council and local boards in the previous year.
- c) Section 284(2) of the Act requires the identification of the by-law under which the remuneration or expenses were authorized.
- d) Council and board members' remuneration and expenses are provided for in the operating budget of Niagara Region, or the budget of the agency, board or commission.

6.2 By-Laws

- a) By-Law 2017-99

6.3 Related Policies

- a) Expenses – Reimbursement of Policy (Corporate Policy C3.E02)
- b) Training and Development - Approval for Workshops/Seminars/Conferences Policy (Corporate Policy C3.T01.7)

<i>Policy Category</i>	<i>Name of Policy</i>
<i>Regional Council</i>	<i>Regional Council Expense Policy</i>

7. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date
Council – Version 1.0	November 16, 2017	November 17, 2017
Council – Revision 1.0	April 12, 2018	April 12, 2018

Revision History

Revision No.	Date	Summary of Change(s)	Changed by
1.0	April 12, 2018	Section 4.10 clauses (a) and (b) were repealed. Section 4.10 was then amended by adding the existing clause.	Council, CL 5-2018, April 12, 2018

Subject: Property Transactions Under Delegated Authority (2017 and 2018)

Report to: Corporate Services Committee

Report date: Wednesday, May 8, 2019

Recommendations

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

Key Facts

- The purpose of this report is to provide Council with a list of property transactions undertaken by delegated authority (By-Law 09-2016).
- Attached as Appendix I is a summary of such property transactions during the period of January 1, 2017 to December 31, 2017.
- Attached as Appendix II is a summary of such property transactions during the period of January 1, 2018 to December 31, 2018.

Financial Considerations

As outlined in Appendix I, there were 69 property transactions in the reporting period in which Niagara Region acquired property or an interest in property. The total acquisition cost (or in the case of leases, the annual cost) for the transactions was \$1,036,122.42. During this period, 15 transactions were undertaken in which Niagara Region sold a property or an economic interest in a property. These transactions totaled \$154,404.67.

As outlined in Appendix II, there were 22 property transactions in the reporting period in which Niagara Region acquired property or an interest in property. The total acquisition cost (or in the case of leases, the annual cost) for the transactions was \$1,403,753.28. During this period, 6 transactions were undertaken in which Niagara Region sold a property or an economic interest in a property. These transactions totaled \$31,780.44.

Analysis

For the two year period (2017 and 2018), 65% of acquisitions related to land purchases, 25% leases & licenses, and 10% permission to enter agreements.

For income-generating activities, 62% related to leasing, 24% sale of land, and 14% permission to enter or encroachment agreements.

Alternatives Reviewed

Not applicable.

Relationship to Council Strategic Priorities

These transactions facilitate critical infrastructure projects or operations for Niagara Region.

Other Pertinent Reports

There are no other pertinent reports.

Prepared by:

Craig Mustard
Real Estate Coordinator
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 Bart Menage, Director, Procurement & Strategic Acquisitions.

Appendices

Appendix I	Summary of 2017 Property Transactions	page 3-4
Appendix II	Summary of 2018 Property Transactions	page 5

Date	Capital Project / Operating Account	Project / Property type	Market Value ACQUISITION Cost or Annual Value	Department
February 27, 2017	10RC0812	West Lincoln - road widening acquisition	\$ 13,000.00	Public Works - Transportation
March 20, 2017	10RC0933	Niagara Falls - road widening acquisition	\$ 3,568.23	Public Works - Transportation
March 21, 2017	DEPT 50702	Welland - parking agreement	\$ 2,160.00	Public Health - Family Health
March 22, 2017	20000518-60251-44638	Thorold - road widening acquisition	\$ -	Public Works - Transportation
April 6, 2017	20000518-60251-44638	Thorold - road widening acquisition	\$ -	Public Works - Transportation
April 11, 2017	10RC0933	Niagara Falls - road widening acquisition	\$ 10,151.17	Public Works - Transportation
May 9, 2017	10RC0905	St. Catharines - road widening acquisition	\$ 6,000.00	Public Works - Transportation
May 9, 2017	10RC0812	West Lincoln - road widening acquisition	\$ 50,000.00	Public Works - Transportation
May 19, 2017	-	St. Catharines - permission to enter x 3	\$ -	Public Works - Transportation
May 30, 2017	DEPT 36004	St. Catharines - lease extension	\$ 437,198.40	Community Services - SAE0
May 31, 2017	10RC1447	St. Catharines - road widening acquisition	\$ 950.00	Public Works - Transportation
June 7, 2017	10RC1555	Pelham - road widening acquisition	\$ 1,500.00	Public Works - Transportation
June 7, 2017	10RC1555	Pelham - road widening acquisition	\$ 3,000.00	Public Works - Transportation
June 16, 2017	-	St. Catharines - permission to enter x 2	\$ -	Public Works - Transportation
June 16, 2017	-	West Lincoln - permission to enter	\$ -	Public Works - Transportation
June 21, 2017	10RC0944	St. Catharines - permission to enter	\$ 25,000.00	Public Works - Transportation
June 29, 2017	10RC0944	St. Catharines - permission to enter x 2	\$ -	Public Works - Transportation
July 5, 2017	DEPT 45155	Grimsby - license extension	\$ 19,994.59	NRPS
July 7, 2017	10RC1438	Niagara Falls - road widening acquisition	\$ 3,763.00	Public Works - Transportation
July 7, 2017	10RC1438	Niagara Falls - road widening acquisition	\$ 4,158.00	Public Works - Transportation
July 11, 2017	DEPT 24101	Thorold - lease extension	\$ 51,669.12	Administration - Facilities
July 11, 2017	10RC1555	Pelham - road widening acquisition	\$ 13,000.00	Public Works - Transportation
July 11, 2017	-	St. Catharines - permission to enter	\$ -	Public Works - Transportation
July 14, 2017	10RC0627	St. Catharines - road widening acquisition	\$ 1,000.00	Public Works - Transportation
July 18, 2017	DEPT 45155	St. Catharines - license extension	\$ 3,780.00	NRPS
July 31, 2017	-	West Lincoln - permission to enter	\$ -	Public Works - Transportation
August 2, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 3,091.84	Public Works - Transportation
August 14, 2017	DEPT 33860	Grimsby - lease extension	\$ 17,160.00	Community Services - Seniors
August 15, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 9,995.35	Public Works - Transportation
August 22, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 925.45	Public Works - Transportation
August 22, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 11,287.83	Public Works - Transportation
August 22, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 3,943.67	Public Works - Transportation
August 22, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 24,208.67	Public Works - Transportation
August 24, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 11,126.04	Public Works - Transportation
August 24, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 2,213.91	Public Works - Transportation
August 28, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 17,031.97	Public Works - Transportation
August 28, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 15,544.68	Public Works - Transportation
August 31, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 1,923.70	Public Works - Transportation
August 31, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 4,092.09	Public Works - Transportation
August 31, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 19,931.12	Public Works - Transportation
August 31, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 9,051.35	Public Works - Transportation
August 31, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 22,139.68	Public Works - Transportation
September 13, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 2,500.83	Public Works - Transportation
September 13, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 2,045.68	Public Works - Transportation

Date	Capital Project / Operating Account	Project / Property type	Market Value ACQUISITION Cost or Annual Value	Department
September 13, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 8,509.81	Public Works - Transportation
September 13, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 2,761.58	Public Works - Transportation
September 14, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 1,327.35	Public Works - Transportation
September 14, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 295.15	Public Works - Transportation
September 14, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 1,416.02	Public Works - Transportation
September 15, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 899.05	Public Works - Transportation
September 19, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 9,841.08	Public Works - Transportation
September 19, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 12,125.58	Public Works - Transportation
September 26, 2017	DEPT 24201	St. Catharines - lease extension	\$ 87,205.75	ERMS - Court Services
September 28, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 20,220.89	Public Works - Transportation
September 28, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 1,586.02	Public Works - Transportation
September 28, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 13,481.25	Public Works - Transportation
September 29, 2017	20000457	Niagara-on-the-Lake - property acquisition	\$ -	Public Works - Water & Wastewater
September 29, 2017	-	Fort Erie - license termination	\$ -	ERMS - Court Services
October 2, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 6,980.47	Public Works - Transportation
October 4, 2017	DEPT 33859	Niagara Falls - license agreement	\$ 27,345.13	Community Services - Seniors
October 11, 2017	10RC0627	St. Catharines - road widening acquisition	\$ 2,110.00	Public Works - Transportation
October 17, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 709.07	Public Works - Transportation
October 20, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 304.55	Public Works - Transportation
November 10, 2017	-	St. Catharines - permission to enter	\$ -	Public Works - Transportation
November 27, 2017	10RC1538	West Lincoln - road widening acquisition	\$ 2,000.00	Public Works - Transportation
November 28, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 4,213.03	Public Works - Transportation
December 1, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 4,034.27	Public Works - Transportation
December 12, 2017	10RC1244	Niagara-on-the-Lake - road widening acquisition	\$ 550.00	Public Works - Transportation
December 13, 2017	10PR1404	Niagara-on-the-Lake - road widening acquisition	\$ 100.00	Public Works - Transportation
Total			\$ 1,036,122.42	

Date	Capital Project / Operating Account	Project / Property type	Market Value REVENUE Cost or Annual Value	Department
February 1, 2017	-	Niagara Falls - license agreement	\$ -	Community Services - SAEO
February 22, 2017	-	Niagara Falls - declare surplus	\$ -	Public Works - Waste Management
March 20, 2017	-	St. Catharines - lease termination x 3	\$ -	Public Works - Transportation
April 25, 2017	-	Welland - license extension	\$ 61,866.00	Community Services - SAEO
April 27, 2017	DEPT 24314	Port Colborne - residential tenant rent increase	\$ 8,523.96	Administration - Facilities
May 16, 2017	DEPT 10451	Niagara Falls - license extension	\$ 630.67	Public Works - Water & Wastewater
May 30, 2017	DEPT 24101	Thorold - license extension	\$ 40,680.00	Administration - Facilities
May 31, 2017	DEPT 24104	Welland - license renewal	\$ 2,360.04	Community Services - SAEO
June 21, 2017	-	Thorold - permission to enter x 2	\$ -	Public Works - Water & Wastewater
July 7, 2017	DEPT 10451	Niagara Falls - sale of land	\$ 7,418.00	Public Works - Transportation
July 7, 2017	DEPT 10451	Niagara Falls - sale of land	\$ 13,076.00	Public Works - Transportation
August 29, 2017	DEPT 24103	Niagara Falls - license agreement	\$ 3,900.00	Community Services - SAEO
September 22, 2017	-	Wainfleet - permission to enter	\$ -	Public Works - Waste Management
September 22, 2017	DEPT 65177	Grimsby - license agreement	\$ 200.00	Public Works - Waste Management
October 23, 2017	DEPT 10451	Niagara Falls - sale of land	\$ 15,750.00	Public Works - Transportation
Total			\$ 154,404.67	

Date	Capital Project / Operating Account	Project / Property type	Market Value ACQUISITION Cost or Annual Value	Department
January 15, 2018	10RC0627	St. Catharines - road widening acquisition	\$ 37,000.00	Public Works - Transportation
March 15, 2018	10RC0627	St. Catharines - road widening acquisition	\$ 34,200.00	Public Works - Transportation
April 5, 2019	DEPT ID 24101	Thorold - lease extension	\$ 52,070.52	ERMS - Finance
April 19, 2018	DEPT ID 50703	Thorold - lease extension	\$ 24,272.10	Public Health - Mental Health
April 19, 2018	DEPT ID 50704 & 50702	Thorold - lease extension	\$ 54,601.05	Public Health - Mental Health
April 30, 2018	10RC0816	Niagara Falls - road widening acquisition	\$ 464,638.00	Public Works - Transportation
May 2, 2018	10RC0627	St. Catharines - road widening acquisition	\$ 87,000.00	Public Works - Transportation
May 2, 2018	10RC0627	St. Catharines - road widening acquisition	\$ 55,000.00	Public Works - Transportation
May 15, 2018	DEPT ID 15203	Port Colborne - lease extension	\$ 32,907.00	Community Services - SAEO
May 17, 2018	DEPT ID 33860	Grimsby - lease amendment	\$ 17,400.00	Community Services - Seniors
May 22, 2018	10RC0627	St. Catharines - road widening acquisition	\$ 26,000.00	Public Works - Transportation
June 12, 2018	-	Niagara-on-the-Lake - property acquisition	\$ 2.00	ERMS - Real Estate
June 15, 2018	-	St. Catharines - permission to enter x 3	\$ -	Public Works - Water & Wastewater
July 10, 2018	DEPT ID 15331	Niagara-on-the-Lake - lease extension	\$ 33,615.84	Public Health - EMS
July 30, 2018	DEPT ID 45155	St. Catharines - lease amendment	\$ 12,000.00	NRPS
September 25, 2018	DEPT ID 15343	Lincoln - lease extension	\$ 12,900.00	Public Health - EMS
September 25, 2018	DEPT ID 55202	Niagara-on-the-Lake - lease agreement	\$ 41,122.80	Public Health - EMS
October 9, 2018	DEPT ID 15151	St. Catharines - lease extension	\$ 87,205.75	ERMS - Court Services
November 15, 2018	DEPT ID 15300	St. Catharines - lease extension	\$ 95,862.00	Public Health - Sexual Health
November 21, 2018	DEPT ID 15204	Fort Erie - lease agreement	\$ 74,632.32	Community Services - SAEO
December 4, 2018	DEPT ID 15300	St. Catharines - lease extension	\$ 108,696.00	Public Health - Sexual Health
December 17, 2018	DEPT ID 15100	Thorold - lease extension	\$ 52,628.00	ERMS - Finance
Total			\$ 1,403,753.38	

Date	Capital Project / Operating Account	Project / Property type	Market Value REVENUE Cost or Annual Value	Department
January 9, 2018	-	Wainfleet - encroachment	\$ 500.00	Public Works - Transportation
April 2, 2018	DEPT ID 24314	Port Colborne - residential tenant rent increase	\$ 8,677.44	Administration - Facilities
June 15, 2018	DEPT ID 10451	St. Catharines - sale of land	\$ 22,600.00	ERMS - Real Estate
July 25, 2018	-	St. Catharines - land lease	\$ 1.00	ERMS - Real Estate
September 27, 2018	-	Niagara Falls - license agreement	\$ 1.00	Community Services - Childrens
November 14, 2018	-	St. Catharines - license agreement	\$ 1.00	Community Services - Childrens
Total			\$ 31,780.44	

Subject: Development Charge Reserve Fund Statement 2018

Report to: Corporate Services Committee

Report date: Wednesday, May 8, 2019

Recommendations

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

Key Facts

- This report provides Regional Council with a statement relating to the Development Charges (DC) reserve fund activities for 2018 in accordance with the Province's *Development Charges Act, 1997* as amended (DCA) and *Ontario Regulation 82/98*.
- Beginning in 2016, the DC reserve fund reporting requirements were updated to require municipalities to provide all sources of funding for anything funded from DC's, a compliance statement regarding imposing additional levies or requiring the construction of a service not authorized under the DCA and require that the statement be made available to the public.
- At the end of 2018, a total of approximately \$85.0 million in DC revenue is available for future eligible growth related capital projects after accounting for outstanding capital commitments.
- Outstanding DC capital commitments are approximately \$49.5 million.

Financial Considerations

Regional DC revenues collected in accordance with the DC By-law are deposited in the DC reserve funds and subsequently applied to eligible growth-related costs once those costs have been incurred. This report provides both summary level transaction information by reserve, and detailed funding information by project. DC reserves are necessary to move forward with the growth related projects in the 2019-2028 capital budget and forecast, which includes \$444 million in DC funded projects. At the end of 2018, the \$85.0 million in DC's available for funding included \$48.8 million collected and \$12.5 million expended from DC's in 2018.

It is important to note, that the \$48.8 million in DC's collected includes amounts totaling \$13.0 million in tax supported funding to repay the exemptions in the DC By-law. Additional details of the \$13.0 million in exemptions is discussed in CSD 9-2019.

Analysis

In accordance with the amended DCA, this report must be prepared annually. The annual statements will be made available to the public through the Development Charges section on the Region's website.

Appendix 1 shows the breakdown of the reserve fund activity from January 1, 2018 to December 31, 2018. During this period, the total DC reserve balances (before accounting for outstanding commitments) increased \$37.3 million, from \$97.2 million to \$134.5 million. After accounting for outstanding commitments to capital projects the net available balance equaled \$85.0 million at year end 2018. This total will be applied to eligible growth-related capital projects in 2019 and throughout the rest of the forecast period.

The \$85.0 million related to each of the DC service categories as follows:

DC Service Category	Ending Balance (\$)
General Government	\$ 1,248,893
Police Services	1,845,704
Services Related to a Highway	26,618,545
Wastewater	37,291,632
Water	12,266,115
EMS	185,926
Long Term Care	3,076,420
Provincial Offenses Act	180,783
Health	414,769
Social Housing	1,034,230
Waste Diversion	837,280
Total	\$ 85,000,743

Included within the DC reserve fund activity in Appendix 1 are transfers from the DC reserve totaling \$12.5 million to fund capital projects. DCs are transferred to and recorded as project revenues as eligible costs are spent, matching funding with expenditures. Funding reviews occur quarterly with consideration of the expenditures incurred to date and respective funding sources. Regional DC's are collected by area municipalities prior to building permit issuance.

Appendix 2 identifies 111 active capital projects to which the \$12.5 million in DC funding was applied, along with a summary of the life-to-date expenditures and approved funding sources as of 2018 year end. A total of \$59.2 million of DCs have been allocated to projects that were active during 2018 from approved DC funding of \$108.7 million at year-end. On average DC funded projects have spent 54% of their respective budgets.

Appendix 3 identifies 146 active operating projects to which \$865,941 in DCs were applied, along with a summary of life-to-date expenditures and any other approved funding sources providing partial funding to the projects.

Appendix 4 provides supplemental information required as outlined in O.Reg 82/98, including a description of the DC service categories, credit balances, and a summary of any borrowing from the DC reserve funds. Similar to previous Treasurer Statements on DC reserve funds, there are no credit balances or borrowing amounts to report. New to the report as of last year is the requirement for the Region to make a statement regarding its compliance with Sections 59.1(1) & (2) of the amended DCA respecting imposing additional levies or requiring the construction of a service not authorized under the DCA. The Region does not impose additional levies or require construction of services not authorized under the DCA, therefore it is compliant with Sections 59.1(1) & (2).

Alternatives Reviewed

Alternatives are not applicable as this report provides historic and legislatively required information. The Development Charges Act, 1997 as amended requires that this report be provided annually to Council and made available to the public.

Relationship to Council Strategic Priorities

Regional Development Charges are a major source of funding for growth projects in the capital budget. This initiative supports the strategic priorities of Investment, Innovation and Entrepreneurship and Positioning Niagara Globally.

Other Pertinent Reports

None.

Prepared by:

Rob Fleming, MBA
Senior Tax & Revenue Analyst
Enterprise Resource Management
Services

Recommended by:

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

Submitted by:

Rob Tripp, P.Eng.
Acting Chief Administrative Officer

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

Appendices

Appendix 1	DC Reserve Fund Activity
Appendix 2	Capital Projects funded with DCs in 2018
Appendix 3	Operating Projects funded with DCs in 2018
Appendix 4	Description of Services

Niagara Region
2018 Development Charges Reserve Fund Statement
Statement of Activity - January 1, 2018 to December 31, 2018

	General Government	Police Services	Services Related to Highways	Wastewater	Water	EMS	Long Term Care	Provincial Offenses Act	Health	Social Housing	Waste Diversion	Total
Balance at December 31, 2017	\$ 844,001	\$ 763,299	\$ 42,254,385	\$ 31,870,851	\$ 19,293,318	\$ 984,597	\$ 503,874	\$ 34,086	\$ 65,724	\$ 369,972	\$ 212,954	\$ 97,197,059
Development Charges Revenue	\$ 666,097	\$ 1,132,291	\$ 18,817,742	\$ 12,759,977	\$ 8,969,101	\$ 386,788	\$ 2,543,186	\$ 144,935	\$ 345,105	\$ 2,214,827	\$ 837,109	\$ 48,817,159
Interest Income (1)	\$ 17,298	\$ 21,709	\$ 763,776	\$ 622,338	\$ 390,263	\$ 17,421	\$ 29,360	\$ 1,762	\$ 3,940	\$ 24,431	\$ 9,607	\$ 1,901,906
Transfer to Current Fund (see appendix 3)	\$ (255,937)	\$ -	\$ -	\$ (610,004)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (865,941)
Transfer to Capital (see appendix 2)	\$ (6,070)	\$ (33,363)	\$ (10,953,249)	\$ (821,508)	\$ (356,184)	\$ (249,073)	\$ -	\$ -	\$ -	\$ -	\$ (101,136)	\$ (12,520,583)
Balance at December 31, 2018	\$ 1,265,389	\$ 1,883,936	\$ 50,882,654	\$ 43,821,654	\$ 28,296,497	\$ 1,139,733	\$ 3,076,420	\$ 180,783	\$ 414,769	\$ 2,609,230	\$ 958,534	\$ 134,529,600
Capital Commitments (2)	\$ (16,051)	\$ (38,232)	\$ (24,264,109)	\$ (6,530,023)	\$ (16,030,382)	\$ (953,807)	\$ -	\$ -	\$ -	\$ (1,575,000)	\$ (121,254)	\$ (49,528,857)
Available Balance at December 31, 2018	\$ 1,249,338	\$ 1,845,704	\$ 26,618,545	\$ 37,291,632	\$ 12,266,115	\$ 185,926	\$ 3,076,420	\$ 180,783	\$ 414,769	\$ 1,034,230	\$ 837,280	\$ 85,000,743

(1) Interest Income is allocated to DC Reserve Funds in accordance with the Reserve and Reserve Fund Policy (C4-002)

(2) At year end, a review of the status of the respective capital projects is completed and development charge revenue earned is allocated accordingly. The capital commitment represents the share of approved capital project expenditures that have been budgeted to be funded by development charges, but for which the related expenditures are yet to occur.

Niagara Region
2018 Development Charge Reserve Fund Statement
Capital Projects Funded with Development Charges 2018

Project	Project Description	Development Charges Transferred to Projects			Total Expenditures (Life-to-Date)	Approved Budget by Funding Source (at 2018 Year-end)							Grand Total
		Prior Years	Current Year	Total		Development Charge Fund	Levy Reserve	Rate Reserves	Debt Funding	Gas Tax Funding	External Recovery		
Water Operations													
20000183	Watermain - Hwy406 Cross Trans	(5,975)	(4,621)	(10,596)	11,916	(1,525,000)	-	(190,000)	-	-	-	(1,715,000)	
20000457	2017-NOTL PRV Four Mile Creek	(303,365)	60,667	(242,697)	525,844	(300,000)	-	(150,000)	-	-	(200,000)	(650,000)	
20000461	2017-King St Elev Tank Deconst	(1,345)	(23,226)	(24,571)	81,904	(285,000)	-	(665,000)	-	-	-	(950,000)	
20000467	2017-CNR Transmission Main	-	(104,267)	(104,267)	218,326	(6,400,000)	-	(600,000)	(6,400,000)	-	-	(13,400,000)	
20000614	18-ET-NEW Fort Erie	-	(5,535)	(5,535)	11,071	(127,500)	-	(127,500)	-	-	-	(255,000)	
20000619	18-ET-NEW Pelham	-	(4,025)	(4,025)	8,050	(217,500)	-	(217,500)	-	-	-	(435,000)	
20000623	18-WM NEW-Barrick Road	-	(332)	(332)	664	(132,500)	-	(132,500)	-	-	-	(265,000)	
10CW1302	Misc Prgm-Grimsby System Stor	(279,663)	(35,236)	(314,899)	629,797	(7,669,587)	-	(7,669,587)	-	-	-	(15,339,174)	
10CW1303	Meter Replacement Program	(15,794)	15,794	-	378,247	-	-	(3,550,000)	-	-	-	(3,550,000)	
10CW1304	Misc Prgm-Port Colborne Stora	(4,074,455)	(176,441)	(4,250,896)	9,776,635	(4,250,896)	-	(5,507,594)	-	-	(1,891,510)	(11,650,000)	
10CW1317	Decommissioning Crescent Park	(49,471)	(5,506)	(54,977)	427,595	(112,500)	-	(762,500)	-	-	-	(875,000)	
10CW1525	Master Meter Replacement - MM	(181,348)	(73,458)	(254,806)	254,806	(277,500)	-	-	-	-	-	(277,500)	
Water Operations Total		(4,911,417)	(356,184)	(5,267,601)	12,324,855	(21,297,983)	-	(19,572,181)	(6,400,000)	-	(2,091,510)	(49,361,674)	
Public Works - Levy													
20000141	20-Roundabout at S Grimsby Rd	-	(3,704)	(3,704)	39,512	(75,000)	(725,000)	-	-	-	-	(800,000)	
20000142	5-Killaly@Mellanby-PC	(79)	-	(79)	158	(37,500)	(37,500)	-	-	-	-	(75,000)	
20000145	63-Wellandport/Com Cntre-WL	-	(8,865)	(8,865)	14,775	(30,000)	(200,000)	-	-	-	-	(230,000)	
20000147	89-Welland Canal/Homer-NOTL	-	(238)	(238)	397	(30,000)	(200,000)	-	-	-	-	(230,000)	
20000319	St Davids Road East	-	(10,089)	(10,089)	178,169	(100,000)	(500,000)	-	-	-	(266,000)	(866,000)	
20000486	2017-Rehab RR 48 Carlton-Scott	(404)	(325)	(729)	1,822	(120,000)	(180,000)	-	-	-	-	(300,000)	
20000488	2017-Rehab RR 87 Locke to Ann	(2)	(613)	(614)	6,144	(35,000)	(315,000)	-	-	-	-	(350,000)	
20000491	2017-Cpcty RR37 406-Rice-Mer-Q	-	-	-	-	(510,000)	(90,000)	-	-	-	-	(600,000)	
20000495	2017-Misc Road Properties	-	-	-	-	(30,000)	(170,000)	-	-	-	-	(200,000)	
20000497	2017-Interchng St Davids @ 406	-	-	-	(0)	(760,000)	-	-	-	-	(900,000)	(1,660,000)	
20000503	Cpcty Imp-98-Charnwood-McLeod	-	(10,141)	(10,141)	20,382	(2,040,000)	(360,000)	-	-	(1,700,000)	(1,280,000)	(5,380,000)	
20000629	18 Ann-Illum Install & Upgrade	-	(2,049)	(2,049)	20,489	(40,000)	(360,000)	-	-	-	-	(400,000)	
20000658	18-Struc-Mewburn@CNR Tracks-NF	-	-	-	-	(425,000)	-	-	-	-	-	(425,000)	
20000659	18-Int Imprv-57 @ Cardinal-NF	-	-	-	-	(300,000)	150,000	-	-	-	-	(150,000)	
20000660	18-Rehab 56-Glend to St Dav-TH	-	(13,461)	(13,461)	134,607	(20,000)	-	-	-	-	-	(20,000)	
20000667	18- Rehab 49-HEPC to Wil P2-NF	-	(2,871)	(2,871)	3,023	(892,500)	(52,500)	-	-	-	-	(945,000)	
20000668	18-Rehab 81-Burgoyne to CNR-SC	-	(2,300)	(2,300)	2,300	(50,000)	-	-	-	-	-	(50,000)	
20000984	Hwy 58 Eastbound at Collier Rd	-	(8,678)	(8,678)	8,678	(200,000)	-	-	-	-	-	(200,000)	
20000985	RR12 Chris/Mntn @ RR81 Main	-	(52)	(52)	516	(18,000)	(162,000)	-	-	-	-	(180,000)	
20000986	RR50 GlenRdge @ RR91 WestCh	-	(19)	(19)	190	(30,000)	(270,000)	-	-	-	-	(300,000)	
20000987	RR102 Stanley @ Portage	-	(135)	(135)	1,347	(30,000)	(270,000)	-	-	-	-	(300,000)	
20000988	RR25 Netherby @ RR116 Sodom	-	(4,116)	(4,116)	41,162	(30,000)	(270,000)	-	-	-	-	(300,000)	
20000989	RR24Victoria @ RR63 Canborough	-	(2)	(2)	17	(1,000)	(9,000)	-	-	-	-	(10,000)	
20000990	RR27 Schisler @ RR98 Montrose	-	-	-	-	(1,000)	(9,000)	-	-	-	-	(10,000)	
20000991	RR36 South Pelham @ Thorold Rd	-	(138)	(138)	1,377	(1,000)	(9,000)	-	-	-	-	(10,000)	
20000992	RR24 Victoria @RR81 Old Hwy 8	-	(132)	(132)	1,324	(1,000)	(9,000)	-	-	-	-	(10,000)	
20000993	2018 Intelligent Transport Sys	-	-	-	-	(27,400)	(246,600)	-	-	-	-	(274,000)	
20000994	2018 Signal Upgrades Program	-	(13,067)	(13,067)	130,672	(60,600)	(545,400)	-	-	-	-	(606,000)	
10PR1007	RR 77(Fourth Ave), D'Illario #	(186,659)	-	(186,659)	186,659	(222,000)	-	-	-	-	-	(222,000)	
10PR1015	RR 77(Fourth Ave), Raptis	-	-	-	-	(130,000)	-	-	-	-	-	(130,000)	
10RC0627	38-QEW/Fourth-SC	(1,283,139)	(5,663,627)	(6,946,766)	8,129,796	(10,160,000)	(710,000)	-	(920,000)	-	(200,000)	(11,990,000)	
10RC0816	57-TSR Ext-NF	(2,532,123)	(1,781,578)	(4,313,702)	6,418,186	(5,630,000)	(260,000)	-	(2,750,000)	-	(4,000,000)	(12,640,000)	
10RC0853	89-Jacobsen/Burleigh-SC	(1,369,623)	113,258	(1,256,365)	4,017,443	(1,720,000)	(3,030,000)	-	-	(750,000)	(1,000,000)	(6,500,000)	
10RC0905	46-Geneva/St Paul/Niagara-SC	(68,746)	(498,289)	(567,036)	1,265,992	(2,150,000)	(1,650,000)	-	(1,000,000)	-	(2,200,000)	(7,000,000)	
10RC0933	49-Montrose/St Stanley-NF	(1,792,835)	(1,366,358)	(3,159,193)	7,402,249	(3,345,137)	(340,000)	-	(800,000)	-	(3,352,794)	(7,837,931)	
10RC0934	18-George/King-LN	(639,973)	85,908	(554,065)	5,711,428	(600,000)	(74,000)	-	(3,100,000)	(2,200,000)	(2,271,223)	(8,245,223)	

Project	Project Description	Development Charges Transferred to Projects				Approved Budget by Funding Source (at 2018 Year-end)						Grand Total
		Prior Years	Current Year	Total	Total Expenditures (Life-to-Date)	Development Charge Fund	Levy Reserve	Rate Reserves	Debt Funding	Gas Tax Funding	External Recovery	
10RC0939	South Niag East West Arterial	(30,492)	-	(30,492)	30,492	(500,000)	-	-	-	-	-	(500,000)
10RC0940	Hwy 406@Third Interchange-SC	(548,020)	-	(548,020)	727,373	(1,100,000)	(360,000)	-	-	-	-	(1,460,000)
10RC0944	81-081220-Burgoyne-SC	(5,953,245)	295,327	(5,657,918)	84,865,030	(5,941,000)	(6,572,845)	-	(24,919,725)	(9,850,000)	(42,227,504)	(89,511,074)
10RC1020	10-Livingston/OEW-GR	(51,219)	(1,621)	(52,840)	52,840	(100,000)	-	-	-	-	-	(100,000)
10RC1172	20-Station/Rice-Ph3-PL	(1,057,379)	(18,128)	(1,075,507)	2,927,454	(1,154,700)	268,487	-	(281,798)	(1,975,000)	(650,000)	(3,793,011)
10RC1236	New Escarpment Crossing	(409,932)	(4,862)	(414,794)	691,323	(1,320,000)	(880,000)	-	-	-	-	(2,200,000)
10RC1241	14-RR20/Townline-WVL	(277,000)	1,953	(275,047)	5,271,562	(277,000)	(321,566)	-	(3,923,000)	(675,000)	(1,683,290)	(6,879,856)
10RC1242	87-Lakeport/Lake-SC	(990,536)	(9,464)	(1,000,000)	4,148,310	(1,000,000)	(485,090)	-	(1,900,000)	(600,000)	(1,652,635)	(5,637,725)
10RC1329	10-Livingston/OEW-GR	(118,077)	(377,858)	(495,935)	569,106	(1,375,000)	(225,000)	-	-	-	-	(1,600,000)
10RC1342	Annual - Transportation Maste	(993,740)	287,646	(706,094)	1,335,380	(733,000)	(278,266)	-	-	-	(340,000)	(1,351,266)
10RC1344	55-Con 6/EW Line-NOTL	(1,529,859)	(6,474)	(1,536,333)	2,376,195	(2,812,500)	(1,537,500)	-	-	-	(241,224)	(4,591,224)
10RC1353	87-Lake/Geneva Ph3-SC	(1,984,575)	(38,678)	(2,023,253)	5,002,130	(2,120,000)	(322,081)	-	(2,799,239)	-	(1,600,000)	(6,841,320)
10RC1447	69-Effingham/Wessel-PH 2-SC	(26,857)	(40,983)	(67,840)	678,418	(910,000)	(1,020,000)	-	(720,000)	(6,450,000)	(17,793)	(9,117,793)
10RC1462	89-Homer/NOTG-NOTL	(1,958,049)	63,526	(1,894,522.72)	2,304,244	(1,894,523)	(390,000)	-	-	-	(87,948)	(2,372,471)
10RC1554	Glendale Ave Interchange @ QEW	(4,371)	(285)	(4,656)	10,955	(425,000)	(75,000)	-	-	-	(500,000)	(1,000,000)
10RC1555	54-Hwy 20/Merritt-PL	(444,363)	(1,688,447)	(2,132,809)	2,509,211	(7,310,000)	(1,290,000)	-	-	-	-	(8,600,000)
10RC1558	89-Dick's Creek Culvert-SC	(1,681)	-	(1,681)	16,806	(75,000)	-	-	(675,000)	-	-	(750,000)
10RC1559	69-Wessel/Centre PH3-Li	(14,505)	(68,026)	(82,531)	150,057	(100,000)	-	-	(450,000)	-	-	(550,000)
10RC1560	1-Albert/Lakeshore-FE	(13,354)	(123,146)	(136,500)	553,393	(136,500)	(292,500)	-	(800,000)	-	-	(1,229,000)
10RC1561	1-Burleigh/Bufalo-FE	(2,461)	(16,515)	(18,976)	10,175,367	(22,500)	(2,942,500)	-	-	(9,100,000)	(5,000)	(12,070,000)
10RC1562	RR 42 - Ontario Street EA	(12,833)	(82)	(12,914)	129,141	(50,000)	-	-	(450,000)	-	-	(500,000)
10RC1563	45-RR4/RR63-WF	(30,108)	(1,003)	(31,111)	311,113	(177,500)	(337,500)	-	(1,260,000)	-	-	(1,775,000)
10RC1564	81-Durham/Lincoln-LI	(4,405)	(1,058)	(5,463)	142,035	(37,500)	(937,500)	-	-	-	-	(975,000)
10RC1567	27-PCD/Lincoln-WE	(5,859)	(13,391)	(19,251)	266,546	(130,000)	(725,000)	-	-	-	-	(855,000)
	Public Works - Levy Total	(24,336,501)	(10,953,249)	(35,289,750)	158,983,293	(59,553,859)	(29,627,861)	-	(46,748,762)	(33,300,000)	(64,475,411)	(233,705,893)
Wastewater Operations												
20000194	Sewer & Frce - Hansler Trunk	(449,461)	-	(449,461)	449,461	(700,000)	-	-	-	-	-	(700,000)
20000196	Sewer & Frce - Hwy406 Trunk	(399)	-	(399)	399	(1,450,000)	-	-	-	-	-	(1,450,000)
20000198	Sewer & Frce - Victoria Ave	(1,478,165)	(39)	(1,478,204)	3,695,509	(1,500,000)	-	(2,250,000)	-	-	-	(3,750,000)
20000696	18-SPS REPLACE-Rosemount S-PC	-	(89)	(89)	178	(100,000)	-	(100,000)	-	-	-	(200,000)
20000697	18-SPS REPLACE-Beaverdams-PT.D	-	(19,713)	(19,713)	24,641	(172,000)	-	(43,000)	-	-	-	(215,000)
20000698	18-SPS REPLACE Campden-LN	-	(2,361)	(2,361)	2,623	(180,000)	-	(20,000)	-	-	-	(200,000)
20000702	18-SPS & FM UPG- Laurie AVE-LN	-	(31,790)	(31,790)	35,344	(630,000)	-	(70,000)	-	-	-	(700,000)
20000707	18-SPS REPLACE-Bridgeport-GR	-	(2,907)	(2,907)	3,648	(120,000)	-	(30,000)	-	-	-	(150,000)
20000709	18-SPS REPLACE-Jordan Valley	-	(556)	(556)	695	(140,000)	-	(35,000)	-	-	-	(175,000)
20000724	18-WWTP-NEW-South NF Plant	-	(16,547)	(16,547)	41,368	(1,000,000)	-	-	(1,500,000)	-	-	(2,500,000)
20000729	18-SPS-UPG-Catharine St-FE	-	(15,030)	(15,030)	18,787	(400,000)	-	(100,000)	-	-	-	(500,000)
10SW0530	Ontario Road Pump Station Upg	(584,351)	(52)	(584,402)	4,597,502	(584,402)	-	(3,802,966)	(250,000)	-	-	(4,637,369)
10SW0807	NOTL WWTP Capacity Expansion	(5,002,608)	(299,872)	(5,302,480)	46,932,473	(5,325,000)	-	(12,258,333)	-	(800,000)	(28,748,467)	(47,131,800)
10SW1117	Clarke Street Pump Station Up	(179,470)	(17,957)	(197,427)	1,752,104	(197,427)	-	(1,185,908)	(500,000)	-	-	(1,883,335)
10SW1212	Sewer & Forcemain Prg-Park Rd	(4,159,900)	100,531	(4,059,369)	12,188,158	(4,159,900)	-	(7,530,100)	-	(800,000)	-	(12,490,000)
10SW1230	Lakeside Pump Station Upgrade	(39,236)	(13,132)	(52,368)	100,674	(260,086)	-	(239,914)	-	-	-	(500,000)
10SW1267	PS Imprv Program - South Side	(534,011)	(2,092)	(536,103)	6,366,887	(560,000)	-	(6,090,689)	-	-	-	(6,650,689)
10SW1307	Sewer & Forcemain Prgm-Confed	(511,892)	(2,187)	(514,079)	1,713,595	(514,079)	-	(1,277,500)	-	-	-	(1,791,579)
10SW1362	Burleigh Hill/Glendale Ph1 CSO	(13,017)	(59,112)	(72,129)	46,968	(425,000)	-	-	-	-	-	(425,000)
10SW1365	Sewer Separation - River Rd A	-	(35,666)	(35,666)	-	(250,000)	-	(50,000)	-	-	-	(300,000)
10SW1368	Sewer Separation - Empire St	-	(17,279)	(17,279)	-	(25,000)	-	(250,000)	-	-	-	(275,000)
10SW1407	Lakeshore (NOTL), Garrison, W	(474,432)	112,994	(361,438)	3,117,252	(380,838)	-	(2,886,615)	-	-	(17,120)	(3,284,573)
10SW1467	Maranda Street Sewer Separati	-	(9,352)	(9,352)	-	(10,000)	-	-	-	-	-	(10,000)
10SW1485	Extraneous Flow & Collection	-	(44,709)	(44,709)	-	(500,000)	-	-	-	-	-	(500,000)
10SW1487	CSO & Sewer Separation Flow L	-	(50,000)	(50,000)	50,000	(50,000)	-	-	-	-	-	(50,000)
10SW1504	Misc Prgm - Master Meter Repl	(60,735)	(26,149)	(86,884)	530,574	(90,000)	-	(459,600)	-	-	-	(549,600)
10SW1517	WWTP Upgrade Prgm - Niagara F	(4,169)	(10,813)	(14,982)	262,189	(120,000)	-	(1,980,000)	-	-	-	(2,100,000)
10SW1518	WWTP Upgrade Prgm - PC Biosld	(16,717)	(1,858)	(18,574)	93,131	(30,000)	-	(120,000)	-	-	-	(150,000)

Project	Project Description	Development Charges Transferred to Projects			Total Expenditures (Life-to-Date)	Approved Budget by Funding Source (at 2018 Year-end)						Grand Total
		Prior Years	Current Year	Total		Development Charge Fund	Levy Reserve	Rate Reserves	Debt Funding	Gas Tax Funding	External Recovery	
10SW1525	PS Cpcy Expnsn Prg-Smth Odour	(34,790)	(332,703)	(367,492)	750,904	(734,100)	-	(765,900)	-	-	-	(1,500,000)
10SW1526	PS Improve Prgm - E-side PS PC	(14,279)	(10,756)	(25,035)	250,353	(40,000)	-	(360,000)	-	-	-	(400,000)
10SW1527	Master Meter Replace - Mrt Med	(51,669)	(12,315)	(63,985)	80,338	(313,000)	-	(80,000)	-	-	-	(393,000)
Wastewater Operations Total		(13,609,302)	(821,508)	(14,430,810)	83,105,755	(20,960,833)	-	(41,985,525)	(2,250,000)	(1,600,000)	(28,765,587)	(95,561,944)
General Government												
10GC1403	IT Apps Replace/Upgrade	(17,880)	(6,070)	(23,949)	117,522	(40,000)	(160,000)	-	-	-	-	(200,000)
General Government Total		(17,880)	(6,070)	(23,949)	117,522	(40,000)	(160,000)	-	-	-	-	(200,000)
NRPS												
20000742	18-NRPS Powder Narc Handling	-	(71,595)	(71,595)	40,262	(71,595)	-	-	-	-	-	(71,595)
10PO0515	Long-term Acc - NRPS HQ & D2	(3,789,506)	38,232	(3,751,274)	65,341,130	(3,789,506)	2,700,000	-	(64,766,503)	-	(151,056)	(66,007,065)
NRPS Total		(3,789,506)	(33,363)	(3,822,869)	65,381,392	(3,861,101)	2,700,000	-	(64,766,503)	-	(151,056)	(66,078,660)
Emergency Medical Services												
20000117	Long-trm Acc - EMS Central Hub	-	-	-	-	(858,360)	-	-	(3,036,890)	-	-	(3,895,250)
20000605	Ann-EMS Ambulance and Equip	-	(249,073)	(249,073)	1,876,073	(344,520)	-	-	(2,250,480)	-	-	(2,595,000)
Emergency Medical Services Total		-	(249,073)	(249,073)	1,876,073	(1,202,880)	-	-	(5,287,370)	-	-	(6,490,250)
Social Housing												
20000752	Social Housing ASD Reqs	-	-	-	-	(1,575,000)	(175,000)	-	-	-	-	(1,750,000)
Social Housing Total		-	-	-	-	(1,575,000)	(175,000)	-	-	-	-	(1,750,000)
Waste Diversion												
20000171	NR12 – Drop-Off Upgrades	-	-	-	-	(35,280)	-	(196,720)	-	-	-	(232,000)
10GL1519	Bridge St - Public Drop Off D	-	(101,136)	(101,136)	101,136	(187,110)	-	(659,890)	-	-	-	(847,000)
Waste Diversion Total		-	(101,136)	(101,136)	101,136	(222,390)	-	(856,610)	-	-	-	(1,079,000)
Grand Total		(46,664,605)	(12,520,583)	(59,185,188)	321,890,025	(108,714,046)	(27,262,861)	(62,414,316)	(125,452,635)	(34,900,000)	(95,483,563)	(454,227,421)

Niagara Region
2018 Development Charge Reserve Fund Statement
Operating Projects Funded with Development Charges 2018

Project Name	Development Charges Transferred to Projects			Total Expenditures (Life-to-Date)	Approved Budget by Funding Source (at 2018 Year End)			
	Prior Years	Current Year	Total		Development Charge Reserve Fund	Rate Operating	Levy Operating	Total
Wastewater								
Combined Sewer Overflow Program (144 projects)	(522,636)	(610,004)	(1,132,640)	4,530,560	(5,727,386)	(13,182,157)	(150,000)	(19,059,542)
General Government								
Municipal Comprehensive Review	(211,913)	(181,773)	(393,686)	463,160	(578,000)	-	(102,000)	(680,000)
New Regional Official Plan	(49,159)	(74,165)	(123,324)	137,026	(360,000)	-	(40,000)	(400,000)
Sub-Total General Government	(261,072)	(255,937)	(517,010)	600,186	(938,000)	-	(142,000)	(1,080,000)
Total	(783,708)	(865,941)	(1,649,650)	5,130,746	(6,665,386)	(13,182,157)	(292,000)	(20,139,542)

Development Charges Reserve Fund
Treasurer's Statement
January 1, 2018 to December 31, 2018

1. Description of the Service for which each fund was established:

Services Related to a Highway	The fund is used for growth-related projects for roads and roads related structures.
Police Services	The fund is used for growth related projects for facilities or rolling stock vehicles with a useful economic life beyond 7 years.
General Government Long Term Care	The fund is used to finance the cost of growth-related studies. The fund is used for growth related projects for facilities that provide services.
Provincial Offences Act	The fund is used for growth related projects for facilities that provide services.
Health	The fund is used for growth related projects for facilities that provide services or rolling stock vehicles with a useful economic life beyond 7 years.
Emergency Medical Services	The fund is used for growth-related projects for facilities or rolling stock vehicles with a useful economic life beyond 7 years.
Social Housing	The fund is used for growth related projects for facilities that provide services.
Waste Diversion	The fund is used for growth-related projects for facilities and related infrastructure or rolling stock vehicles with a useful economic life beyond 7 years.
Wastewater	The fund is used for growth-related projects for infrastructure and facilities that provide services including collection and treatment.
Water	The fund is used for growth-related projects for infrastructure and facilities that provide services including supply, storage, treatment and distribution.

2. For credits (ex. Pre-payments, front-ended projects) in relation to the service or service category for which the fund was established:

Outstanding prepayment agreements have been entered into by the Region and the applicable developer as summarized below:

Statement of Credit Holder Transactions					
<i>Credit Holder</i>	<i>Applicable D.C. Reserve Fund</i>	<i>Credit Balance Outstanding Beginning of Year 2018 (\$)</i>	<i>Additional Credits Granted During Year (\$)</i>	<i>Credits Used by Holder During Year (\$)</i>	<i>Credit Balance Outstanding End of Year 2018 (\$)</i>
Richard P. Dystra Inc. (386 Killaly St. East, Port Colborne)	General Government	261	-	-	261
	EMS	252	-	-	252
	Police Services	864	-	-	864
	Roads	13,306	-	-	13,306
	Wastewater	10,867	-	-	10,867
	Water	3,136	-	-	3,136
Ross Great Lakes Holdings Inc. (386 Killaly St. East, Port Colborne)	General Government	261	-	-	261
	EMS	252	-	-	252
	Police Services	864	-	-	864
	Roads	13,306	-	-	13,306
	Wastewater	10,867	-	-	10,867
	Water	3,136	-	-	3,136
77 Yates Inc. Condos (fmr 2574518 Ont. Inc.) (77 Yates St., St. Catharines)	General Government	1,702	-	(1,702)	-
	EMS	1,628	-	(1,628)	-
	Police Services	5,476	-	(5,476)	-
	Roads	73,704	-	(73,704)	-
	Wastewater	69,523	-	(69,523)	-
	Water	20,054	-	(20,054)	-
Emshih Beamsville Inc. (Alyssa Drive, Lincoln)	General Government	3,186	-	(3,186)	-
	EMS	2,950	-	(2,950)	-
	Police Services	10,384	-	(10,384)	-
	Roads	147,618	-	(147,618)	-
	Wastewater	129,446	-	(129,446)	-
	Water	37,288	-	(37,288)	-
Homes by Desantis (Lake) Inc. (Corner North Service Rd & Casablanca Blvd, Grimsby)	General Government	7,622	-	(6,039)	1,583
	EMS	7,163	-	(5,675)	1,488
	Police Services	24,335	-	(19,280)	5,055
	Roads	527,390	-	(417,832)	109,557
	Wastewater	307,545	-	(243,657)	63,888
	Water	88,709	-	(70,281)	18,428
<i>Total</i>		1,523,097	-	(1,265,723)	257,374

3. The amount of any money borrowed from the DC reserve during the previous year and the purpose for which it was borrowed:

No money was borrowed.

4. The amount of interest accrued during the previous year on money borrowed from the fund by the municipality:

No interest was accrued as no money was borrowed.

5. The amount and source of any money used by the municipality to repay, in the previous year, money borrowed from the fund, or interest on such money:

No source of money to repay as no money was borrowed.

6. A schedule that identifies credit recognized under section 17 and, for each credit organized, sets out the value of the credit, the service against which the credit is applied and the source of funds used to finance the credit.

No schedule as there are no credits to recognize as per section 17.

7. Statement respecting additional levies under Section 59.1 (1) & (2) of the Development Charges Act, 1997, as amended.

In accordance with Section 59.1 (1) & (2), the Niagara Region has not imposed any additional payments nor required the construction of a service not authorized under the Development Charges Act, 1997, as amended.

Subject: Regional Development Charges Grants and Exemptions Summary

Report to: Corporate Services Committee

Report date: Wednesday, May 8, 2019

Recommendations

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

Key Facts

- The purpose of this report is to provide Council with an update on grants and exemptions provided under the Regional Development Charges (RDC) By-law 2017-98 for the year 2018.
- As outlined in Table 1, RDC grants and exemptions totaled approximately \$13M with an available budget of \$4.2M representing a negative budget variance of \$8.8M for 2018.
- These grant and exemptions have been previously established through the Development Charge (DC) By-law 2017-98 and must be funded in order to ensure dollars are available in the DC reserves to pay for the necessary infrastructure to facilitate development as per the Development Charge Background Study.
- Operating budget shortfalls were identified during deliberations of the 2017 RDC By-law, as well as during the preparation of the 2018 and 2019 Operating Budgets.

Financial Considerations

For 2018, the budget for RDC grants and exemptions totaled \$4.2M, which included \$2.5M in one-time funding from reserves. A portion of the available budget for 2018 was specifically allocated to the Industrial RDC program (\$1.05M) and the Not-For-Profit (NFP) grant program (\$150K) with the remainder allocated to all other grants and exemptions (i.e., \$3.04M). RDC grants and exemptions totaled approximately \$13M for 2018 resulting in a negative budget variance of \$8.8M. A summary of the grants and exemptions provided by each category is summarized in Table 1 below. These programs are funded through the property tax levy, and therefore, the funding surplus/deficit for the program is consolidated into the overall yearend corporate surplus/deficit.

As reported in the Q4 2018 Financial Update Levy Regional Departments incurred a year end deficit of \$1.7M which can primarily be attributed to the \$8.8M deficit within the RDC grants and exemptions. This deficit was primarily offset by savings in compensation due to corporate wide vacancies, lower than budgeted consulting costs and increased in supplemental taxes for the year. This funding would have been used to

fund reserves such as the tax payer relief reserve, which are available to mitigate in year expenditure pressures or revenue shortfalls such as gaps in Provincial funding, or capital reserves to help reduce the anticipated 2020 funding gap of \$78.6M as presented in the 2019 Capital Budget and nine year forecast.

Table 1: Summary of RDC Exemptions & Reductions for 2018

	Budget	Actuals	Variance
	2018	2018	2018
Other Economic Incentives:			
50% Industrial - (M)		485,930	
Intensification RDC Reductions - (M)		93,320	
Phase in costs - (D)		3,704,185	
Brownfield - (D)		323,822	
Smart Growth Niagara - (D)		365,958	
Board of Education - (D)		36,267	
NRH - (D)		1,142,263	
Parking garage - (D)		-	
Agriculture - (D)		5,380,931	
Place of Worship - (D)		-	
Hotels/Motels - (D)		274,994	
Other (D)		41,888	
Subtotal - Other Economic Incentives	3,037,674	11,849,558	(8,811,884)
Non-Profit - (D)	150,000	143,669	6,331
Industrial and Gateway - (D)	1,050,000	1,053,578	(3,578)
Total	4,237,674	13,046,804	(8,809,130)

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

These grants and exemptions have been previously established through the RDC By-law 2017-98 and must be funded in order to ensure dollars are available in the RDC reserves to pay for the necessary infrastructure to facilitate development as per the Development Charge Background Study. While some of the grants and exemptions are discretionary (i.e., not required by legislation) they become obligatory when included in the By-law and will remain available for the duration of the current RDC By-law (set to expire in 2022).

Analysis

Industrial Grant Program (Discretionary Program Only):

As part of the 2017 RDC By-law deliberations, Regional Council reaffirmed its commitment to providing the Industrial RDC grant program for the duration of the current By-law period. The program maintains a budget of \$1.05 million annually and is

intended to assist applicants who are constructing facilities that meet the definition of industrial use under the current RDC By-law. This program is also in addition to the mandatory expansion exemption for industrial buildings as identified under the other economic incentives section of table 1.

A summary of the applications received through 2018 for the Industrial Grant Program have been provided below in Table 2 with additional detail included in Appendix 1.

Table 2: Summary of Approved Industrial RDC Grant Applications 2018

Year	Application Count	Program Funding	Economic Impacts	
			Construction Value	New Jobs
2018	15	\$1,053,578	\$38,700,000	165

Based on the estimated construction value of \$38.7 million, it is projected that these properties will generate an estimated annual Regional tax revenue increase of \$433,000 resulting in a Regional payback period of 2.78 years or an approximate payback of 3.27 years when considering impacts of five approved tax increment grants for gateway projects.

Not-for-Profit Grant Program:

The NFP RDC grant evaluation panel considered ten applications in 2018, nearly exhausting the \$150,000 budget. In accordance with the program guidelines, applications were evaluated on an as received basis (first come, first served basis). Of the ten applications received in 2018, eight received a grant which offset the full RDC which would have otherwise been payable. The respective local municipalities have been advised of decisions of the grant evaluation panel. Program funding will continue to be available in 2019.

A listing of the applicants, application date, development description, grant value requested and approved grant amount are attached as Appendix 2 to this report. All applications received were evaluated against program criteria that includes the following:

- The organization is exempt from municipal taxation under the Assessment Act, or taxation under Provincial or Federal legislations;
- Must not restrict memberships in any way;
- Apply for funding within 1 year of receiving a building permit; and
- Demonstrate how the development supports Niagara Regional Council's Strategic Priorities.

Those applications that were not approved did not demonstrate adherence to the established program requirements.

While a payback period has been provided for other select exemptions, it is not applicable given the nature of this program.

Brownfield RDC Reduction Program:

A brownfield RDC reduction was originally approved as part of the former RDC By-law (62-2012). Under the former By-law, eligible properties received a 50% reduction of RDCs owing for the redevelopment of brownfield properties upon building permit issuance. As part of the updated RDC By-law (2017-98) enacted by Council in late 2017, the brownfield reduction program was amended so that the amount of the RDC reduction was capped at the developer's site remediation costs. The updated program was included as part of By-law 2017-98 as schedule D and is intended to encourage redevelopment of brownfield sites and creating development costs more in line with that of greenfield sites.

A total of seven applications were received by the Region during 2018. Of the seven applications received during the year, four were approved resulting in approved eligible costs of \$28,393,544. During the year there were three applications that were not approved for funding as a result of outstanding information yet to be submitted by the applicants. The approved eligible costs are the maximum (or cap) for the program. Often, the RDC grant is lower than the eligible costs. Many of the approved developments under this program also have applied for other tax incentive programs for their projects. As per schedule "D" paragraph (f) of Regional By-law 2017-98, approval for funding under the Regional Brownfield Development Charges Reduction Program will result in reductions to future grant program amounts for these properties, if applicable.

The grants under this program are recorded at time of building permit issuance meaning that the grant expenditures recorded under this program totaling \$323,822 (as noted in Table 1) do not reflect the approved eligible costs. Therefore, there is a net of \$28M that could be granted back through development charge or tax increment grants, dependent upon future building permits and current value assessments. The grants actually paid during 2018 assisted in the remediation of approximately 5 acres of brownfield properties within the Region.

Other Non-Application Based Programs:

The majority of the grant programs noted in Table 1 are not application based, meaning that they are automatic reductions that are available to a developer as long as they meet the definition of each development type. Four categories of these discretionary exemptions have seen significant amounts awarded as outlined in Table 3 totaling approximately \$10.5M (or approximately 80% of all awarded grants). Presented in Table 3, is an estimated payback for each grant if available.

- Phase in Program - This was a Council policy decision with the 2017 DC Bylaw to lessen the immediate impacts of the RDC increase (phase out ends Sept 1, 2019). A payback calculation is not provided as this category includes all building types and all permits issued during 2018.

- NRH Exemption - While the payback period has also been provided for affordable housing grants, it may not be the best measure as a result of other qualitative factors that may be applicable to this development type. Despite this fact, an 11 year payback period has been calculated which is in line with the useful life of this asset type.
- Agricultural exemptions - construction value has been estimated based on similar construction types and has an estimated payback period of 154 years.
- Hotel/Motel Phase in Program - The phase in reduction for hotel/motel is for 19 separate building permits. This phase-in program adopted by Regional Council is scheduled to end August 31, 2021. The payback period for this category has been estimated at 4 years.

Table 3: Summary of Significant Non-Application Based Grants

Program	Grant Count	Program Funding	Economic Impacts		
			Construction Value ¹	Estimate Payback (Years)	New Jobs
Phase in costs - (D)	1759	\$3,704,185	Not Available	Not Available	Not Available
NRH - (D)	2	\$1,142,263	\$24,975,000	11	Not Applicable
Agriculture - (D)	10	\$5,380,931	\$32,926,725	154	Not Available
Hotel/Motel – (D)	19	\$274,994	\$9,500,000	4	Not Available
Total	1771	\$10,502,373	\$67,401,725		

Notes:

¹ Constructions values are estimates only and are based on current market/assessment trends. This information is not collected for non-application based program.

Alternatives Reviewed

Not Applicable.

Relationship to Council Strategic Priorities

These RDC grants and exemptions have been identified by the previous Council as programs vital to generating growth within the Region.

Other Pertinent Reports

Not applicable.

Prepared by:

Robert Fleming
Senior Tax & Revenue Analyst
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 reviewed by Margaret Murphy, Associate Director, Budget Planning & Strategy and Helen Chamberlain, Director Financial Management and Planning.

Appendices

Appendix 1	Industrial RDC Grant Summary 2018
Appendix 2	Non-Profit RDC Grant Summary 2018
Appendix 3	Brownfield RDC Grant Summary 2018

2018 Industrial RDC Grant Applicants and Approved Amounts

Organization	Application Date	Development Description	Municipality	Grant Requested	Grant Approved
Prakash Gunaingham	August 14, 2017	Adjustment for previously approved grant from 2017	Niagara Falls	(\$151,831.20)	(\$151,831.20)
2136989 Ontario Inc ¹	January 22, 2018	Extend operation with additional open air crane & runway	Welland	\$268,789.20	\$268,789.20
Jungbunzlauer Canada Inc	February 5, 2018	Addition to citric acid production facility	Port Colborne	\$134,342.16	\$134,342.16
Silversmith Brewing Company	May 8, 2018	Brewery space	NOTL	\$25,469.39	\$25,469.39
698748 Ontario Inc	May 14, 2018	Auto part sorting, cleaning and packaging facility	Fort Erie	\$11,989.15	\$11,989.15
Quartek Group Inc (Sunny Brook)	May 24, 2018	Wine production space	NOTL	\$26,969.95	\$26,969.95
Henry of Pelham	May 31, 2018	Wine production space	St. Catharines	\$57,980.00	\$57,980.00
Gillor Holdings ¹	June 21, 2018	Steel and patio door assembly	Welland	\$38,304.00	\$38,304.00
JVO Lakeside Properties Inc	June 25, 2018	Wine production space	Lincoln	\$11,349.00	\$11,349.00
Scott Labs	July 4, 2018	Distribution of winery and brewery production products	NOTL	\$153,143.04	\$153,143.04
Pillitteri Estates Winery Inc	July 5, 2018	Wine production space	NOTL	\$56,805.85	\$56,805.85
Athena Gourmet Food Inc ¹	July 5, 2018	Meat processing and inspection	Welland	\$114,000.00	\$114,000.00
Vinita Holdings Inc ²	August 24, 2018	Cometics industrial manufacturing	Niagara Falls	\$98,559.52	\$98,559.52
1992271 Ontario Ltd ¹	September 6, 2018	Seasonal tire refurbishing	Niagara Falls	\$118,560.00	\$118,560.00
Niagara Medical Structures ¹	September 26, 2018	Food processing, productoin and packaging	Welland	\$89,148.00	\$89,148.00
Total				\$1,053,578.06	\$1,053,578.06

Notes:

¹Project approved for tax increment grant under Gateway CIP.

²Pending application under Gateway CIP.

2018 Non-Profit RDC Grant Applicants and Approved Amounts

Organization	Application Date	Development Description	Municipality	Grant Requested	Grant Approved
Habitat for Humanity (Niagara)	January 17, 2018	Affordable Housing	Welland	\$16,011.00	\$16,011.00
Habitat for Humanity (Niagara)	January 17, 2018	Affordable Housing	Welland	\$16,011.00	\$16,011.00
Habitat for Humanity (Niagara)	January 17, 2018	Affordable Housing	Welland	\$16,011.00	\$16,011.00
Habitat for Humanity (Niagara)	January 17, 2018	Affordable Housing	Welland	\$16,011.00	\$16,011.00
Smithville Christian Reform Church	January 27, 2018	Commercial portion of place of worship	West Lincoln	\$21,439.60	\$0.00
Habitat for Humanity (Niagara)	March 13, 2017	Single Family Dwelling - difference between 2017 and 2018 rates	Welland	\$467.00	\$467.00
ACRES	April 6, 2018	Expansion to school	Wainfleet	\$36,031.00	\$0.00
Fort Erie Native Cultural Centre Inc.	August 8, 2018	Community Based Early Years Expansion	Fort Erie	\$25,283.00	\$25,283.00
Niagara Regional Native Centre	November 7, 2018	Community Based Early Years Expansion	NOTL	\$21,864.18	\$21,864.18
Community Crew	December 15, 2018	Semi-Detached Construction	Welland	\$32,022.00	\$32,022.00
Total				\$201,150.78	\$143,680.18

2018 Brownfield RDC Reduction Program Applicants and Approved Amounts

Organization	Application Date	Development Description	Municipality	Submitted Eligible Costs	Approved Eligible Costs	Grants Paid 2018
867962 Ontario Ltd ¹	April 25, 2018	Apartment complex	Welland	\$66,013	\$63,354	\$0
Downing Street (Artisan Ridge) Inc ²	May 2, 2018	Residential Subdivision	Thorold	\$27,885,465	\$27,869,477	\$0
Aiva Properties Ltd	September 4, 2018	Mixed use multi-res/commercial	Pelham	\$324,545	\$308,141	\$268,295
2298423 Ontario Inc	October 5, 2018	Condominium complex	Fort Erie	\$262,824	\$152,572	\$55,527
1746362 Ontario Corp	October 11, 2018	Townhouse complex	Niagara Falls	\$738,960	Pending	Pending
Brite Developments Inc	October 22, 2018	Condominium complex	Grimsby	\$1,239,650	Pending	Pending
2605831 Ontario Inc	December 9, 2018	Conversion of former institutional site to apartment/condos	St. Catharines	\$52,778	Pending	Pending
Total				\$30,570,235	\$28,393,544	\$323,822

Note:

¹Grant paid in 2019

²Permits expected to be issued in 2019, therefore no grants paid to date.

Minute Item No. 3.2
Presentation
Visitor Rebate Program

That Regional Council **ENDORSE** the re-instatement of the Visitor Rebate Program.

Minute Item No. 5.1
PDS 18-2019
Creating the Ohnia:kara UNESCO Global Geopark

That Report PDS 18-2019, dated May 8, 2019, respecting Creating the Ohnia:kara UNESCO Global Geopark, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the concept for the Ohnia:kara UNESCO Global Geopark **BE ENDORSED** and the Ohnia:kara Steering Committee **BE SUPPORTED** in their pursuits of developing a global geopark; and
2. That Report PDS 18-2019 **BE CIRCULATED** to the local area municipalities.

Minute Item No. 5.2
PDS 20-2019
St. Catharines GO Station Primary Access - Ridley College Memorandum of Understanding

That Report PDS 20-2019, dated May 8, 2019, respecting St. Catharines GO Station Primary Access - Ridley College Memorandum of Understanding, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Chief Administrative Officer **BE AUTHORIZED** to execute a Memorandum of Understanding to establish the commitment by Ridley College, City of St. Catharines and Niagara Region to create a municipal right-of-way to enable a preferred access road at the St. Catharines GO Station;
2. That a copy of Report PDS 20-2019 **BE CIRCULATED** to the City of St. Catharines; and
3. That all parties **BE NOTIFIED** of Regional Council's decision.

Minute Item No. 6
Consent Items for Information

That the following items **BE RECEIVED** for information:

ED 5-2019
Niagara Economic Update

ED 6-2019

Niagara Ambassador Program

PDS 19-2019

Niagara Biennial Awards Program (and **BE CIRCULATED** to the Local Area
Municipalities)

PDS 22-2019

Regional Incentives Financial Information (and **BE CIRCULATED** to the Local Area
Municipalities)

**THE REGIONAL MUNICIPALITY OF NIAGARA
PLANNING & ECONOMIC DEVELOPMENT COMMITTEE
MINUTES**

**PEDC 5-2019
Wednesday, May 8, 2019
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON**

Committee: Bradley (Regional Chair), Butters, Bylsma, Campion, Darte
(Committee Vice-Chair), Foster, Greenwood, Heit, Huson
(Committee Chair), Junkin, Redekop, Rigby, Ugulini, Witteveen

Absent/Regrets: Bellows, Diodati, Easton, Sendzik, Zalepa

Staff: I. Banach, Manager, Long Range Planning, M. Bannerman,
Program Manager, Grants & Incentives, H. Chamberlain,
Director, Financial Management & Planning/Deputy Treasurer,
D. Giles, Director, Community & Long Range Planning, J.
Gilston, Legislative Coordinator, D. Heyworth, Official Plan
Policy Consultant, V. Kuhns, Acting Director, Economic
Development, P. Lambert, Director, Infrastructure Planning &
Development Engineering, D. Morreale, Director, Development
Approvals, R. Mostacci, Commissioner, Planning &
Development Services, A.-M. Norio, Regional Clerk, C. Selig,
GO Implementation Project Planning Lead

1. CALL TO ORDER

Committee Chair Huson called the meeting to order at 1:01 p.m.

2. DISCLOSURES OF PECUNIARY INTEREST

There were no disclosures of pecuniary interest.

3. PRESENTATIONS

3.1 Niagara Economic Update (Agenda Item 6.1)

Blake Landry, Manager, Economic Research and Analysis, provided information respecting Niagara Economic Update. Topics of the presentation included:

- Nominal Gross Domestic Product (GDP)
- Consumer Price Index
- Labour Force
- Unemployment Rate

3.2 Visitor Rebate Program

Sebastian Prins, Director of Government Relations (Ontario), Retail Council of Canada, presented information respecting the Visitor Rebate Program. Topics of the presentation included:

- About the Retail Council of Canada
- Tourism in Canada
- Tourist Spending
- International Comparison
- What We Found
- Summary and Next Steps

Moved by Regional Chair Bradley
Seconded by Councillor Darte

That Regional Council **ENDORSE** the re-instatement of the Visitor Rebate Program.

Carried

Councillor Information Request(s):

Provide an update with respect to the role of Niagara's Regional Tourism Organization (RTO). Councillor Heit.

3.3 Regional Incentives Financial Information (Agenda Item 6.4)

Doug Giles, Director, Community and Long Range Planning, provided information respecting Regional Incentives Financial Information. Topics of the presentation included:

- Purpose
- Context
- Regional Grant Programs Under Review
- Types of Grants and Incentives
- Smarter Niagara Incentive Program (SNIP)/Community Improvement Plan (CIP) Relationship
- SNIP Tax Increment Grant Commitments
- 2018 SNIP Encumbrances
- Regional Grants and Incentive Review
- Incentive Review Overview

Councillor Information Request(s):

Provide a list of all projects funded by tax-related grants in the Smarter Niagara Incentive Program (SNIP). Councillor Heit.

3.4 Niagara Biennial Awards Program (Agenda Item 6.3)

Julia van der Laan de Vries, Urban Designer, Urban Design and Landscape Architecture, provided information respecting the Niagara Biennial Awards Program. Topics of the presentation included:

- History of Niagara Community Design Awards
- Past Winners
- What is a Biennial?
- Design Awards in Canada
- Highlights of the Biennial Program
- Niagara Region's Creative Cluster
- What is Special about Niagara?
- Alternatives Reviewed
- Financial Considerations
- Timeline and Phases

A copy of the presentation is attached to these minutes.

4. **DELEGATIONS**

There were no delegations.

5. **ITEMS FOR CONSIDERATION**

5.1 PDS 18-2019

Creating the Ohnia:kara UNESCO Global Geopark

Moved by Councillor Bylsma

Seconded by Councillor Ugulini

That Report PDS 18-2019, dated May 8, 2019, respecting Creating the Ohnia:kara UNESCO Global Geopark, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the concept for the Ohnia:kara UNESCO Global Geopark **BE ENDORSED** and the Ohnia:kara Steering Committee **BE SUPPORTED** in their pursuits of developing a global geopark; and
2. That Report PDS 18-2019 **BE CIRCULATED** to the local area municipalities.

Carried

5.2 PDS 20-2019

St. Catharines GO Station Primary Access - Ridley College Memorandum of Understanding

Moved by Councillor Foster
Seconded by Councillor Witteveen

That Report PDS 20-2019, dated May 8, 2019, respecting St. Catharines GO Station Primary Access - Ridley College Memorandum of Understanding, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Chief Administrative Officer **BE AUTHORIZED** to execute a Memorandum of Understanding to establish the commitment by Ridley College, City of St. Catharines and Niagara Region to create a municipal right-of-way to enable a preferred access road at the St. Catharines GO Station;
2. That a copy of Report PDS 20-2019 **BE CIRCULATED** to the City of St. Catharines; and
3. That all parties **BE NOTIFIED** of Regional Council's decision.

Carried

6. **CONSENT ITEMS FOR INFORMATION**

Moved by Councillor Bylsma
Seconded by Councillor Darté

That the following items **BE RECEIVED** for information:

ED 5-2019
Niagara Economic Update

ED 6-2019
Niagara Ambassador Program

PDS 19-2019
Niagara Biennial Awards Program (and **BE CIRCULATED** to the Local Area Municipalities)

PDS 22-2019
Regional Incentives Financial Information (and **BE CIRCULATED** to the Local Area Municipalities)

Carried

7. OTHER BUSINESS

7.1 Bill 108 - *More Homes, More Choice Act, 2019*

Isaiah Banach, Manager, Long Range Planning, provided information respecting Bill 108, *More Homes, More Choices Act, 2019*, and the proposed changes to legislation governing planning-related matters, as noted in Councillor Weekly Correspondence Distribution Item CWCD 176-2019.

Committee members expressed concern with the short time-frame to provide feedback on Bill 108 to the Province and the potential implications of Bill 108 for Niagara Region. Rino Mostacci, Commissioner, Planning and Development Services, advised that Planning staff would be providing comments to the Province on Bill 108.

It was noted that given the amount of Provincial changes being communicated recently, that it would be helpful to have regular updates respecting provincial changes be provided at Regional Council.

7.2 Quorum Concerns

Committee members expressed concern respecting quorum and requested that this topic be brought to the Procedural By-law Review Committee for consideration.

8. CLOSED SESSION

There were no closed session items.

9. NEXT MEETING

The next meeting will be held on Wednesday, June 12, 2019, at 1:00 p.m. in the Council Chamber, Regional Headquarters.

10. ADJOURNMENT

There being no further business, the meeting adjourned at 3:42 p.m.

Councillor Huson
Committee Chair

Jonathan Gilston
Legislative Coordinator

Ann-Marie Norio
Regional Clerk

Niagara Economic Update

Blake Landry, Ec.D.

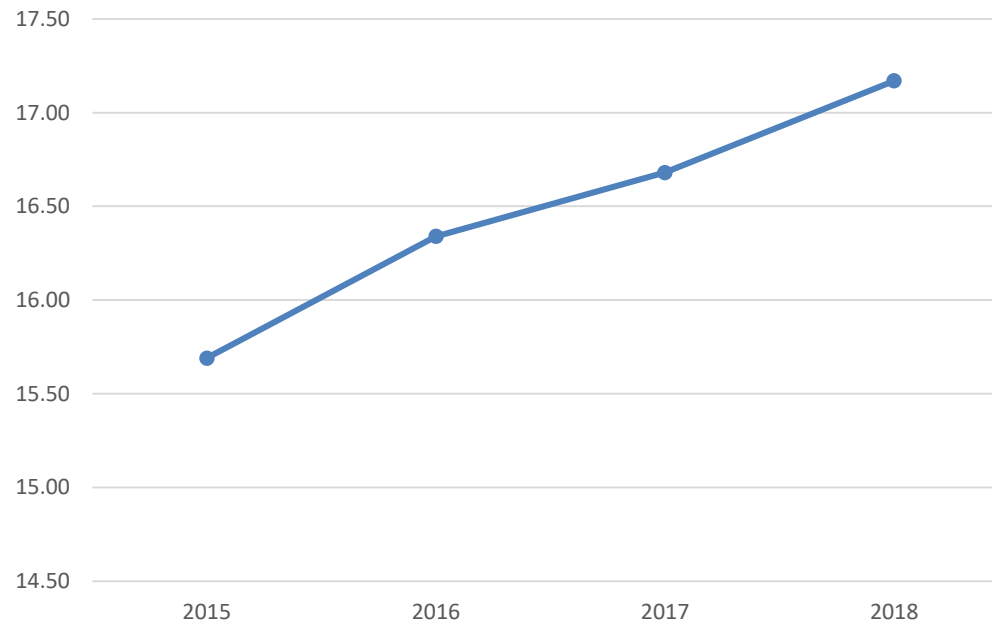
Manager, Economic Research & Analysis

May 8, 2019

Key Facts

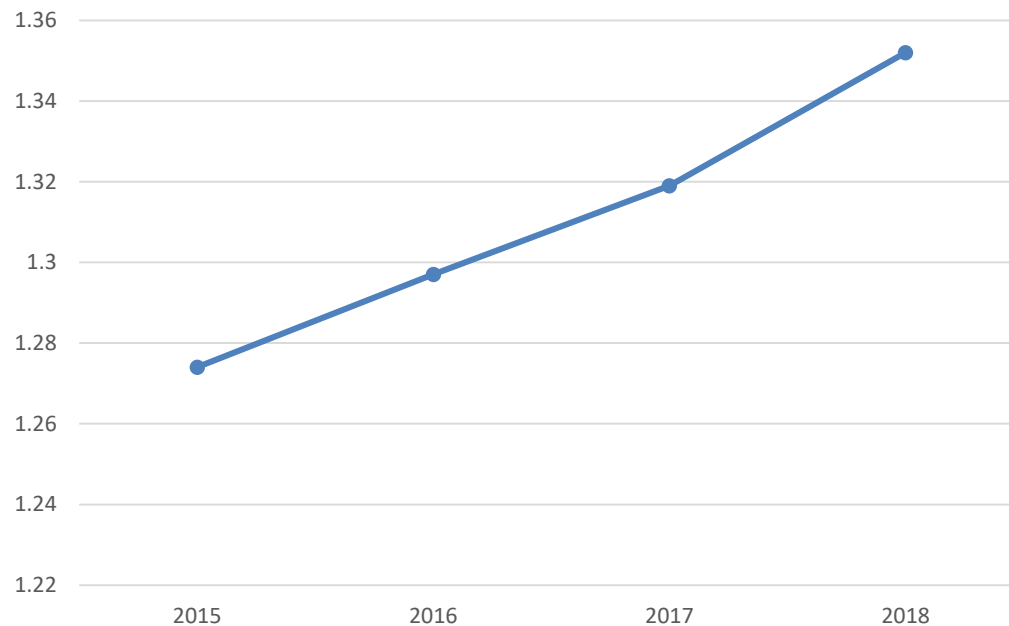
- Niagara's overall economy has shown steady growth in a number of areas, particularly in job creation and new investment.
- Niagara's GDP grew by 9.4% from 2015 to 2018 compared to 5.1% for Ontario.
- Niagara gained 10,520 new jobs at 5.1% growth from 2015 to 2018 compared to 6% for Ontario.
- Investment in building construction grew by 56% from 2015 to 2018 compared to 19% for Ontario.

Nominal GDP (\$ billions), St. Catharines-Niagara CMA, 2015 to 2018



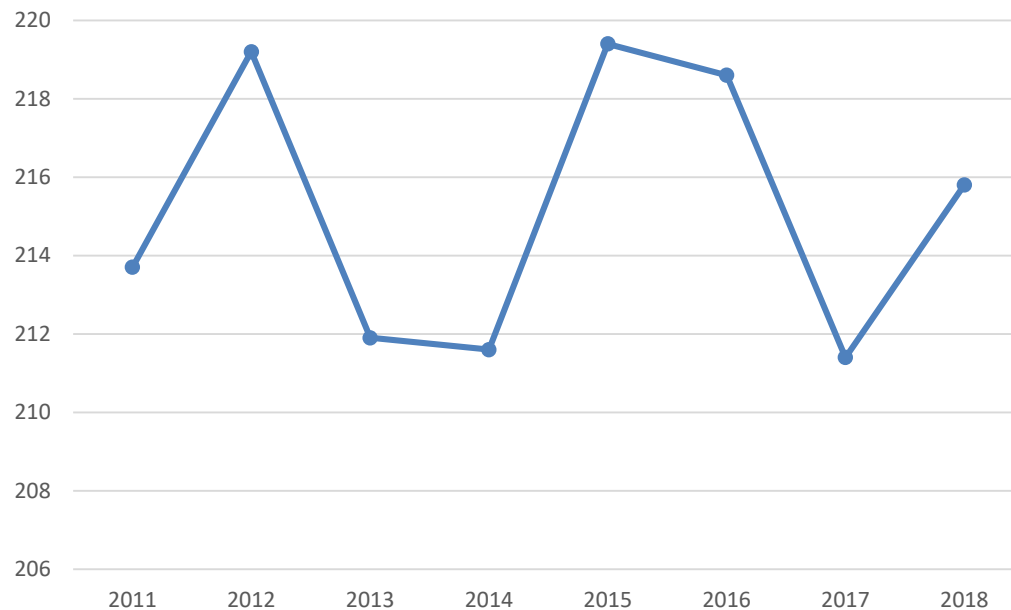
Source: The Conference Board of Canada

Consumer Price Index (2002=1.0), St. Catharines-Niagara CMA, 2015 to 2018



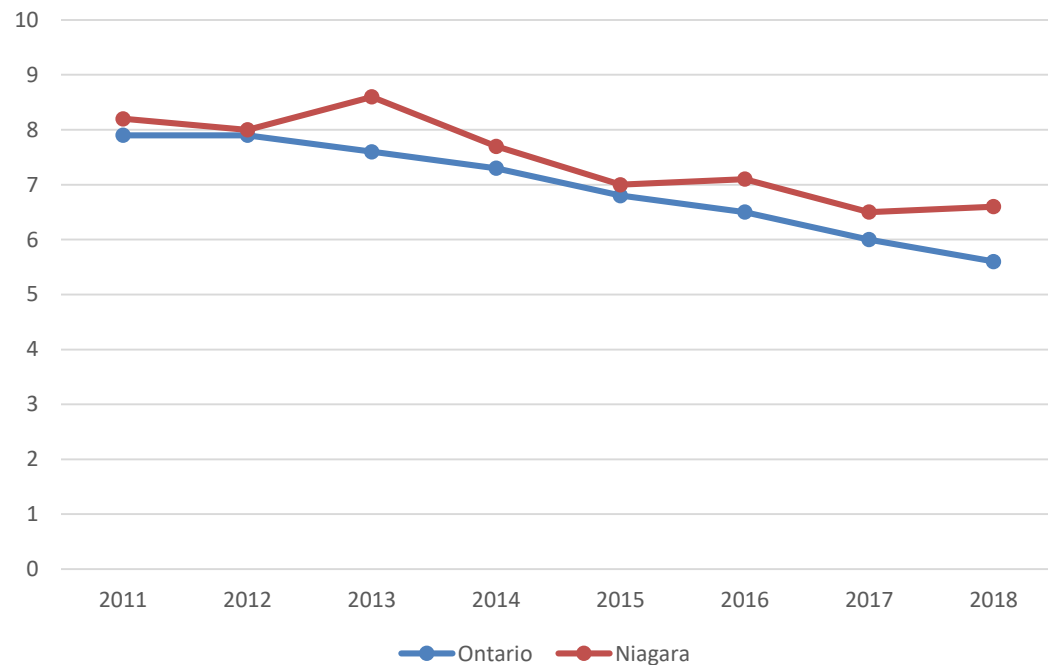
Source: The Conference Board of Canada

Labour Force (x1,000), St. Catharines-Niagara CMA, 2015 to 2018



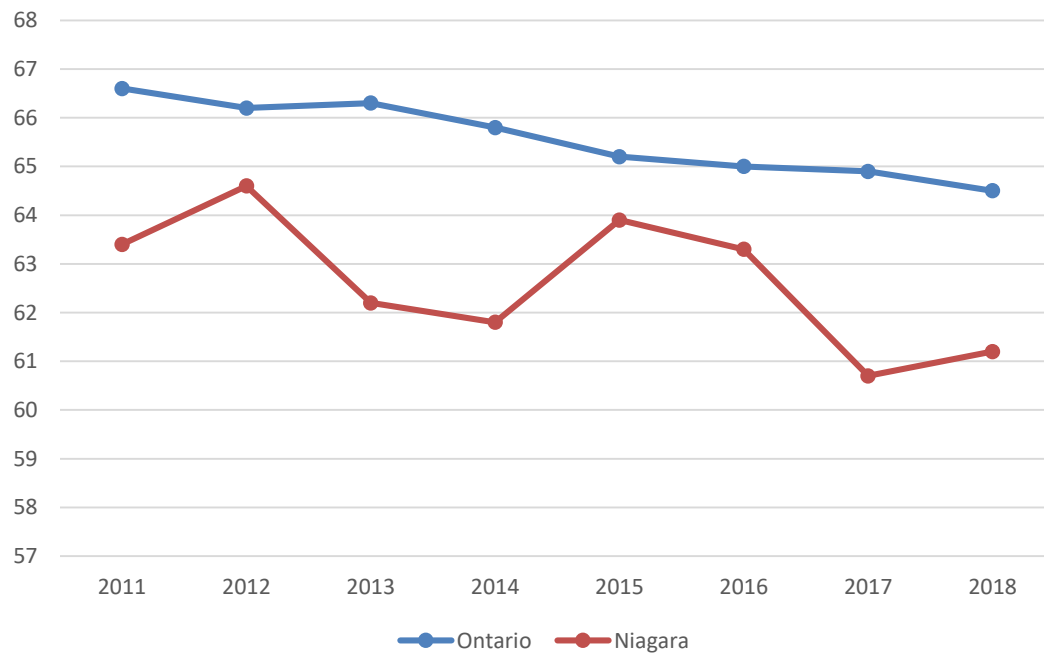
Source: Statistics Canada, Table 14-10-0096-01

Unemployment Rate (%), St. Catharines-Niagara CMA and Ontario, 2011 to 2018



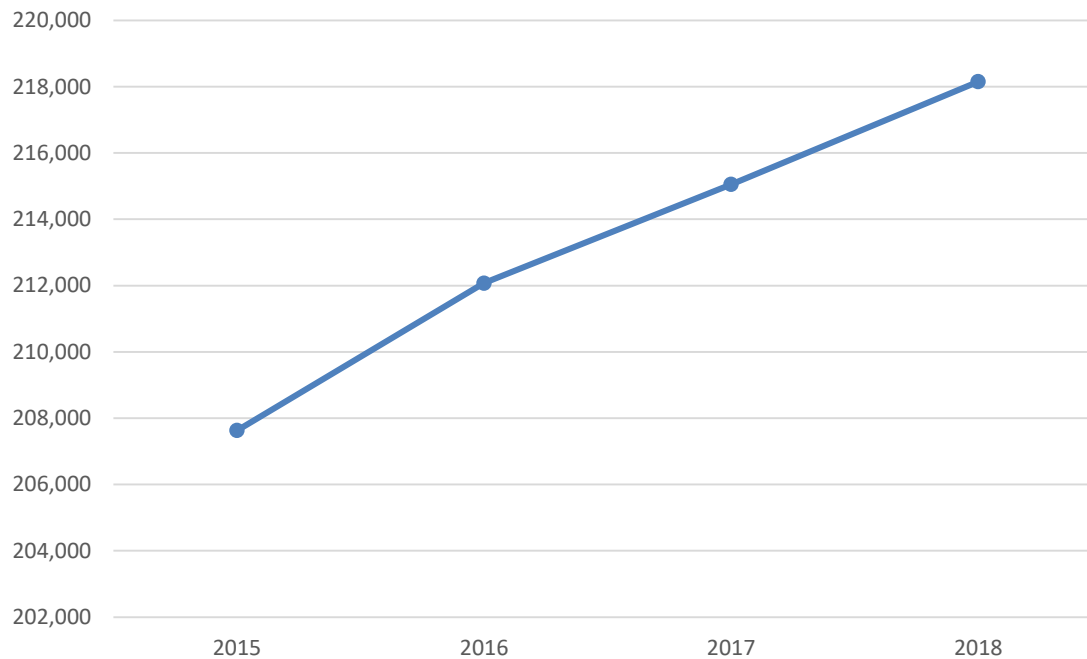
Source: Statistics Canada, Table 14-10-0096-01

Participation Rate (%), Annual, St. Catharines-Niagara CMA and Ontario, 2011 to 2018



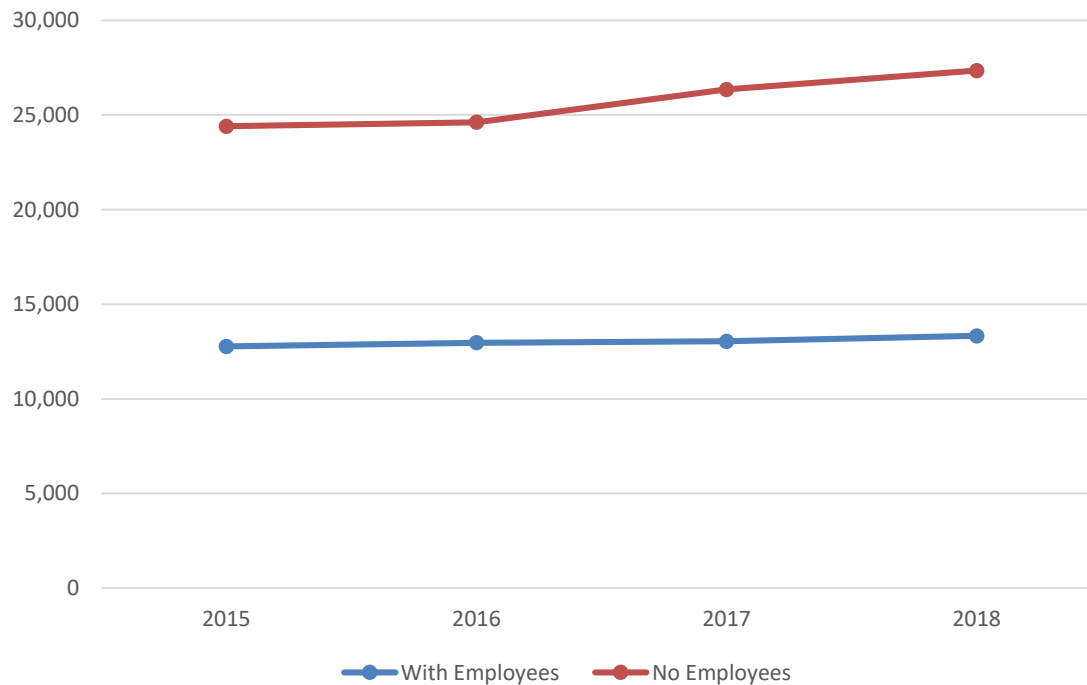
Source: Statistics Canada, Table 14-10-0096-01

Total Jobs, Niagara Census Division, 2015 to 2018



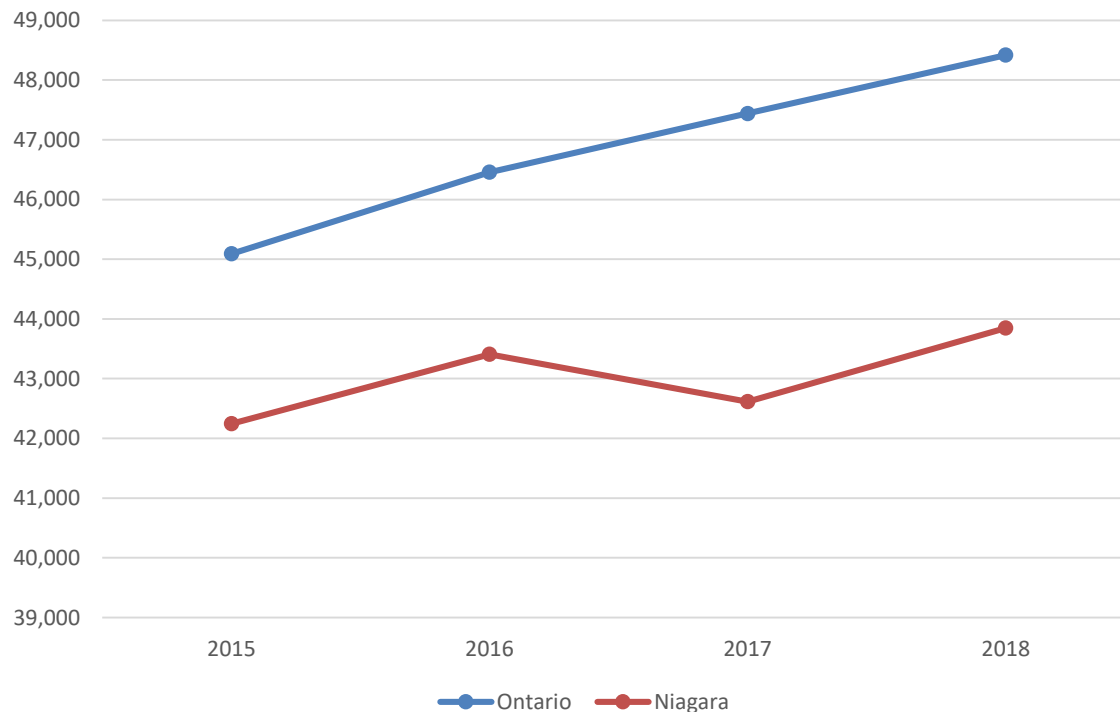
Source: Emsi 2018.3

Business Counts, Niagara Census Division, 2015 to 2018



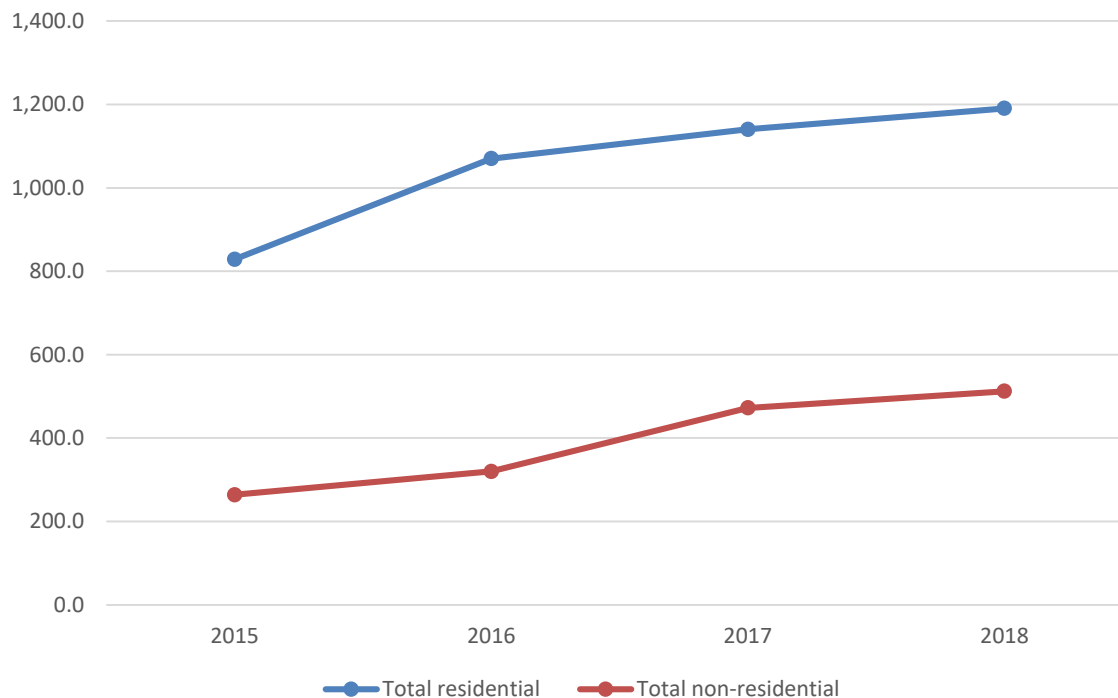
Source: Statistics Canada, Canadian Business Counts

Household Income Per Capita (\$), St. Catharines-Niagara CMA and Ontario, 2015 to 2018



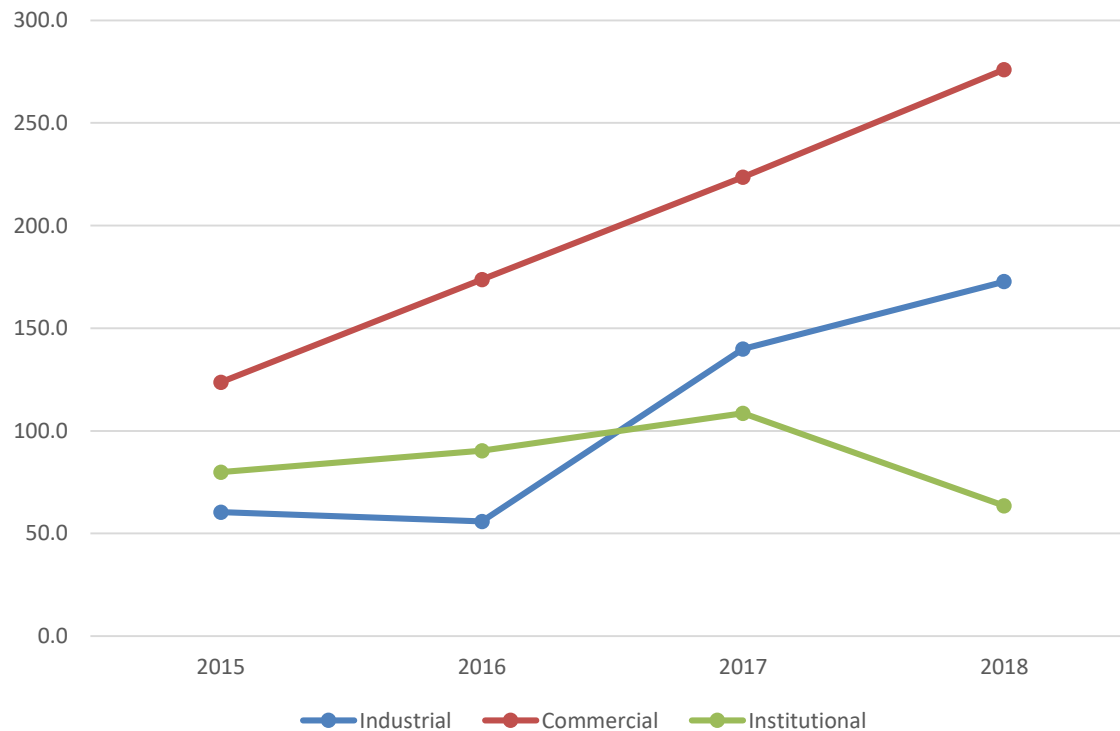
Source: The Conference Board of Canada

Investment in Building Construction (\$ Millions), Current Dollars, Residential and Non-Residential, St. Catharines-Niagara CMA, 2015 to 2018



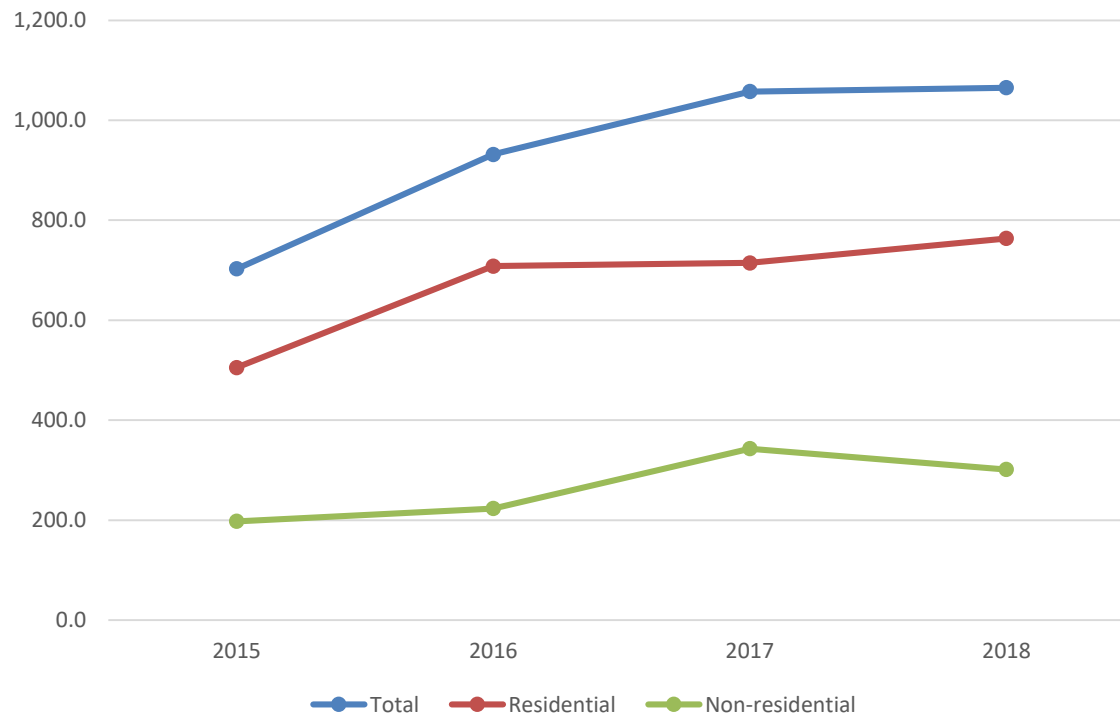
Source: Statistics Canada, Table 34-10-0175-01

Investment in Building Construction (\$ Millions), Current Dollars, Non-Residential, St. Catharines-Niagara CMA, 2015 to 2018



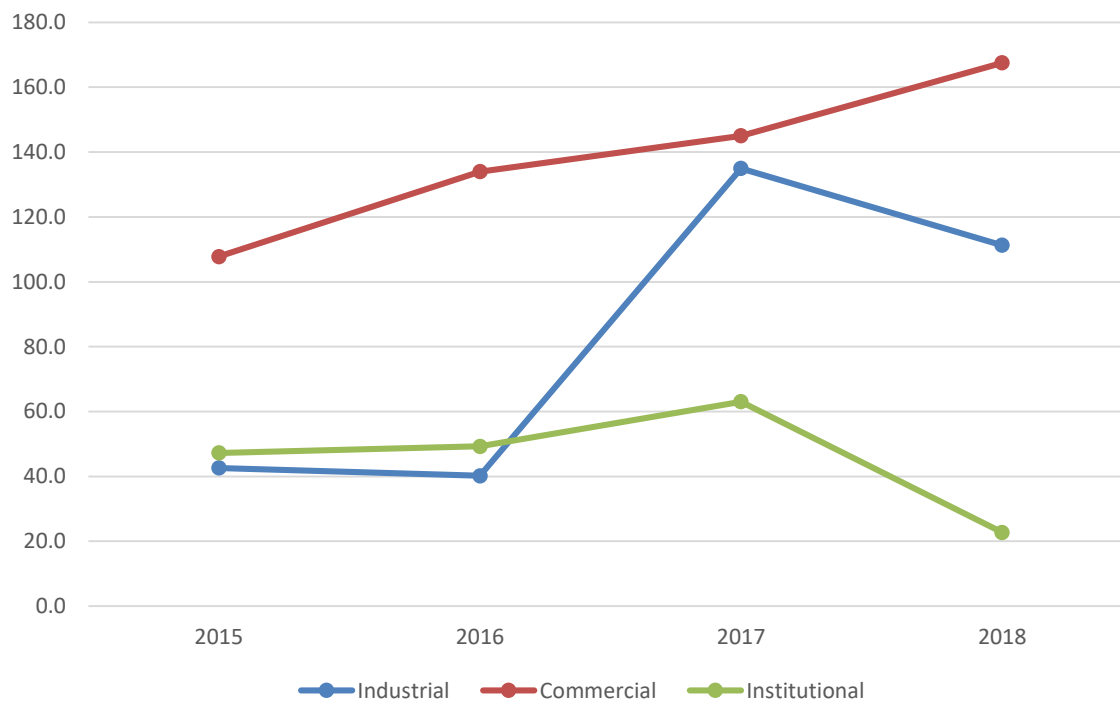
Source: Statistics Canada, Table 34-10-0175-01

Building Permit Values (\$ Millions), Current Dollars, Total, Residential and Non-Residential, St. Catharines-Niagara CMA, 2015 to 2018



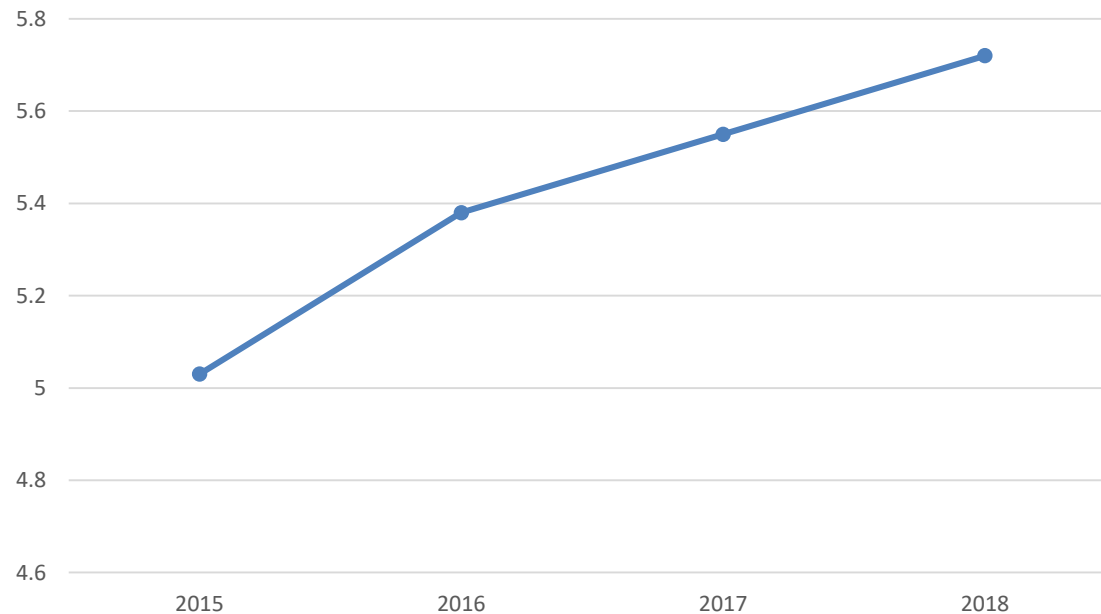
Source: Statistics Canada, Table 34-10-0066-01

Building Permit Value (\$ Millions), Current Dollars, Non-Residential, St. Catharines-Niagara CMA, 2015 to 2018



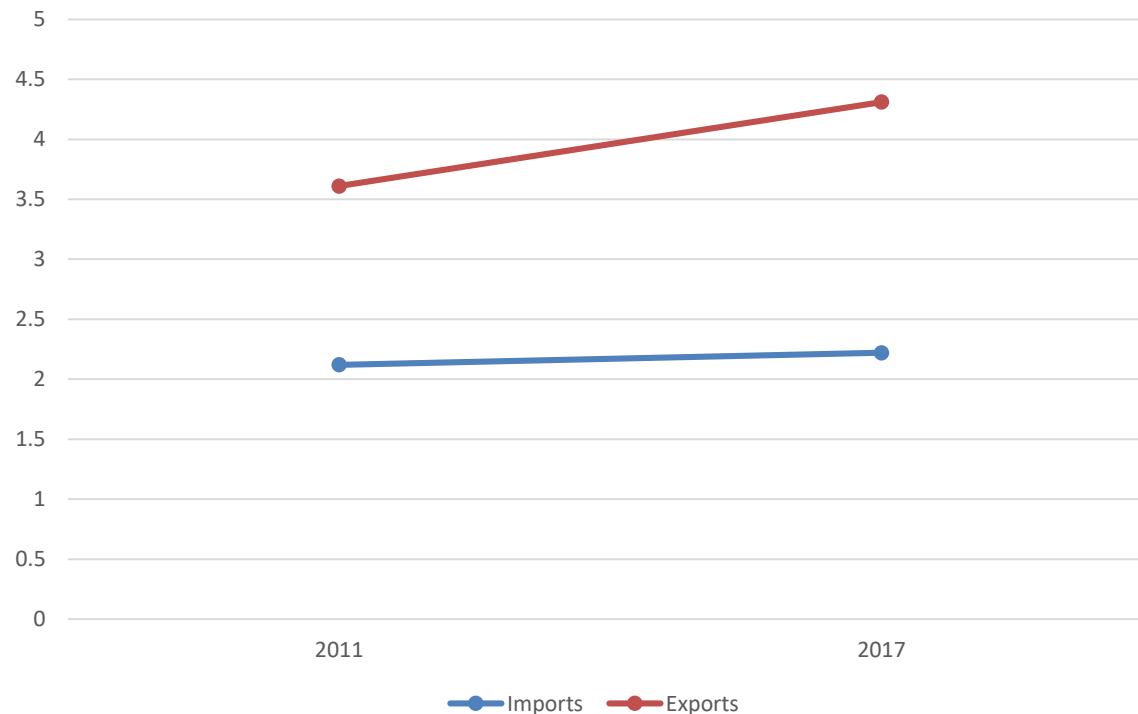
Source: Statistics Canada, Table 34-10-0066-01

Retail Sales (\$ Billions), Current Dollars, St. Catharines-Niagara CMA, 2015 to 2018



Source: The Conference Board of Canada

Imports and Exports (\$ Billions), Current Dollars, St. Catharines-Niagara CMA, 2011 and 2017



Source: Statistics Canada, International Accounts and Trade Division

Conclusion

- Niagara's overall economy has shown steady growth.
- Economic indicators show that the economy continues to grow into 2019, especially in investment in building construction.
- There is a strong potential for a global economic slowdown by early 2020, which will affect Niagara.
- There are also other challenges that could affect Niagara's economic growth such as trade protectionism, relations with China, etc.



Revisiting the Visitor's Rebate Program

Retail Council of Canada

Prepared by Sebastian Prins

May 8th

2019

About the Retail & the Retail Council of Canada



ABOUT RETAIL

Retail is Canada's largest employer with over 2.1 million Canadians working in our industry. The sector annually generates over \$76 billion in wages and employee benefits. Core retail sales (excluding vehicles and gasoline) were \$369 billion in 2017.

ABOUT THE RETAIL COUNCIL OF CANADA

Retail Council of Canada (RCC) members represent more than two-thirds of core retail sales in the country. RCC is a not-for-profit industry-funded association that represents small, medium and large retail businesses in every community across the country. As the Voice of Retail, we proudly represent more than 45,000 storefronts in all retail formats, including department, grocery, specialty, discount, independent retailers and online merchants.

Sebastian Prins

Director, Government Relations (Ontario)

P: 1.416.467.3759

E: sprins@retailcouncil.org

Revisiting the Visitor's Rebate Program

Tourism in Canada

- In Canada, Tourism generated \$35,486 million in GDP last year. About 2.94 million Canadians have jobs directly related to tourism.
- In the Niagara Region, tourism accounted for \$2.4 billion in GDP, with an estimated 40,000 jobs directly related to tourism
- The Visitor's Rebate Program (VRP) was canceled in 2007 – since then, the Tourism Industry Association of Canada (TIAC) has called for its reinstatement.
- RCC will now be joining that call to action. Our analysis of the past 20 years of data show that the cancelation of VRP has harmed retailers in Canada

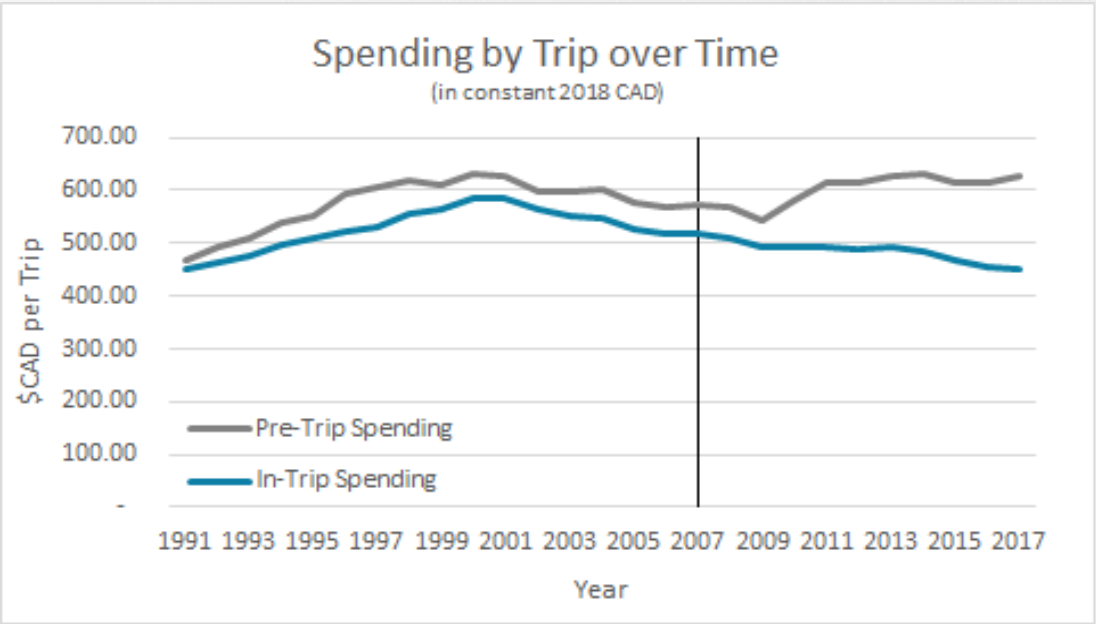


Revisiting the Visitor's Rebate Program

Tourist Spending

Category	Visitor Spending by Trip (in CAD Millions, 2018 constant prices)	
	2007	2017
Pre-Trip Spending	\$ 571.28	\$ 626.66
In-Trip Spending	\$ 516.82	\$ 450.32
Total Spending	\$ 1,088.10	\$ 1,076.98

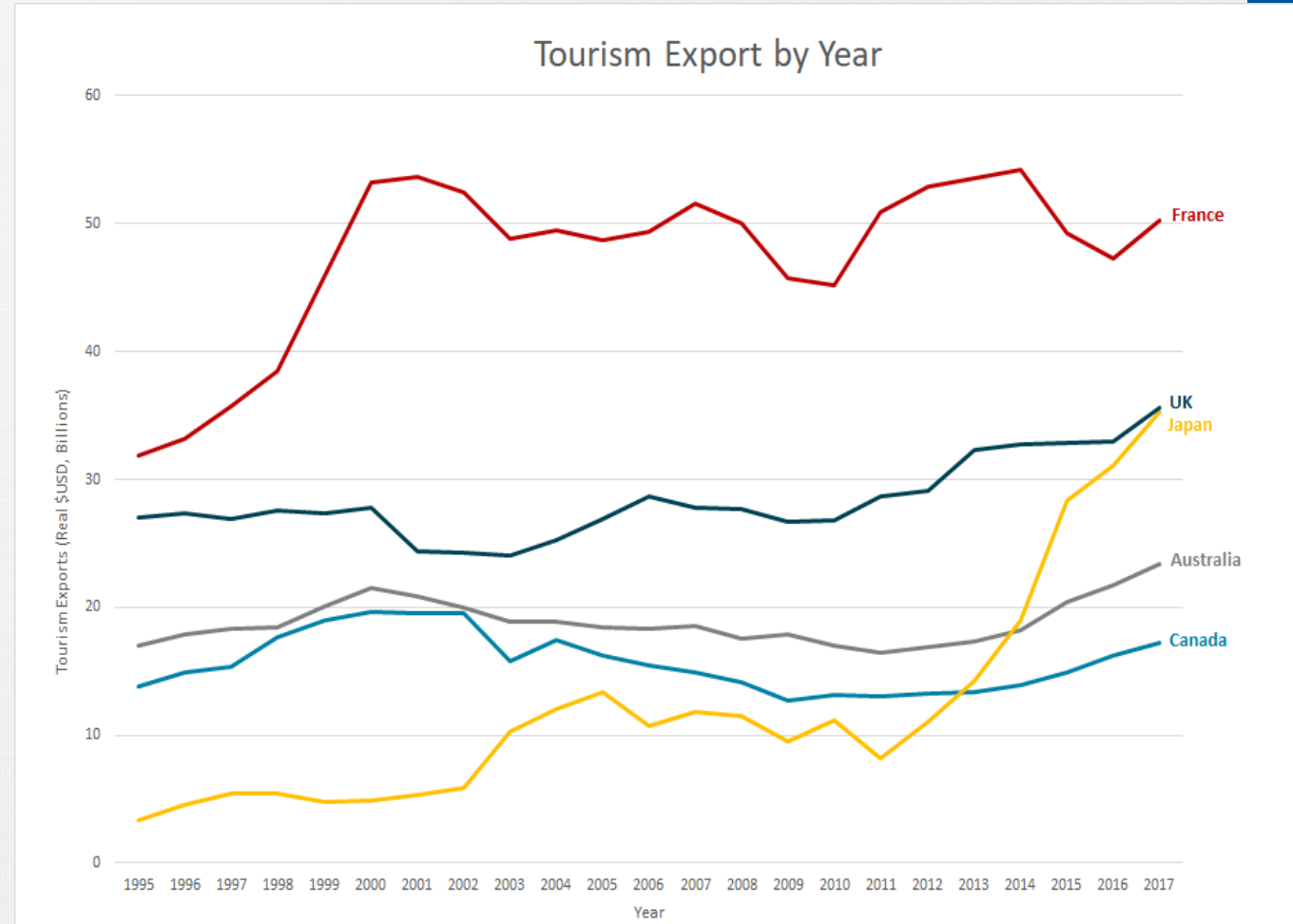
Source: For Tourist Spending: Statistics Canada. Table 36-10-0230-01 Tourism demand in Canada, constant prices (x 1,000,000)
For Trips: Statistics Canada. Table 24-10-0043-02 One or more nights trips by non-residents to Canada



Revisiting the Visitor's Rebate Program

International Comparison

- Since 1995, Canada has seen a real average annual increase in Tourism Exports by 1.29%
- Out of the 36 OECD member countries, Canada's growth is ranked 32nd, making us the fifth slowest growing tourism market in the OECD.



Revisiting the Visitor's Rebate Program

What we found

- Our study finds that the presence of a VRP does impact Tourism Exports
- We find that an annual increase to Tourism GDP by \$595.7 million when a Visitor Rebate is present.
- Further, we find that increase in GDP would have meant an increase in revenue for the federal Government of \$154.9 million. At the time of canceling the program, the then government stated it cost \$86.3 million a year to run (in 2007 dollars).
- In current dollars, netting the savings from the revenue, the government loses \$51.6 million each year it doesn't have a Visitor Rebate Program



Revisiting the Visitor's Rebate Program

Summary & Next Steps

- Over the last 10 years, canceling the VRP has cost the tourism sector \$5.96 billion dollars.
- Over the last 10 years, canceling the VRP has cost government \$515.7 million.
- The Retail Council of Canada asks that the federal Government to reinstate the Visitor Rebate Program in its upcoming budget.
- Next steps for us will be to reach out to other stakeholders with aligned viewpoints on this issue, and have all of our members engage with the federal Government to support reinstatement.



Financial Implications of Niagara Region Incentives

Planning and Economic Development
Committee

May 8, 2019

Purpose

- 1) To address issues arising from the April 25 motion at Council and CL-C 35-2019 regarding the financial and other implications of expanding incentive eligibility in Community Improvement Plan areas.
- 2) To provide an overview of existing Regional incentive programs.
- 3) To provide an overview and next steps of the ongoing Regional incentive review.

Context

- Regional incentives date back to 2002, and have expanded significantly since that time.
- Nineteen programs administered by Planning, Finance, and Economic Development are currently under review.
- Most programs provide matching funding primarily to Local Municipalities.
- They vary in size, cost, duration, purpose, funding source, program parameters, and delivery, and in the nature program ownership/terms of partnership.

Regional Grant Programs Under Review

Smarter Niagara Incentive Program (SNIP) Waterfront Investment Program

- Environmental Assessment Study Grant
- Building and Façade Improvement Grant/Loan
- Residential Grant/Loan
- Heritage Restoration and Improvement Grant/Loan
- Agricultural Buildings and Facilities Revitalization Grant/Loan
- Agricultural Feasibility Study Grant
- Community Improvement Plans (CIPs)/Planning Studies Grant
- Affordable Housing Grant/ Loan Program
- Property Rehabilitation and Redevelopment Tax Increment Grant/Loan
- Brownfield Tax Assistance Program
 - Development Charge Reduction Grant

Public Realm Investment Program

Niagara Investment in Culture Program

Gateway Economic Zone and Centre

- Gateway CIP Tax Increment Based Grant
- Gateway CIP Regional DC Reduction Grant

Industrial Development Charge Grant

Non-Profit Regional Development Charge Grant

Heritage Tax Rebate Program

Types of Grants and Incentives

Simple Grants

- short terms projects, budgeted amount from annual Levy, no rollover, reserve budget low

Tax-related Grants

- long term projects, funded through assessment growth, calculated and removed from amount available for Levy budget annually, frequent changes in \$ amount and timing

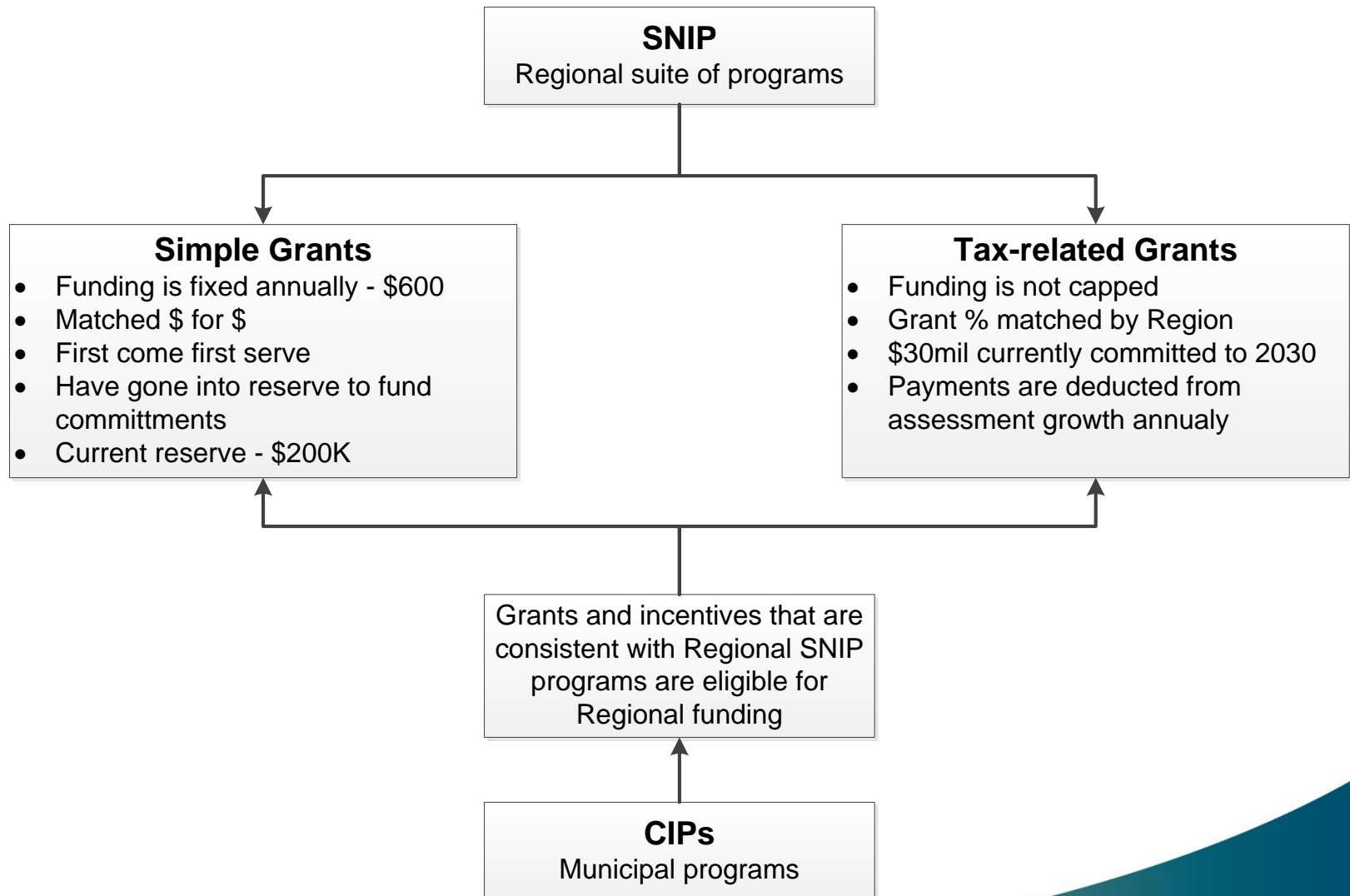
Development Charge Grants

- Long term projects, budgeted annually, all DC exemptions must be returned to DC reserves from operating revenue

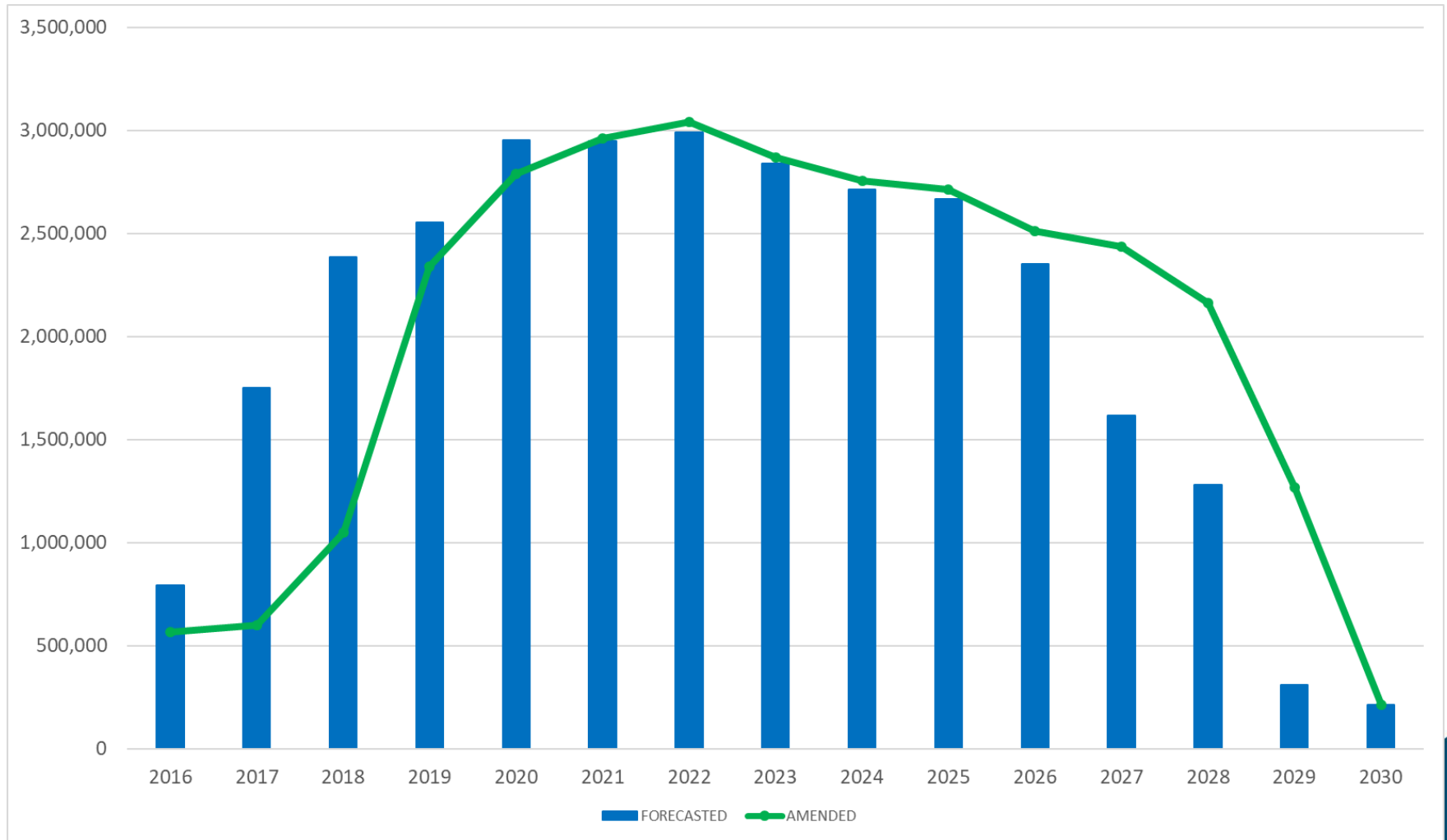
Single Purpose Grants

- short/medium term projects, budgeted amount from annual Levy, no rollover

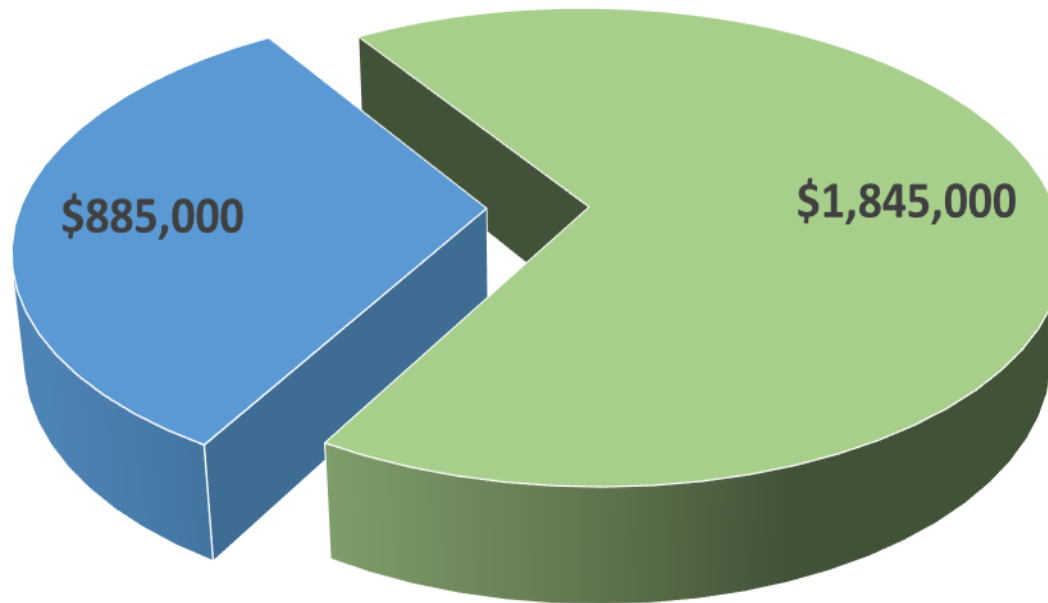
SNIP/CIP Relationship



SNIP Tax Increment Grant Commitments



2018 SNIP Encumbrances



■ Smarter Niagara Incentive Program - Tax Increment Grant ■ Smarter Niagara Incentive Program - Simple Grants

Regional Grants and Incentive Review

Context

- Unclear/outdated program parameters → need for clarity, consistency, focus
- Expanded partners/programs/requests → budget pressures
- Changing economic/development climates → new challenges, priorities

Objectives

- Grants and incentive programs are clear, accountable, and efficient
- Align with Regional priorities
- Are fiscally responsible
- Target projects of appropriate scale, return on investment

Incentive Review Overview

Preparation Phase (Q3-4 2017)

- Council endorsement and direction

Phase 1 (Q 1-2 2018)

- Research, data collection, LAM engagement, SWOT analysis
- ICOP Audit reports on program/process and value for money

Phase 2 (Q 3-4 2018)

- Inter-departmental Working Group research, development of program target areas and potential delivery options

Phase 3 (Q 2-3 2019)

- Committee/Council presentation, stakeholder information sessions, Council approval of target areas, development and Council approval of specific programs, consideration of provincial governance review findings

Transition & Implementation (Q 4 2019)

- Subject to Council direction and consultation with Local Area Municipalities

NIAGARA BIENNIAL DESIGN AWARDS PROGRAM

PRESENTATION TO
PLANNING AND ECONOMIC
DEVELOPMENT COMMITTEE

MAY 08, 2019

Introduction

- ‘Niagara Community Design Awards’ was former design awards program
- New program being rebranded as “Niagara Biennial”
- Taking best components of previous awards program and delivering it as an updated Biennial event
- New format will align with best practices of other design awards programs throughout GTHA and beyond
- Will expand beyond typical design fields:
 - Architecture
 - landscape architecture
 - urban designencompassing broader segment of Region’s design community

**New
and
Improved
Design
Awards
Program**

History of Niagara Community Design Awards

- 'Niagara Community Design Awards' organized by Region for the 12 local area municipalities
- Design categories were: architecture, landscape architecture and urban design
- Ran annually from 2005 to 2016 for 12 installments
- Celebrated excellence in community design in Niagara
- Used Smarter Niagara growth principles as evaluation criteria
- Awards were organized into 12 categories, typically awarding one project per category:
 - Small or large scale projects, Public realm improvements, Architecture: small or large budget, Façade improvement, Adaptive re-use, Brownfield, Sustainability, Policy & Plans, Leadership & Legacy



Some Past Winners: 2011 – 2012



Inniskillin Wines,
Niagara-on-the-Lake



Scotiabank Convention Centre,
Niagara Falls



Gateway Secondary Plan,
Fort Erie



Niagara College – Welland Campus,
Welland



Niagara Falls History Museum,
Niagara Falls



Beamsville Community
Improvement Plan, Lincoln

Some Past Winners: 2013 – 2014



Pelham Street Mixed-Use, Pelham



Vale Health & Wellness Centre, Port Colborne



Façade Improvement, Thorold



Lundy's Lane Battlefield Gateway, Niagara Falls



Meridian Centre, St. Catharine



Canal Terrace Park, Welland

Some Past Winners: 2015 – 2016



East Fonthill Secondary Plan,
Pelham



Brock U - School of Fine and
Performing Arts, St. Catharines



Civic Gateway,
Grimsby



First Ontario Performing Arts Centre,
St. Catharines



Old Firehall,
Thorold



John Brant Public School,
Fort Erie

What is a Biennial?

- Large contemporary international exhibition
- Emphasis on contemporary (new) works
- Held every 2 years - bi-annually
- Subject matter: the arts, design, architecture, landscape architecture, and urban design
- Events occur over time frame of weeks to months
- Includes many events: exhibitions, installations, presentations, workshops and tours
- **Biennials are a source of local pride, tourism and cultural capital, bringing revenue to host city**

**Contemporary:
occurring in
the present**

Famous Biennials

- Over 100 Biennials in major cities throughout the world
- Some of the most famous Biennials:
 - La Biennale di Venezia (Venice, Italy)
 - Established in 1895
 - The “Olympics” of Art
 - Alternating years, hosts an architecture biennial
 - London Design Biennale (London, UK)
 - Alternating years, hosts an art biennial
 - Submissions from over 40 countries
 - Chicago Architectural Biennial (USA)
 - Attracts over 500,000 visitors



CHICAGO
ARCHITECTURE
BIENNIAL



LONDON
DESIGN
BIENNALE
2020

Design Awards in Canada

- Canada does not host any international Biennials
- Canada has many design awards programs held bi-annually
- Focus on: architecture, landscape architecture and urban design
- Programs held at national, provincial and municipal levels
- Function as design competition with a half day or evening event
- Culminates in awards ceremony



Why hold a Biennial in Niagara?

- Niagara Region equipped to host design awards program on behalf of the 12 local area municipalities
- Will build on Niagara's globally recognized name, evolving into an international event
- Collaborating with Economic Development and Tourism initiatives will create synergies
- As experienced by other International Biennials:
 - **Contribute to increased regional pride, investment, economic uplift and cultural capital**



**Improve Niagara's
Global brand**

Highlights of the Biennial Program

- Expand beyond standard categories to encompass broader segment of design community
- Potential new categories:
 - Industrial design, Interior design, and Graphic design
 - Plus Student design projects
- Creating a “Made in Niagara” theme to program
- Recognize work of local designers with “Niagara-based Designer” award
- Highlight projects that enhance built environment and design context of Niagara
- Promote engagement with design and development communities, providing learning and networking events

**Showcasing
“Made in
Niagara”
Design
Excellence**

Niagara Region's Creative Cluster

- Design fields are part of “Creative Cluster”
- Creative Cluster includes:
 - design services, media, publishing, marketing, entertainment, music, visual arts, performing arts and culture
- 2018: cluster had 1,314 businesses with 7,538 jobs
- 2011 to 2018: Job growth increased 29%
- First Biennial will focus on design services
- Will grow and evolve into other areas of creative cluster in future installments

DESIGN SERVICES Architectural, Landscape Architectural, Interior, Industrial, Graphic and Specialized design, Computer design
MUSIC Music publishers, Sound recording studios, Record production and distribution
VISUAL ARTS Independent visual artists and artisans
PERFORMING ARTS Independent actors, comedians, performers, and writers and authors, Performing arts promoters (presenters) **CULTURE** Festivals, Non-commercial art museums and galleries, History, Science and other museums, Historic and heritage sites
MEDIA AND PUBLISHING Newspaper, Periodical, Book and software publishers, Radio, Television and Internet broadcasting, Pay and Specialty TV, Web search portals, Computer systems Design
MARKETING Advertising Agencies, Public Relations, Photographic Services
ENTERTAINMENT Video Game Design, Development, Publishers and Post-production, Motion Picture and Video Production, Distribution, Exhibition and Post-production

What is special about Niagara?



Wineries, Breweries, Distilleries and the Wine Route



Tourist Attractions, Hospitality and Culture



Parks, Recreation and Natural Features

Alternatives Reviewed

- Staff considered continuing former awards program
- However; many aspects are no longer relevant:
 - Holding event annually produced limited submissions
 - Decline in number off submissions
 - Same jury members participated most years
 - Same design categories used for each program
 - Submitted projects could be up to 10 years old (not current)
- Staff considered postponing new program until 2020:
 - Discovered a lot of interest from design and development communities
 - Desire to create more vital and relevant awards program now

**Fresh
approach
To
Design
Awards**

Relationship to Strategic Priorities

Fostering Investment, Innovation and Entrepreneurship

- Design and development communities compete for awards, creating design legacy in Niagara
- Program will showcase variety and breadth of design happening within Region to wide audience
- Events will provide opportunity for design and development communities to network

Positioning Niagara Globally

- Program will be promoted via many avenues:
 - publications, website, social media, emails, posters, advertisements and presentations
- Promote Niagara's brand name by showcasing design excellence to global audience
- Collaborating with Economic Development and Tourism allows program to reach broader audience

**Fostering
Investment,
Innovation and
Entrepreneurship**

**Positioning
Niagara Globally**

Financial Considerations

- Annual Budget of previous awards program: \$15,000
- Investment in new program (2019 – 2020): \$45,000
- New awards program more extensive with more events
- Can be accommodated within Council approved 2019 Operating Budget
- Some projected expenses could be offset with:
 - Entry fees for submissions
 - Sponsorships and In-kind donations
- **Program is regarded as investment into Niagara's economy**

Investment in Tourism and Economic Development

Timeline and Phases



Questions?

Subject: Creating the Ohnia:kara UNESCO Global Geopark

Report to: Planning and Economic Development Committee

Report date: Wednesday, May 8, 2019

Recommendations

1. That Report PDS 18-2019 **BE RECEIVED** for information;
2. That the concept for the Ohnia:kara UNESCO Global Geopark **BE ENDORSED** and the Ohnia:kara Steering Committee **BE SUPPORTED** in their pursuits of developing a global geopark; and
3. That Report PDS 18-2019 **BE CIRCULATED** to the local area municipalities.

Key Facts

- The purpose of this report is to provide Council with information regarding the Ohnia:kara UNESCO Global Geopark;
- A *global geopark* is a unified area with a geological heritage of international significance (UNESCO);
- At an April 25, 2018 presentation to Planning and Economic Development Committee, the Ohnia:kara Steering Committee outlined their desire to pursue a UNESCO geopark designation for Niagara.

Financial Considerations

There are no direct financial implications stemming from this report. However, it would be reasonable to assume that future financial support may be required to further the geopark initiative. This initiative is currently not funded in the 2019 budget and if supported, required financial support will be included in future budget years for Council consideration and approval.

Analysis

At the April 28, 2018 Planning and Economic Development Committee, a presentation by the Ohnia:kara Steering Committee (steering committee) outlined the potential creation of a geopark in Niagara. The following resolution was carried:

*“That staff **BE DIRECTED** to provide a report regarding the potential creation of the Ohnia:kara UNESCO Global Geopark.”*

Since the presentation in April 2018, Brock University’s Niagara Community Observatory published the attached (Appendix I) policy brief, which is a comprehensive primer on UNESCO geoparks, and the process to achieve the UNESCO designation.

The policy brief, prepared to support the efforts of the steering committee, makes a compelling case for establishing a geopark in Niagara highlighting linkages to existing tourism as well as new tourism opportunities, including international recognition of existing cultural and geological assets (waterfalls, trails, historic sites, etc).

The brief indicates that at least 78 geosites of geological, environmental or cultural interest have been identified across all 12 Niagara municipalities. Due to the cross jurisdictional nature of these features, the report further suggests that the Region, 12 local municipalities, Niagara Parks Commission and Niagara Peninsula Conservation Authority, Ontario Parks, and the St. Lawrence Seaway Management Corporation (Transport Canada) would all need to be involved in advancing the geopark initiative.

Through discussions with members of the Ohnia:kara steering committee, it is understood, that the group has begun to make presentations to local municipal councils, the Niagara Peninsula Conservation Authority as well as several local non-profit organizations.

Staff would suggest that once the steering committee has achieved input from as many local stakeholders as possible, an update could be provided to Council with respect to feedback received and anticipated next steps.

This report recommends that Regional Council endorse the concept of a Niagara Geopark and support the steering committee in their pursuit of a UNESCO designation. The support of Regional Council may be beneficial to helping the group advance this initiative with local stakeholders.

Alternatives Reviewed

Council could choose not to endorse the Ohnia:kara Global Geopark, or not to support the steering committee in pursuing its designation. However, these options are not recommended.

Other Pertinent Reports

N/A

Prepared by:

Erik Acs, MCIP, RPP
Manager Community Planning
Planning and Development Services

Recommended by:

Rino Mostacci, MCIP, RPP
Commissioner
Planning and Development Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was reviewed by Doug Giles, Director Community and Long Range Planning.

Appendices

Appendix 1

Ohnia:kara Policy Brief

Page 4

Niagara Community Observatory

NCO Policy Brief #37 | January 2019

By Carol Phillips

OHNIA : KARA AN ASPIRING GLOBAL GEOPARK

INTRODUCTION

What is a UNESCO Global Geopark?

Niagara has long been a world-famous destination, anchored by its iconic Falls. In fact, it has been a meeting place for Indigenous peoples dating back 12,000 years.

The tourism infrastructure that has developed over the decades at Niagara Falls specifically has entrenched this position and its effect has gradually cascaded through Niagara-on-the-Lake and into the rest of the region, primarily through its historical, agricultural and viticulture assets. The importance of tourism to Niagara's local economy is acknowledged by its designation as one of the Niagara Region's four pillars of economic development strategy. Recognition of its role has been accompanied by the desire to expand its impact throughout the region.

Several types of tourism already exist in Niagara, providing a spectrum of different opportunities in a variety of different cultural and environmental contexts. Many of these different types of tourism include mass, rural and farm, cycling, culinary, wine, brewery, and ecotourism. The inclusion of geotourism would serve to reinforce these existing tourism types, but also diversify into new areas, and new products and attractions, that highlight the unique character of the Niagara region.

Geotourism is a niche-market that has grown over the past 20-plus years. It is a form of nature-based tourism that showcases an area's geographical character, its "earth history" which includes geology and landscape, flora and fauna, and their interaction with humans to form a cultural identity. It is a niche that focuses on education, conservation, and sustainability (Megerle & Pietsch, 2017; Dowling, 2011; Farsani et al., 2011). It is through the growing phenomenon of geotourism that the relatively new concept of the "geopark" – and the official designation of the UNESCO Global Geopark – has emerged.

UNESCO defines its geoparks as a "single, unified geographical area where sites and landscapes of international geological significance are managed with a holistic concept of protection, education and sustainable development" (UNESCO 2016).

While the concept of geoparks date back to the 1990s, specifically with their establishment in Europe and China, it wasn't until 2004 that the Global Geoparks Network was formed under UNESCO. Furthermore, the official branding of the UNESCO Global Geopark did not occur until 2015. There are currently 140 UNESCO Global Geoparks in 36 countries, but only three of these are in Canada: Stonehammer in New Brunswick (designated a Global Geopark in 2010), Tumbler Ridge in British Columbia (2014), and Percé in Quebec (2018), signifying that the concept is relatively new in Canada. Members of the Niagara community through Geospatial Niagara have submitted an expression of interest to the Canadian National Committee for Geoparks to become a geopark. This has enabled the group to now market the concept and create a formal application as an "Aspiring Global Geopark". **The Ohnia:kara Aspiring Global Geopark is a non-profit grassroots effort to bring the brand to Niagara.**



What is UNESCO looking for?

In its application, UNESCO asks that the aspiring Global Geopark addresses 10 topics:

1. the importance of natural resources in the region and their sustainable use;
2. existing geological hazards, such as volcanoes and earthquakes, and disaster mitigation strategies;
3. climate change;
4. educational activities for all ages that spread awareness of geological heritage and its links to our geography, culture and heritage;
5. scientific research with academic institutions;
6. exploring the links between communities and Earth, including activities and partnerships with the arts and heritage communities;
7. the empowerment of women;
8. a sustainable economic development plan;
9. preserving and celebrating local and Indigenous knowledge by including those communities in the planning and management of the geopark; and
10. geo-conservation and the protection of geosites. (UNESCO 2016)



The UNESCO designation does not carry any regulatory status, although sites within the geopark may already be protected by local laws. Rather, it is best understood as an international brand that signifies to potential tourists that this is a destination with significant geological and geographical assets worth visiting. That may seem obvious in Niagara. However, the UNESCO Global Geopark brand was originally meant to support and encourage sustainable economic development in rural areas by showcasing their formidable geological sites. With that goal in mind, a Global Geopark designation could be a means to expanding tourism interest across the Niagara region, by increasing the economic benefits of tourism to all 12 of its municipalities as well as adding value to its core tourism areas of Niagara Falls and Niagara-on-the-Lake, and giving visitors more reason to stay in the region for longer periods.

This policy brief aims to introduce this relatively new concept to Niagara stakeholders and answer the question: What is a geopark, and how might it enhance an already popular tourism destination? This study will highlight challenges and opportunities that Ohnia:kara organizers face in their bid for designation. It includes a discussion of the branding process, the current impact of tourism in Niagara and how a geopark designation might differentiate itself; and a brief look at the impact of some current Global Geoparks. It will also build a case for local support of the initiative, placing the discussion within the realm of amplifying culture and tourism assets across the region to contribute to Niagara's overall economic development.

THE PROCESS

Ohnia:kara, the Mohawk word for "neck between two bodies of water", is proposed to be congruent with the boundaries of the Regional Municipality of Niagara. It has identified 78 "geosites" of geological, environmental, or cultural interest in all 12 municipalities of the region, but that list continues to grow as the group consults with stakeholders. The sites range from the Welland Canal to the Wainfleet Bog to Beamer Falls, as well as historical sites from the War of 1812 and the Mewinza Archeology Gallery in Fort Erie. The Niagara Peninsula Conservation Authority and the Niagara Parks Commission already oversee the bulk of the proposed sites, which should be considered an advantage as there is already infrastructure in place (trails, signage, parking, programming) for visitors and residents to enjoy many of these local assets.

A UNESCO Global Geopark carries a four-year designation after successfully completing an application that includes a dossier of information and a site visit from technical experts. The application should demonstrate the area has "geological heritage of international value" as assessed by scientific professionals, with accompanying details of geo-conservation pressures and efforts. A management team with a business and marketing plan should be in place. Part of the process includes having already implemented geopark projects as proof of commitment and capacity. Information signs at geosites and educational programs offered to schools are such examples.

The designation is re-evaluated every four years, through a progress report and another site visit.

The Ohnia:kara initiative is currently at the beginning of its application process. It has a steering committee and organizers have been making contacts with other geoparks and participating in international conferences and workshops. Once completed, the application will be vetted through the Canadian National Committee for Geoparks (CNCG) before moving to UNESCO for final approvals.

ROLE OF TOURISM IN NIAGARA'S ECONOMY

Tourism has been identified by Niagara Region as one of four priority sectors in its economic development and growth strategy, alongside agribusiness, manufacturing, and transportation/logistics.

The tourism sector employs approximately 18 per cent of Niagara's workforce, or almost 40,000 people, and has a location quotient of 1.8 relative to Ontario (Niagara Region Economic Development, 2019). This signifies the concentration of a specialized labour pool in this region.

TOURISM NUMBERS

The latest data from the Ontario Ministry of Tourism shows that the St. Catharines-Niagara Census Metropolitan Area had approximately 12.9 million "person-visits" in 2017. About 8.4 million came from Ontario (another 292,000 visitors from the rest of Canada), 1.1 million came from overseas, and 3.1 million from the U.S. Total expenditures were approximately \$2.36 billion. The ministry numbers measure, among other things, how many nights people stayed in the CMA, what type of accommodation they used, and what they did while they were here. We know, for example, that less than half of those who visited from Ontario stayed overnight (2.98 million) and the majority of those for only a couple of nights. Less than half of overseas visitors stayed overnight in the CMA, the bulk of those spending two nights or less.

(Note: The St. Catharines-Niagara CMA does not include Grimsby or West Lincoln. Overseas visitors counted were over the age of 15.)

It is a cross-sectoral industry that includes food and beverage, accommodation, performing arts, spectator sports, heritage institutions, and gambling. As such it provides quality-of-life amenities to residents while marketing to visitors outside the region.

Niagara Falls and its established tourism base is central to the region's competitive advantage. However, challenges in "growing and enriching the experience" moving forward have been identified in recent discussions around the strategic growth of the region (Niagara Region Economic Development 2018, p. 14).

Some of the challenges include:

1. encouraging return visits
2. increasing the number of overnight stays
3. making the entirety of the Niagara region a destination for those seeking a wine, culinary, or arts experience.

In a geopark model, Niagara Falls anchors the tourism experience, but the region-wide potential is realized. Brouder and Fullerton have referred to it as a "cascade effect" (2015). That is, Niagara Falls is still the focal point for tourists, but the rest of the region might also benefit. This policy brief recognizes that tourists to the region are not all alike. The casino buses travelling down the QEW are not necessarily filled with aspiring geotourists. Nor are the bus tours that take international visitors for a quick day trip. The geopark appeals to a separate genre of tourist (and resident) and lends a different perspective to Niagara's assets.

WHY DO WE NEED A GEOPARK?

If Niagara is already such a popular destination, why do we need to be officially designated as a Global Geopark?

Branding Niagara as a UNESCO Global Geopark may provide an institutional path for the entirety of the region to gain international recognition by drawing attention to the extent of the existing geological and cultural assets, including its many smaller waterfalls, trails, historical sites, wineries, and artisans. For organizers, these branding efforts come with opportunities and challenges. Tourist amenities and attractions are already abundant, and the geopark can take advantage of this infrastructure to establish its own brand of tourism and add value to a visit, highlighting geological assets and earth history (which includes its interaction with humans through culture and heritage). However, the challenge occurs in: 1. differentiating what it can offer to the experience and, 2. quantifying its impact on the established tourism sector as well as the local economy at large.

What difference will a UNESCO Global Geopark make and how can it be measured? The difficulty lies in that often these geosites are not gated (Lemky, 2014), or they may be one of several reasons someone might visit an area.

This could be mitigated through geopark-specific activities and attractions. For example, if it had its own visitors' centre and took visitor counts at its promoted geosites. Because one goal of the Ohnia:kara initiative is to attract tourists already at

¹Location quotients measure employment concentration in a geographical area compared to a larger geographical area, in this case Niagara to Ontario. If the LQ is greater than 1, that indicates a larger proportion of workers in a sector than the larger area, and a comparative advantage in terms of a specialized labour pool. Agriculture (location quotient 1.94), arts/entertainment/recreation (1.92 LQ), and food/accommodation (1.75 LQ) are the three most significant sectors in Niagara in terms of employment (Niagara Region Economic Development 2018, p. 13).

Niagara Falls to explore the surrounding region (in the hopes they might spend more time in the area), taking counts and surveys at geosites in the surrounding municipalities would give some indication if that strategy is working. Other solutions may include on-site surveys, website visits via on-site QR codes, or “passport” programs in which visitors get stamps for each site visited and then trade them in at the end of a vacation for a small reward.

Determining whether or not the geopark brand is attracting tourists who otherwise would not have made the trip to Niagara may be more difficult. Overall numbers gathered by Statistics Canada before and after the branding can be compared, but one would be challenged to measure how much can be attributed to the actual geopark versus other factors.

This ability to differentiate becomes a significant issue not only when looking for funding and partnerships, but also when making its case to UNESCO in seeking official designation.

The Niagara Escarpment, for example, has been a UNESCO World Biosphere Reserve since 1990. In the case of such branding overlap, UNESCO stipulates an “Aspiring Global Geopark” must show how it would add value to the region both independently and in cooperation with other designations. In this case, Ohnia:kara may argue that as a promoter of geotourism, it can help the Biosphere Reserve tell its story by guiding people to lesser known geosites as the escarpment winds to its greatest asset, Niagara Falls. There are other overlaps, as well: with Ontario Parks, the Niagara Peninsula Conservation Authority, the Niagara Escarpment Commission, and the Niagara Parks Commission.

Megerle and Pietsch (2017) recognized this trade-off in the case of German geoparks – the risk of decreased visibility of a geopark due to the larger profile of established protection agencies, versus the benefit of geosites already enjoying degrees of legislated protection and administrative oversight. In the German case, geoparks overlapped with nature parks, national parks, and a UNESCO Biosphere Reserve. Risks included competition between brands² and confusion amongst the public about the difference between them. The danger was having this play out with businesses and other stakeholders questioning the value of paid membership in a geopark. But the research also saw the opportunity of working with higher-profile organizations with better financial resources and infrastructure to mount joint marketing campaigns and joint activities.

GEOPARKS AROUND THE WORLD: THE COSTS AND BENEFITS

There is evidence that designated Global Geoparks are having positive economic impacts on their regions.

China, for example, housed 204 national geoparks in 2017 (35 of them UNESCO Global Geoparks), and each was estimated to generate \$26 million USD per year (Ng 2017), or approximately \$34.5 million CAD. The geopark brand has been used in China since 2000 as part of a rural poverty alleviation strategy with the geoparks directly employing 20,500 managers and administrators, and 464,000 part-time and full-time frontline workers (Ng 2017).³

Of course, China could be considered an outlier due to its population size and the sheer number of geoparks. A peer-reviewed study by Farsani et al. (2011) looked at employment numbers in a survey of 25 Global Geoparks in Europe, Asia (excluding China, which did not answer the questionnaire), Australia, and South America. It found an average of 18 people were directly employed by a geopark’s administration. This did not count indirect employment impact in related industries such as food and beverage, accommodation, or retail.



We can infer from these numbers, versus those in China, that the number of people directly employed by a geopark depends on how its management board has decided to run the business and could vary greatly. For example, does the geopark run its own tours, have its own museum, or a dedicated visitors’ centre?

In the Farsani survey, direct employment by geoparks included seasonal workers in visitor centres and as tour guides at sites, as well as facility coffee shops and those working in other

²Which can result in too many signs. Biosphere Reserves had better funding and could afford more signage which led to a higher profile than the geopark in which it was situated.

³The challenges of operating the brand have included managing such a “high demand for facilities and amenities, visitor management, environmental and heritage protection, and recruiting young people to work in remote parks.”

amenities. The survey found revenue-generating activities run directly by the geoparks included recreation/sports activities, themed restaurants, spas, and bakeries; "geoproducts", and partnerships with existing businesses. Other activities designed to increase the awareness of the geopark and its benefits included education programs (workshops, conferences, tours), and conservation activities (p. 75-76).

An economic impact study conducted for three of **Portugal's** four Global Geoparks in 2014 (the fourth had just opened) found that visitor numbers had doubled since designation. (The parks had been designated between 2006 and 2014, but no indication was given for the timeframe of the increase.) All indicators, as self-reported by the managers, saw various increases in employment, number of restaurants, available beds, hotels, visitors from the school community, average expenses per visitor/day, average length of stay, and overall number of visitors.

The estimated average income (which it reported as average "economic benefit" to the community) of the three parks was 424,940 Euros per year (approx. \$647,398 CAD), 57 per cent of revenues from government sources (mainly municipal and regional), 19 per cent from private sources, and 24 per cent classified as "external".⁴

The study found the initial cost of earning the UNESCO designation ranged from approximately 30,000 Euros to 80,000 Euros (\$45,000 to \$121,000 CAD), including marketing and management plans, inventory and assessment of geo-heritage sites, and a technical team (Portuguese National Commission for UNESCO, 2014, p. 55). The annual cost of affiliation, including the work of technicians, promotional rate payments to the Geopark networks, and participation in conferences, was estimated at 5,417 Euros (\$8,100 CAD).

In the **United Kingdom**, a 2013 report estimated the annual financial benefit that its seven Global Geoparks brought was 18.84 million pounds (\$32 million CAD) – taking into account the estimated "cost of status" at 330,000 pounds (\$562,000 CAD) or approximately 47,000 pounds each (\$80,000 CAD) (UK National Commission for UNESCO, 2013, p. 12).

The report stated that the designation had been used to increase tourism numbers which in turn brought spill-over effects into the local economy and the seven parks had secured a combined 4.6 million pounds/year in funding (\$7.8 million CAD), not accounting for revenues from visitor spending. Its Marble Arch Caves Geopark, given as an example, attracted 250,000 visitors per year which the report equated to an annual 3.9 million pounds (\$6.6 million CAD) in visitor spending per year due to the UNESCO designation (pg. 14).

SOURCES OF INSPIRATION

Part of the campaign to become a UNESCO Global Geopark, and retain its standing, is to network with already established Global Geoparks in order to gain insight, not only into best practices, but to gain ideas and inspiration into what is possible. Two geoparks that stand out as relevant to the Niagara experience are the **English Riviera Global Geopark** in South Devon, England and the **Beaujolais Global Geopark** in eastern France. But we have also included **Hong Kong** as a brief talking point – considered an urban geopark, it provides an example of how an already world-famous destination has used the branding.

English Riviera

The English Riviera UNESCO Global Geopark in southwest England is an interesting comparative case for Niagara as it has been a popular domestic vacation destination pre-dating its 2007 UNESCO designation. The English Riviera has declared itself an "urban" geopark with a population of 134,000 over 62 square kilometres, including the resort towns of Torquay, Paignton, and Brixham, around Torbay.⁵

This area became well-known during the Napoleonic Wars when the families of naval officers settled in the area and word spread of its attractiveness. It was also once the United Kingdom's largest fishing port. These days, tourism is its dominant industry, recording nine million bed-nights per year and employing 15,000 people either directly or indirectly.

While the economic impact of the geopark, specifically, was not publicly available, the English Riviera Geopark Organization is mentioned more than once as part of the area's tourism strategy moving forward as it aims to grow its visitor numbers. Between 2010 and 2015, this area saw a 12 per cent increase in domestic visitors and an eight per cent increase in their spending (to 274.4 million pounds in 2015, or \$464.5 million CAD). The number of overseas visitors increased by one per cent and their spending by three per cent. Overall, in 2015, there were 4.5 million trips made to Torbay and 436 million pounds (\$739.2 million CAD) spent.

The English Riviera Global Geopark calls itself an "urban geopark" though 45 per cent of its land remains undeveloped as farmland, woodland, or open space. It has its own visitors' centre, themed playground, and website promoting activities and trails centered around its 32 geosites. It encourages its business partners and commercial members to use the branding to "stand above the crowd" when seeking funding. The geopark operates within the established tourism community as one of 14 stakeholders in the Destination Management Group for the local authority. Its own management organization includes tourism, geography, heritage, business, and educational stakeholders, as well as members of the local council. (English Riviera UNESCO Global Geopark website).

⁴No definition was given for "external sources", but this would include entrance fees, etc.

⁵By way of comparison, Niagara's population is spread out across 1,854 square kilometres.

Beaujolais

The Beaujolais UNESCO Global Geopark in eastern France seems a natural case to study for Niagara due to its world-famous wine region (producing primarily red wine from the Gamay grape). This geopark located just northwest of Lyon, within view of the Alps, was designated in 2018 and makes the direct connection between its geological and hydraulic resources, and its viticulture, agriculture and history of its community. It currently has 26 geosites, ranging from historical buildings and sites, to vistas, trails, and protected areas. An interactive map of geo-activities on its website features guided tours and walks, museums and trails. As it is a new geopark, economic benefits are not available, and details about its structure are not yet publicly available. (Beaujolais UNESCO Global Geopark website).

Hong Kong

The Hong Kong UNESCO Global Geopark features outcrops of volcanic rock columns, other rock formations and historical relics that are about an hour's drive from the centre of the city. The city of seven million people acts as host to visitors who make the trek to see the geosites via land-based or water-based tours. Tour guides are accredited. It has a Geopark Visitors Centre, a Volcano Discovery Centre, and several smaller "Geoheritage Centres". It provides an example of how a world-famous city has used the UNESCO branding to enhance and diversify the visitor experience (Ng 2014, Hong Kong UNESCO Global Geopark website).

CONCLUSION

The UNESCO Global Geopark brand is meant to be used as a tool for communities to support and promote their natural resources and geological heritage through sustainable development practices, including geotourism, conservation, and education. The goal of this brief is to introduce this relatively new concept to economic development, tourism, conservation, and education stakeholders in Niagara. This region has already claimed its spot as a world-famous destination, thanks to the Niagara Falls and adjacent historical and cultural offerings. Wineries, breweries, and agritourism are adding to the draw of Niagara – the region – as a tourism destination. So much of this success already hinges on the uniqueness of Niagara's geography and geology, from the many waterfalls to the building and operation of the Welland Canal, to the soil and climatic factors that lead to a robust Niagara wine industry, particularly ice wine. Supporting a bid to become an internationally recognized geopark could even broaden the region's appeal to those looking for a recreational and educational geotourism experience, the benefits of which can be shared across all 12 municipalities of the region.

NEXT STEPS

By Charles Conteh & Carol Phillips

The vision behind the UNESCO Global Geopark initiative in Niagara is not disconnected from the economic and sociocultural advancement of the region, but rather constitutes another potential engine that can only further drive the tourism sector. It should also be emphasized that leveraging and promoting cultural assets is a fundamentally community-driven initiative if it is to be sustainable. This policy brief encourages all sectors to consider the benefits of a UNESCO Global Geopark and how they may each contribute to its use as a tool of sustainable economic development.

To articulate the essential elements moving forward in a successful local geopark initiative, a framework from Jennifer Clark's work on resilient regions is instructive (2017). There are four core characteristics of resilient and adaptive regions that could inform the strategic direction of the geopark initiative in Niagara. First, building a deep specialized team of local geopark "activists"; second, creating a legitimate platform of institutionalized intermediaries to connect the various organizations and interests invested in the region's natural, environmental and cultural assets; third, cultivating an awareness of geoparks as fundamentally about the management of relationships and narratives between stakeholders in Niagara and the world; and fourth, a clearly articulated role for government at multiple scales of authority. The rest of this section elaborates on each of these elements.

The first element is the need to cultivate a critical mass of local geopark activists who are knowledgeable and passionate about the region's geological, geographic, cultural and historical uniqueness. As a strategic step, this would involve effective outreach to, and partnership with, local schools and post-secondary institutions to integrate geopark training modules into existing curriculum, and host regular public workshops to raise awareness about the region's stock of geopark assets. Ohniakara has already begun this outreach with programs in place at the post-secondary level.



Engaging people of diverse backgrounds and leveraging their skills and passions to create a compelling local ecosystem of geopark activists is an important part of developing a convincing and sustainable initiative. In fact, a major reason UNESCO gives for the designation of a Global Geopark is its educational

benefits – increasing awareness and appreciation for geology by teaching the communities within the geopark, as well as visitors, about the region's earth history.

Most importantly, geology and its role in earth history also provides a portal through which to learn about Niagara's Indigenous cultures which have existed here since time immemorial. With the help of Geospatial Niagara and the participation of Indigenous communities (such as the Niagara Regional Native Centre), educational units can be designed with hands-on experiences for students of all ages, elementary to post-secondary. As well, information at geosites, and on educational/promotional materials can also tell the story of the land from the Indigenous perspective.

The second element in the geopark region's strategic steps would be the creation of a platform for the institutional intermediaries that share the conservation and operational oversight of Niagara's physical assets. This platform can serve as facilitator and provide the glue that holds networks of disparate actors together. As we noted earlier, geoparks often overlap with nature parks, national parks, and biosphere reserves. An effective institutional intermediary platform will pre-empt competition between brands and confusion amongst the public about the difference between them. Moreover, it will address the concerns of businesses and other stakeholders questioning the value of paid membership in a geopark. The cooperation of these types of groups is essential to the upkeep, enhancement, and promotion of geosites. Working together, such an environmental network platform will not only provide the multidimensional perspectives for articulating and differentiating what a geopark can offer to the experience of visitors but also operationalizing those perspectives into quantitative indicators for measuring its impact on the established tourism sector as well as the local economy at large.



This platform could serve as the management team with a business and marketing plan. Where this new platform or management team fits within the

current Niagara tourism landscape is up for further discussion. But as we see from the English Riviera example, the initiative's inclusion in Niagara's tourism discussions and strategies is central to its success.

A third element in the initiative's strategic direction or next-steps is to frame its geopark initiative in terms of managing relationships and cultural narratives between Niagara and the world. Geopark assets are more than objects of nature. They are the critical relics of history that embody the natural heritage of a place. These relics provide the physical emblems that have

shaped the worldview and even belief systems of many generations of Indigenous peoples living in the region. The geopark initiative provides a mechanism for sharing those narratives with tourists from around the world, and with Niagara residents as well who may not be familiar with those stories embedded in these natural vestiges of the distant past. This third element ties well with the concept of branding.

The branding of a UNESCO Global Geopark provides an entrepreneurial opportunity to increase the number of, and expand existing, geotourism activities and visitor amenities. For those who have existing geopark-oriented businesses and events, the branding may help them build on their success by increasing international awareness of the geotourism opportunities in Niagara region.

The fourth and final element in the initiative's strategic next-steps is the question of the role of government. While there is a tendency to tout community initiatives with leadership provided by ordinary residents, the fundamental need for a clear role for local government leadership must not be lost or downplayed. A global initiative aimed at gaining the attention and winning the designation of UNESCO would require the backing, authority, legitimacy and resources of the state at various levels. To what degree, is a matter for discussion.

A geopark initiative for Niagara needs a broad agreement at the regional scale and requires a regional approach – and there is a tourism marketing structure in place for that. Meanwhile, tourism has been tagged by Niagara Region as a pillar of economic development moving forward and the industry is a major employer locally. The challenge is to leverage the entirety of Niagara's geographical and cultural assets to continue to grow the industry. The proposed Ohnia:kara geosites cut across regulatory, administrative, and operational lines. The Niagara Peninsula Conservation Authority, the Niagara Parks Commission, Parks Canada, Ontario parks, Niagara Escarpment Commission, St. Lawrence Seaway Authority, Niagara Region and its 12 municipalities all share responsibility for some facet of Ohnia:kara. Other than providing legitimacy to the efforts, what role can each level of government and regulatory body play? We should also bear in mind that Ohnia:kara provides an opportunity for greater recognition and appreciation for the role of Niagara's Indigenous peoples in the area's history and culture, which predates local governance structures.

The Ohnia:kara Aspiring Global Geopark provides an opportunity to broaden the appreciation for the entirety of Niagara's geological history and its impact on our cultural history through a means of sustainable economic development. For it to succeed, we suggest the geological "activists" and the tourism stakeholders must work closely together. This policy brief is meant only as a first step towards introducing the concept of a geopark to the Niagara community, outlining challenges and opportunities. What direction the geopark initiative takes is ultimately up to those relevant Niagara stakeholders.



REFERENCES

Beaujolais UNESCO Global Geopark.
<https://www.geopark-beaujolais.com/en/> (Accessed Dec. 6, 2018).

Brouder, Patrick and Chris Fullerton. 2015. Exploring Heterogeneous Tourism Development Paths: Cascade Effect or Co-evolution in Niagara. *Rural Tourism: Insights from the North Atlantic*, 15 (1-2): 152-156.

Clark, Jennifer. 2013. Working Regions: Reconnecting Innovation and Production in the Knowledge Economy. *Regions and Cities*: 66. Abingdon, Oxon; New York: Routledge.

Dowling, Ross, K. 2011. Geotourism's Global Growth. *Geoheritage*, 3: 1-13.

English Riviera UNESCO Global Geopark.
http://www.englishrivierageopark.org.uk/section_main.cfm?section=101 (Accessed Dec. 6, 2018).

Farsani, N.T., C. Coelho and Carlos Costa. 2011. Geotourism and Geoparks as Novel Strategies for Socio-economic Development in Rural Areas. *International Journal of Tourism Research*, 13: 68-81.

Hong Kong UNESCO Global Geopark.
http://www.geopark.gov.hk/en_index.htm (Accessed Dec. 6, 2018).

Lemky, Kim. 2014. "Assessing the Economic Impact of Geoparks," power point presentation to 6th International UNESCO Conference on Global Geoparks, Saint John, N.B.

Megerle, Heidi and Dana Pietsch. 2017. Consequences of overlapping territories between large scale protection areas and Geoparks in Germany: Opportunities and risks for geoheritage and geotourism. *Annales de géographie*, 5 (717): 598-624.

Niagara Region Economic Development. 2018. Economic Analysis & Forecasting Draft Discussion Paper.

Niagara Region Economic Development. 2019. Niagara Tourism Profile.

Ng, Sai L. 2014. Hong Kong Geopark: a paradigm of urban sustainable tourism. *Asian Geographer*, 31 (1): 83-96.

Ng, Young. 2017. "Economic Impacts of Geotourism and Geoparks in China," power-point presentation to the Global Eco Asia-Pacific Conference 2017, Adelaide.

Portuguese National Commission for UNESCO. Study on the Economic Value of the Connection to UNESCO Networks in Portugal. December 2014.
https://issuu.com/cbc_unesco_pt/docs/study_economic_value_unesco_network (Accessed Dec. 17, 2018).

UK National Commission for UNESCO. Wider Value of UNESCO to the UK, 2012-13. <https://www.unesco.org.uk/wp-content/uploads/2015/05/Wider-Value-of-UNESCO-to-UK-2012-13fullreport.pdf> (Accessed Dec. 17, 2018).

UNESCO. 2016. "UNESCO Global Geoparks."
<http://unesdoc.unesco.org/images/0024/002436/243650e.pdf> (Accessed Dec. 6, 2018).

Contact information

About the author: Carol Phillips, PhD, is the research coordinator at the Niagara Community Observatory, Brock University.

Photos

Page 1: Morningstar Mill, Comfort Maple

Page 2: Beamer Falls

Page 4: Niagara Gorge

Pages 6-7: Beamer Conservation Area Trail

Page 8: Ball's Falls

The Niagara Community Observatory at Brock University is a public-policy think-tank working in partnership with the Niagara community to foster, produce, and disseminate research on current and emerging local issues. More information on our office, and an electronic copy of this report, can be found on our website brocku.ca/nco

Contact Us

Charles Conteh, PhD
Director, NCO, Brock University
cconteh@brocku.ca

Brock University
Niagara Region
1812 Sir Isaac Brock Way
St. Catharines, ON, L2S 3A1 Canada

brocku.ca/nco
[@BrockNCO](https://www.instagram.com/BrockNCO)

Subject: St. Catharines GO Station Primary Access - Ridley College
Memorandum of Understanding

Report to: Planning and Economic Development Committee

Report date: Wednesday, May 8, 2019

Recommendations

1. That the Chief Administrative Officer **BE AUTHORIZED** to execute a Memorandum of Understanding to establish the commitment by Ridley College, City of St. Catharines, and Niagara Region to create a municipal right-of-way to enable a preferred access road at the St. Catharines GO Station;
2. That a copy of PDS 20-2019 **BE CIRCULATED** to the City of St. Catharines; and
3. That all parties **BE NOTIFIED** of Regional Council's decision.

Key Facts

- This report seeks Regional Council to approve the attached Memorandum of Understanding (MOU) between Ridley College, the City of St. Catharines (City), and Niagara Region (Region) for the City to undertake development of a municipal right-of-way at the St. Catharines GO Station.
- The Region, City, and Ridley College have agreed in principle to a preferred alternate primary station access location further east along Ridley Road beyond the approved 2011 ESR station area boundary, which Metrolinx also supports.
- This agreement facilitates establishing the municipal right-of-way as a component of the enabling capital work improvements to prepare for and accommodate improved Station access for GO Rail service at the St. Catharines site.
- The MOU will result in Ridley College submitting a draft plan of subdivision to create a new municipal right-of-way.
- Ridley College Board of Governors will consider the MOU on May 4, 2019, an update on Ridley College decision will be provided on May 8, 2019.

Financial Considerations

There are no direct financial implications arising from the approval of the MOU. Regional Council already pre-emptively exempted Ridley College from the Regional

planning fees associated with a Draft Plan of Subdivision application in the amount of \$10,000 through PDS 36-2018.

Analysis

Along with Metrolinx and Ridley College, the Region and City have explored means to accommodating all of the required GO Station elements within the approved 2011 ESR station area boundary. Consensus has been achieved on preferred locations of nearly all functional design elements with exception to the location of a primary station access along Ridley Road (Appendix I).

Upon review of Metrolinx's Functional Station Design for St. Catharines, the Region, City, and Ridley College agree the alignment of station access approved in the 2011 ESR is not preferred by any party, and that a primary station access is further east along Ridley Road (approximately midpoint between Louth Street and Ambrose Street) would serve the station, the development and the community much better.

However, because this preferred location is beyond the approved 2011 ESR station area boundary, this alternative preferred primary station access will require Ridley College to dedicate a municipal right-of-way to the City through a *Planning Act* application. The Region, City, and Ridley College have agreed that a Plan of Subdivision is the most efficient means to dedicate a municipal right-of-way to achieve the preferred primary station access.

The recommendation of creating a municipal right-of-way is preferred as it provides the City of St. Catharines the opportunity to ensure that the street is developed in a way that is consistent with the vision of the Secondary Plan including improved pedestrian and cyclist connectivity. The Metrolinx driveway was proposed to hook west and then north creating an indirect path from the station to Ridley Road. The alignment was not preferred from a connectivity perspective or for efficient future use of the urban land for development. St. Catharines has limited, vacant land available for development especially adjacent to the GO Station and it is in the City's best interest to maximize the development potential of the adjacent lands as it will lead to future tax assessment and additional commercial and residential development to meet the needs of residents. The proposed public road will also allow for appropriate development of the vacant parcel in the future in a manner that implements the vision of the Secondary Plan. The proposed Metrolinx driveway would not contribute to the orderly development of this important parcel of land.

The MOU outlines the Region's, City's, and Ridley College's respective roles in facilitating the new municipal road. Matters described in the MOU include:

- preparation and review of the Plan of Subdivision application;

- design, configuration, and construction of the new municipal road, the new municipal road intersection with Ridley Road, and improvements to Ridley Road; and
- approximate timelines and phasing associated to the new municipal road and nearby capital work projects (2019-2022).

With the arrival of daily GO Train service to the St. Catharines Station effective January 7, 2019, the realization of significant socio-economic benefits, as detailed within Niagara Region's 2015 GO Business Case, are evident. Some expected benefits of GO Rail Service in Niagara include:

- Improved goods movement and reduced QEW congestion by a lessened volume vehicles travelling to and from Niagara;
- Enhanced access and connections to intra- and inter-municipal transit services;
- Strengthened ability to attract skilled-trade workers living in the Greater Toronto Hamilton Area (GTHA) to Niagara's skilled-trade employers;
- Increased exposure of Niagara's tourism assets to the GTHA market area; and
- Improved access to public and institutional facilities (i.e. healthcare and post-secondary) for residents, students, visitors, and staff.

In order to realize the maximum potential economic benefit of the arrival and enhancement of daily GO Train service at St. Catharines, there is a need to invest in capital works improvements around the station areas. The Region has approved budget of \$2.25 million for a preliminary design, environmental assessment study, and detailed design of the CN Bridge Replacement. The Region has included \$12 million in the capital budget forecast for construction costs associated with the bridge replacement in future years. There will also be future long-term investments in the reconstruction of Louth Street, including the intersection at Louth and Ridley Road.

It is anticipated that the investments in improving local infrastructure will lead to significant economic benefits locally and regionally. As an example, the land value around the three stations is estimated to produce over \$50 million in uplift to the local economy, as outlined in the Region's 2015 Business Case.

Alternatives Reviewed

If the municipal road is not established through a *Planning Act* application, in order to undertake construction of the station access approved in the 2011 ESR, Metrolinx would locate the access in an undesired location further west along Ridley Road. Impacts of this would include jeopardizing future development potential of lands adjacent to the transit station, limiting the potential for Transit Oriented Development on the site, inhibiting the parcel's frontage on Louth Street, as well as add increased traffic pressures for queuing at the intersection of Louth Street and Ridley Road. Additionally,

if Metrolinx were to construct the access as laid out in the 2011 approved ESR, it would only serve as station access; a defacto driveway that could not support access to adjacent development parcels.

Alternatively if a Plan of Subdivision were not pursued, the Region could undertake a Municipal Class Environmental Assessment to establish a new right-of-way. This is not recommended, as the EA process would bear more cost to the Region, and would likely produce the same outcome as the Plan of Subdivision.

Relationship to Council Strategic Priorities

This request supports Regional Council's strategic priorities of moving people and goods; and, doing business differently.

Other Pertinent Reports

- PDS 36-2018: Request to exempt Draft Plan of Subdivision Regional Review fees – Ridley College – St. Catharines GO Transit Station

Prepared by:

Cheryl Selig, MCIP, RPP
Planning Lead
GO Implementation Office

Recommended by:

Rino Mostacci, MCIP, RPP
Commissioner
Planning and Development Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation Alex Morrison, Planner, Planning and Development Services and Judy Pihach, Manager Planning Service, City of St. Catharines and reviewed by Matt Robinson, Director, GO Implementation Office and Helen Chamberlain, Director, Financial Management and Planning.

Appendices

Appendix I

St. Catharines GO Station Functional Site Plan

Page 5

Subject: Niagara Economic Update

Report to: Planning and Economic Development Committee

Report date: Wednesday, May 8, 2019

Recommendations

That Report ED 5-2019 **BE RECEIVED** for information.

Key Facts

- Niagara's overall economy has shown steady growth in a number of areas, particularly in job creation and new investment.
- When compared to Ontario, Niagara had some challenge areas such as a higher unemployment rate, lower participation rate, and lower household income per capita.
- Nominal gross domestic product (GDP) reached \$17.2 billion in 2018 and GDP growth from 2015 to 2018 outpaced Ontario's GDP growth.
- In 2018, there were 218,151 jobs in Niagara. From 2015 to 2018, there was a gain of 10,520 new jobs or 5.1% growth. Ontario had an increase of 6%.
- In 2018, Niagara had 13,326 businesses with employees and 27,347 businesses without employees. From 2015 to 2018, the number of businesses with no employees grew by 12% while the number of businesses with employees grew by 4%.
- Although labour force indicators have improved over the past few years, Niagara continues to have some challenge areas.
- Since 2015, Niagara has seen a high-level of growth in construction investment. In 2018, Niagara had \$1.7 billion in construction investment. From 2015 to 2018, construction investment grew by 56% in Niagara, compared to 19% in Ontario.

Financial Considerations

There are no direct financial implications associated with this report.

Analysis

The Niagara Economic Update report is an annual report from Niagara Economic Development that provides an overview of the performance of Niagara's overall economy.

The intention of the report is to inform the Planning and Economic Development Committee on the performance of Niagara's economy by identifying areas of strength as well as identifying challenge areas.

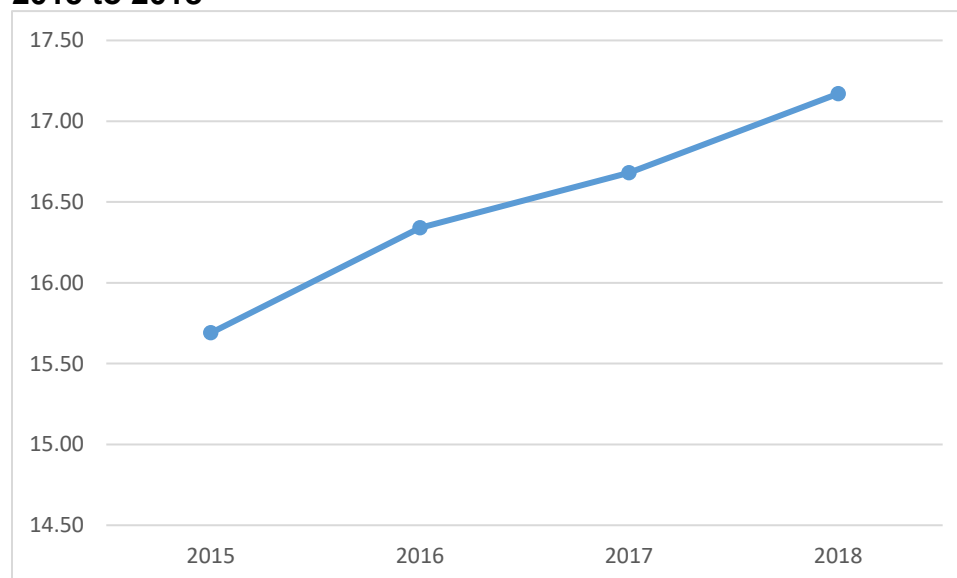
Niagara was greatly affected by the recession of 2009 and experienced a high-level of job loss and reduced level of investment. More recently, economic indicators show that Niagara has been experiencing positive economic growth on many fronts including GDP growth, reduced unemployment rate, substantial job creation, new business creation, increased investment in residential and non-residential building construction, increased building permit values, increased retail sales, and increased value of exports.

Historically, Niagara's economic growth rate lagged Ontario and other comparable census metropolitan areas; however, Niagara has been catching up, especially in areas such as new business and job creation, investment in building construction, and increased value of exports and number of exporting companies.

It is also important to note that although the economy is performing well, Niagara still has some economic challenges including a high-level of inflation, an aging labour force, lower levels of labour force participation, and slow growth in household income per capita.

Below is a series of economic indicators for Niagara including a brief analysis for each.

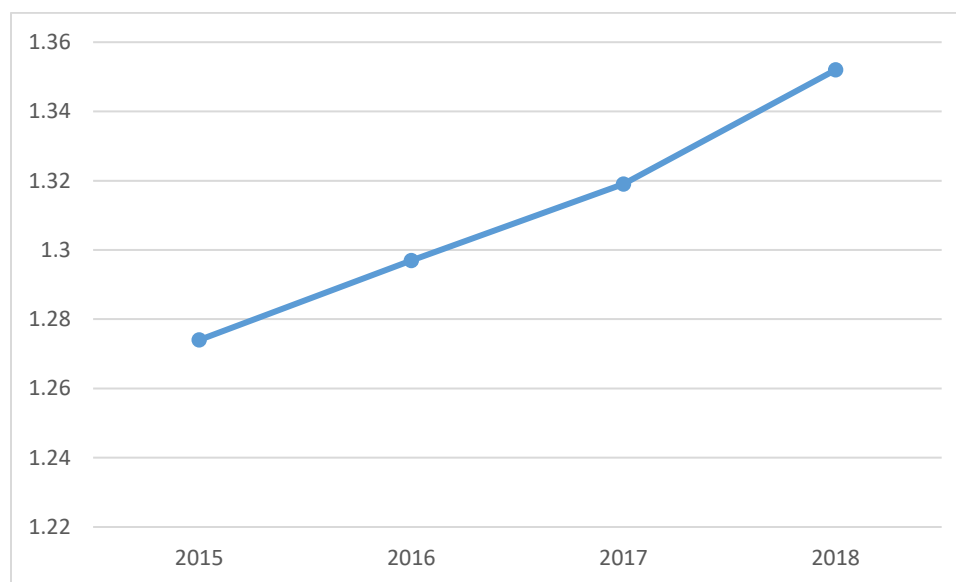
Gross Domestic Product (GDP), Nominal (\$ Billions), St. Catharines-Niagara CMA, 2015 to 2018



Source: The Conference Board of Canada, 2019

- Gross domestic product (GDP) is the monetary value of total goods and services produced in a certain geographical area, i.e. economic region, province, country, etc. Nominal GDP is a measurement of GDP at current market prices.
- In 2018, nominal GDP for St. Catharines-Niagara CMA was \$17.2 billion. Nominal GDP does not reflect inflation.
- From 2015 to 2018, nominal GDP increased by \$1.5 billion or 9.4%.
- Comparatively, Ontario's GDP grew by 5.1% during this same time period, so Niagara's GDP grew faster than Ontario's GDP.

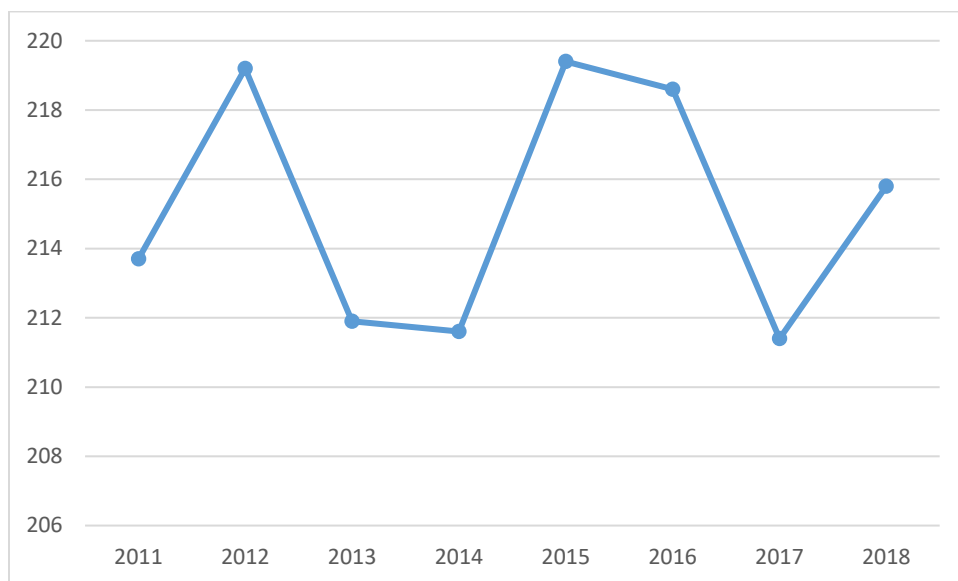
Consumer Price Index (CPI) (2002=1.0), St. Catharines-Niagara CMA, 2015 to 2018



Source: The Conference Board of Canada, 2019

- Consumer price index (CPI) is a measure of price changes in consumer goods and services such as gasoline, food, clothing, and automobiles.
- The CPI measures inflation as experienced by consumers in their day-to-day living expenses.
- From 2015 to 2018, CPI for the St. Catharines-Niagara CMA increased by 6.1%. This is on par with Ontario.

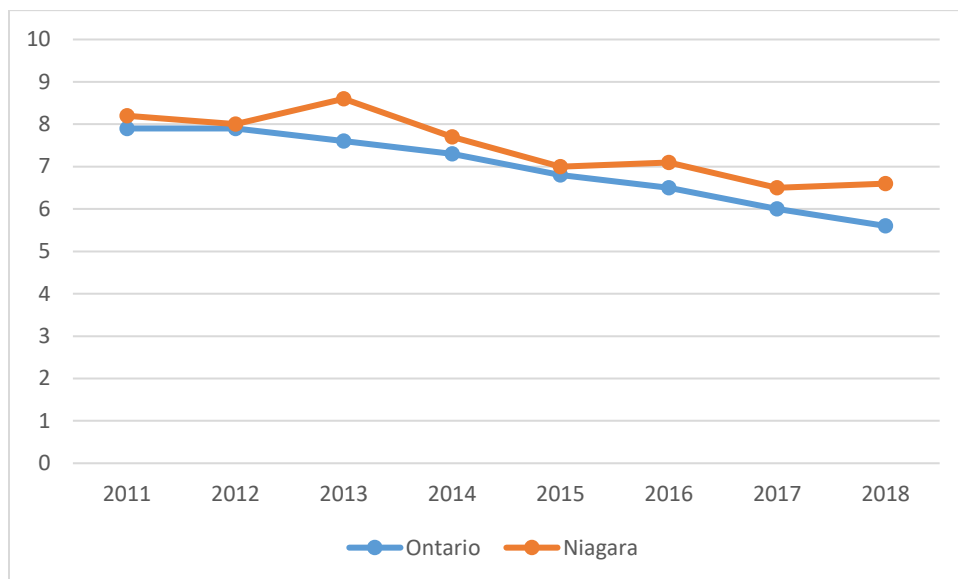
Labour Force (x1,000), St. Catharines-Niagara CMA, 2015 to 2018



Source: Statistics Canada, Table 14-10-0096-01

- The labour force refers to the total adult population (15+ years) available to the labour market at a specific time and includes the employed, as well as the unemployed that are looking for work.
- Demographical characteristics such as an aging population and migration greatly influence labour force trends.
- In 2018, the labour force for the St. Catharines-Niagara CMA was 215,000 people. This was an increase of 2,100 people or 1.0% over 2011. Niagara's labour force fluctuated significantly year-over-year. This could be a result of changing demographics in Niagara.

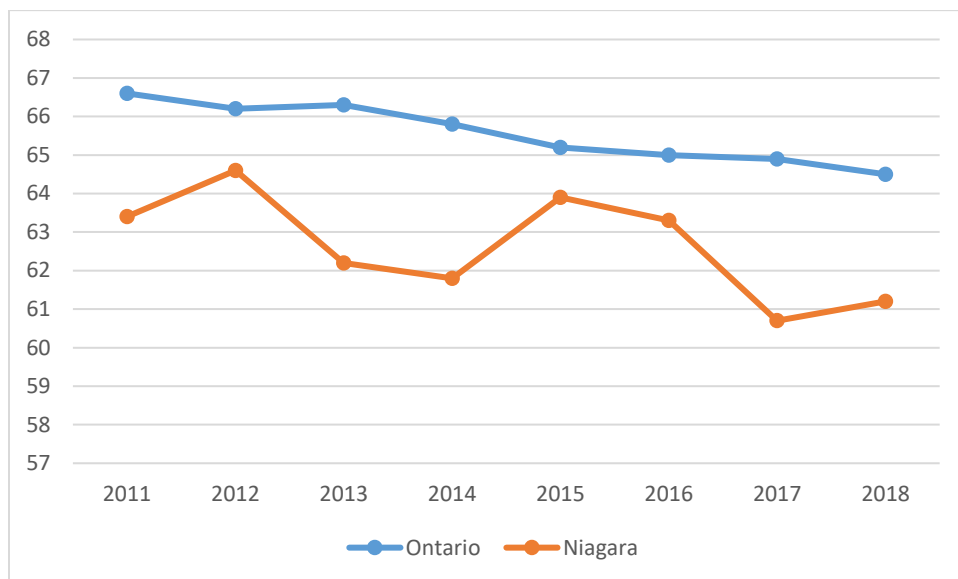
Unemployment Rate (%), Annual, St. Catharines-Niagara CMA and Ontario, 2011 to 2018



Source: Statistics Canada, Table 14-10-0096-01

- The annual unemployment rate for the St. Catharines-Niagara CMA has trended downward since the last recession. In 2018, the annual unemployment rate was 6.6%, which was a drop from a high of 10.4% in 2009.
- Comparatively, in 2018, Ontario's unemployment rate was 5.6%, which was a drop from 9.1% in 2009.
- From 2011 to 2018, Niagara's unemployment rate dropped by 1.6% while Ontario's dropped by 2.3%.

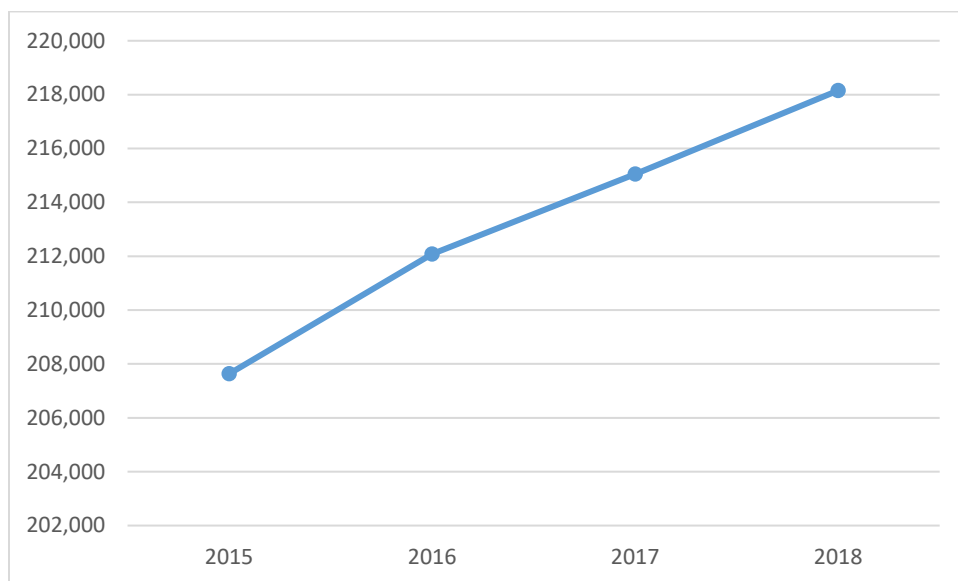
Participation Rate (%), Annual, St. Catharines-Niagara CMA and Ontario, 2011 to 2018



Source: Statistics Canada, Table 14-10-0096-01

- Participation rate refers to the level of participation in the labour force among the working age population (15 to 64 years). Demographics also have a strong influence on participation rate.
- In 2018, the participation rate was 61.2%, which was a slight drop from 63.4% in 2011.
- Comparatively, Ontario's participation rate is slightly lower at 64.5%, which was a slight drop from 66.6% in 2011.
- From 2011 to 2018, the participation rate for the St. Catharines-Niagara CMA dropped by 2.2% while Ontario's dropped by 2.1%.

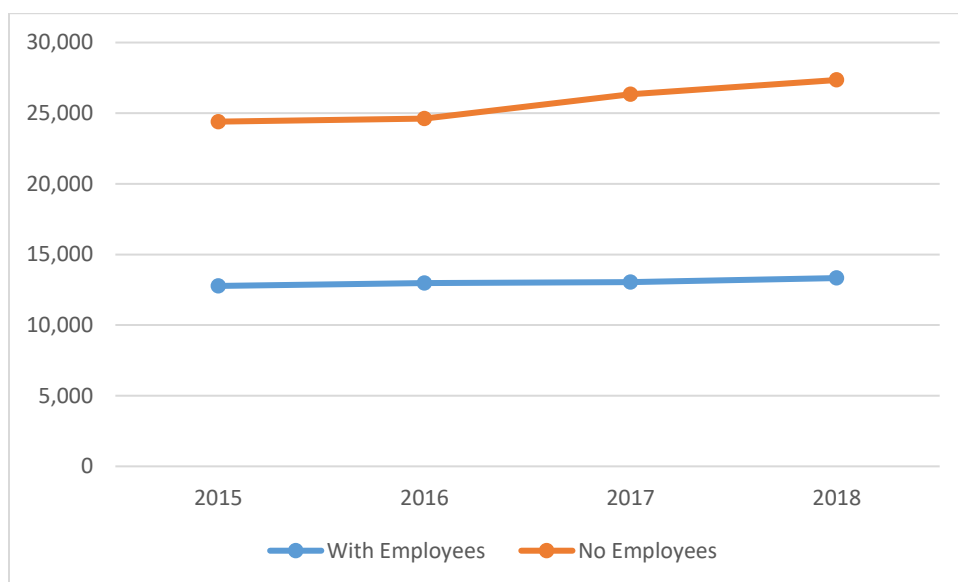
Jobs, Niagara Census Division, 2015 to 2018



Source: Emsi 2018.3

- In 2018, there were 218,151 jobs in Niagara region.
- From 2015 to 2018, there was a gain of 10,520 new jobs or 5.1%.
- Comparatively, Ontario had an increase of 6.0%.

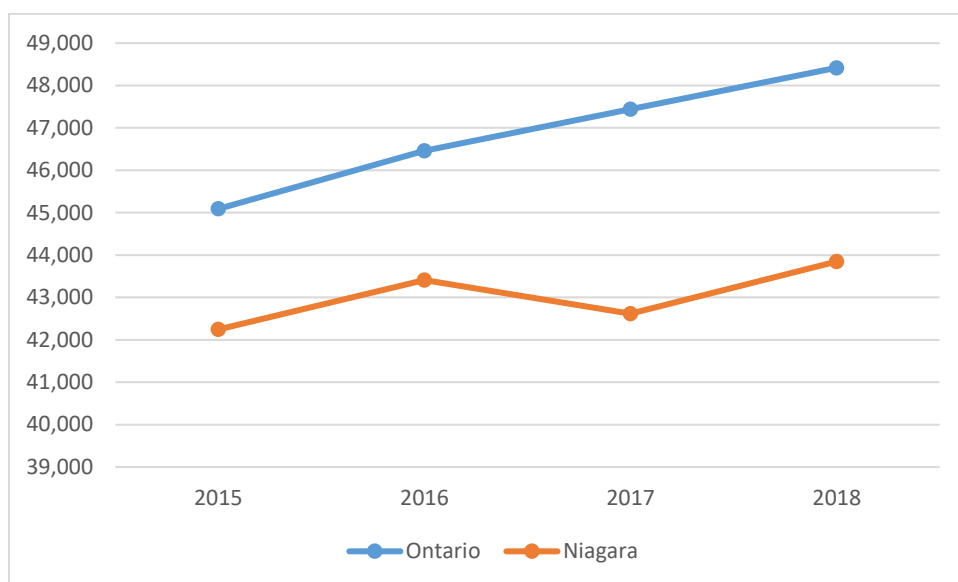
Business Counts, Niagara Census Division, 2015 to 2018



Source: Statistics Canada, Canadian Business Counts

- In 2018, Niagara had 13,326 businesses with employees and 27,347 businesses without employees.
- From 2015 to 2018, Niagara gained 554 businesses with employees at 4% growth.
- From 2015 to 2018, Niagara gained 2,946 businesses without employees at 12% growth.
- Comparatively, Ontario had 5% growth in businesses with employees, and 12% growth in businesses without employees.

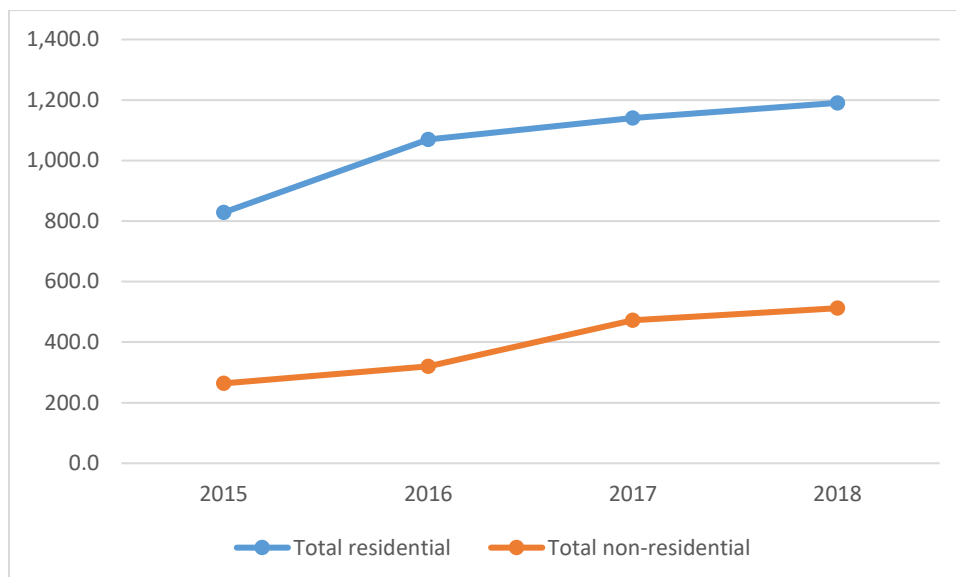
Household Income Per Capita (\$), St. Catharines-Niagara CMA and Ontario, 2015 to 2018



Source: The Conference Board of Canada, 2019

- In 2018, household income per capita for the St. Catharines-Niagara CMA was \$43,847 compared to \$48,419 for Ontario.
- From 2015 to 2018, the household income per capita for the St. Catharines-Niagara CMA grew by 3.8% while Ontario's grew by 7.4%.

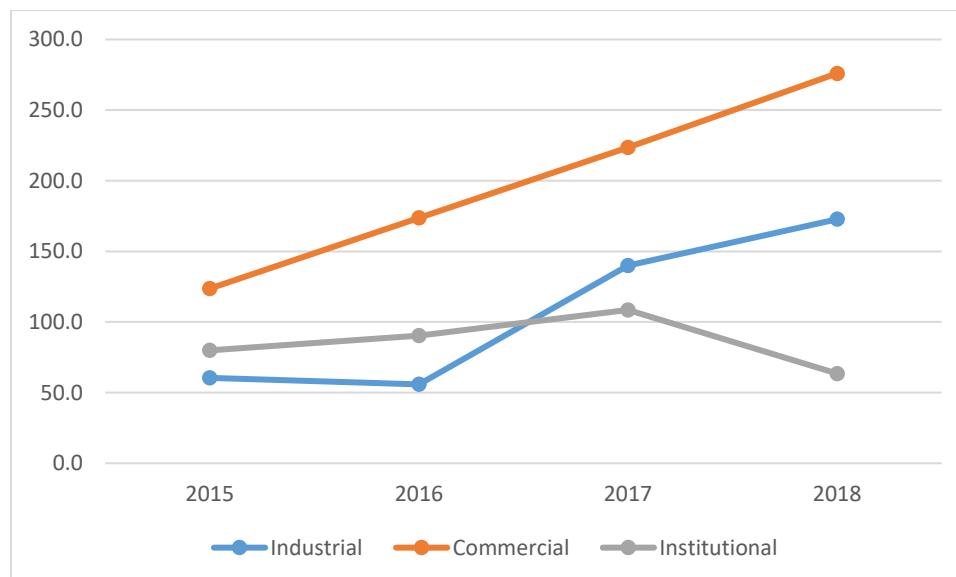
Investment in Building Construction (\$ Millions), Current Dollars, Residential and Non-Residential, St. Catharines-Niagara CMA, 2015 to 2018



Source: Statistics Canada, Table 34-10-0175-01

- In 2018, the value of building construction in the St. Catharines-Niagara CMA was \$1.7 billion.
- From 2015 to 2018, investment in building construction increased by \$610.2 million or 56% compared to 19% for Ontario.
- In 2018, investment in residential building construction was \$1.2 billion. This was an increase of \$361.9 million or 44% over 2015.
- In 2018, investment in non-residential building construction was \$512.2 million. This was an increase of \$248.3 million or 94% over 2015.

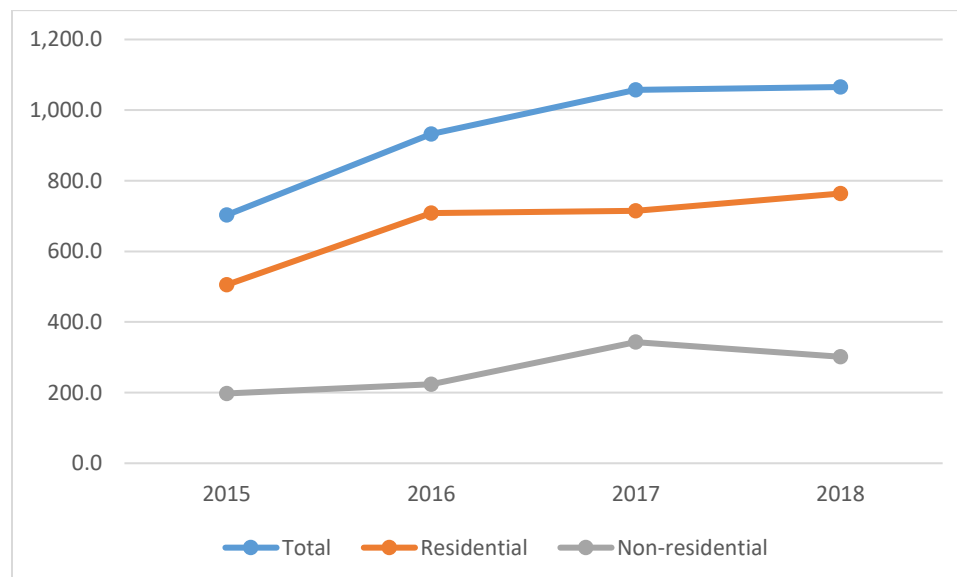
Investment in Building Construction (\$ Millions), Current Dollars, Non-Residential, St. Catharines-Niagara CMA, 2015 to 2018



Source: Statistics Canada, Table 34-10-0175-01

- In 2018, investment in commercial building construction for the St. Catharines-Niagara CMA was \$276 million. This was an increase of \$152.3 million or 123% over 2015.
- In 2018, investment in industrial building construction was \$172.7 million. This was an increase of \$32.8 million or 54% over 2015.
- In 2018, investment in institutional building construction was \$63.5 million. This was a decrease of \$16.4 million or 20% over 2015.

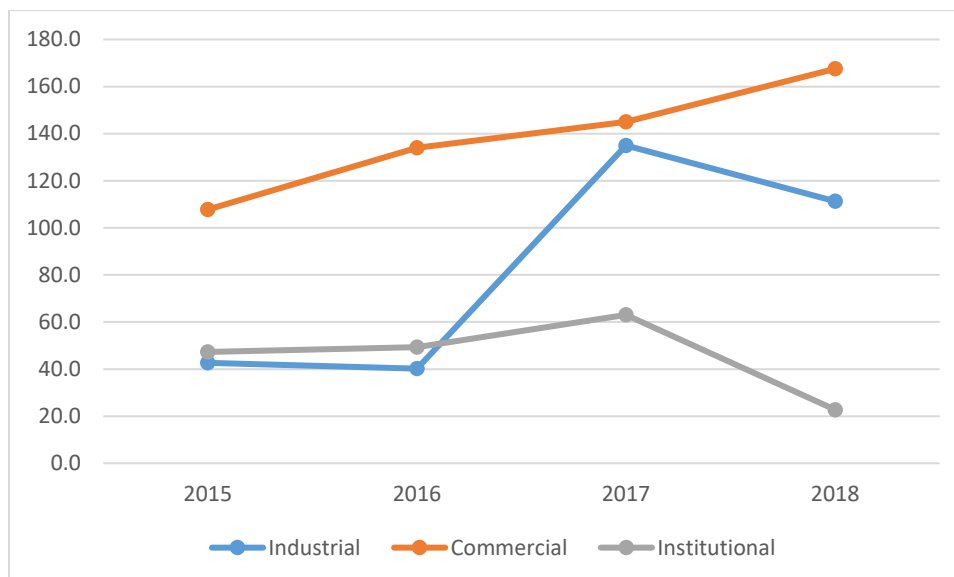
Building Permit Values (\$ Millions), Current Dollars, Total, Residential and Non-Residential, St. Catharines-Niagara CMA, 2015 to 2018



Source: Statistics Canada, Table 34-10-0066-01

- In 2018, total building permit values for the St. Catharines-Niagara CMA were \$1.1 billion. This was an increase of \$362.5 million or 52% over 2015. Ontario had an increase of 17%.
- In 2018, building permit values for residential were \$763.8 million. This was an increase of \$258.5 million or 51% over 2015.
- In 2018, building permit values for non-residential were \$301.5 million. This was an increase of \$103.9 million or 53% over 2015.

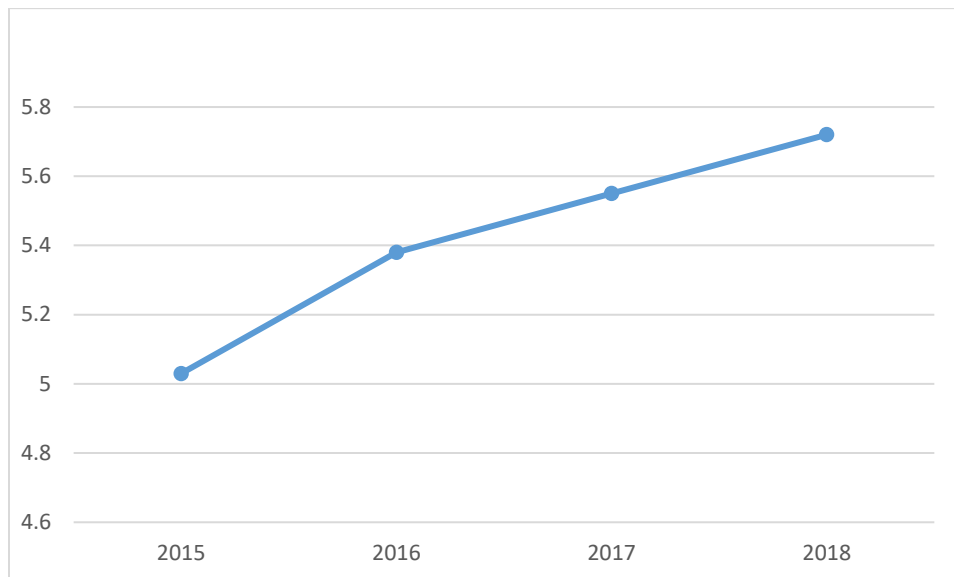
Building Permit Value (\$ Millions), Current Dollars, Non-Residential, St. Catharines-Niagara CMA, 2015 to 2018



Source: Statistics Canada, Table 34-10-0066-01

- In 2018, commercial building permit values for the St. Catharines-Niagara CMA were \$167.5 million. This was an increase of \$59.7 million or 55% over 2015.
- In 2018, industrial building permit values were \$111.3 million. This was an increase of \$68.7 million or 161% over 2015.
- In 2018, institutional building permit values were \$22.7 million. This was a decrease of \$24.5 million or 52% over 2015.

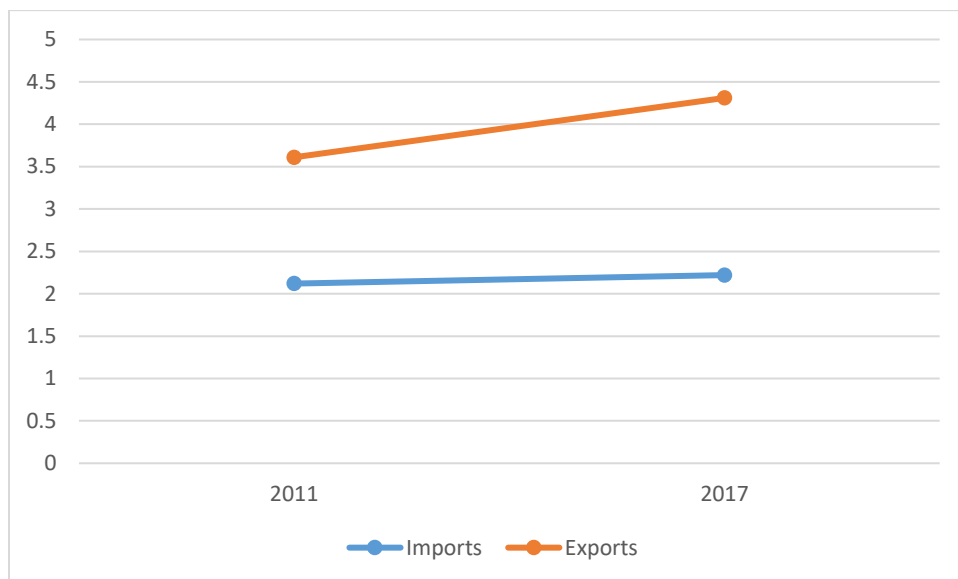
Retail Sales (\$ Billions), Current Dollars, St. Catharines-Niagara CMA, 2015 to 2018



Source: *The Conference Board of Canada, 2019*

- In 2018, retail sales for the St. Catharines-Niagara CMA were \$5.72 billion,
- From 2015 to 2018, retail sales grew by \$690 million or 14%. Ontario had an increase of 15%.

Imports and Exports (\$ Billions), Current Dollars, St. Catharines-Niagara CMA, 2011 and 2017



Source: Statistics Canada, International Accounts and Trade Division

- In 2017, \$4.31 billion worth of goods were exported internationally from the St. Catharines-Niagara CMA.
- From 2011 to 2017, export values increased by \$702.1 million or 19%.
- In 2017, \$2.2 billion worth of goods were imported into the St. Catharines-Niagara CMA.
- From 2011 to 2017, imports grew by \$107.6 million of 5%.

Conclusion

- It is evident that Niagara's economy is growing and has not shown any signs of a slow down as of late. Niagara has experienced a high-level of investment and substantial job creation in recent years. However, it is important to recognize that there are larger economic forces that may affect economic growth in the near future. Issues such as trade protectionism, border controls, an anticipated economic slowdown for the Canadian and U.S. economies, and other potential economic disruptions may threaten Niagara's economic momentum into the future, so it will be important to continue to monitor economic indicators.

Alternatives Reviewed

The Niagara Economic Update report is intended to provide an overview of economic performance in Niagara based on the most current and complete data available. No alternatives were reviewed.

Relationship to Council Strategic Priorities

Economic development activities described in this report directly support three of Council Strategic Priorities:

- Fostering innovation, investment and entrepreneurship
- Building a labour-ready workforce
- Position Niagara globally

Other Pertinent Reports

ED 1-2019 Economic Development Overview
ED 2-2019 Economic Development Strategy

Prepared by:

Blake Landry, BA, Ec.D.
Manager, Economic Research and
Analysis
Economic Development

Recommended by:

Valerie Kuhns
Acting Director
Economic Development

Submitted by:

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

This report was prepared in consultation with and reviewed by Valerie Kuhns.

Subject: Niagara Ambassador Program

Report to: Planning and Economic Development Committee

Report date: Wednesday, May 8, 2019

Recommendations

That Report ED 6-2019 **BE RECEIVED** for information.

Key Facts

- Niagara Economic Development is working to develop more robust marketing activity in 2019 and build the Niagara brand for business investment.
- A best practice in economic development marketing is using credible third parties to help tell a region's success stories as a support to brand building.
- Niagara Economic Development has explored how other economic development groups have successfully engaged with local stakeholders to support business investment.
- Niagara Economic Development will be launching a Niagara Ambassador Program by May 1, 2019.

Financial Considerations

There are no financial implications.

Analysis

In reviewing economic development marketing best practices, a key factor that emerged is the importance of word of mouth as it relates to business investment decisions. Development Counsellors International has surveyed business decision makers and sites selectors regularly since 1996. They ask the question "what sources of information influence your perception of city's business climate?" In 2017, 68% mentioned either dialogue with industry peers, or word of mouth. (*DCI's Winning Strategies in Economic Development Marketing 2017*).

This helps to explain why many communities across Canada and the U.S. use ambassador programs as a critical element of their marketing and communications strategies. In Ontario, cities like Cambridge, Richmond Hill, Oshawa and Aurora have established similar programs. Each of these programs is structured slightly differently: some focus on digital ambassadors, others on an invitation-only format, and others with an application for membership.

Niagara Economic Development has developed a Niagara Ambassador Program designed to generate excitement and positive conversation about the region's business climate. The program is intended to engage local business leaders, community leaders, politicians and general cheerleaders for Niagara to promote Niagara as a great place to do business.

The program has been developed with three key objectives:

- **To develop a community of digital ambassadors** who are willing to share news, information and good news stories with their social media networks. The communication to this group would range from bi-weekly to monthly.
- **To identify ambassadors who would be willing to meet with potential investors** when they visit Niagara. Communication with this group would be intermittent and dependent on investor meeting needs. For example, a German investor would be paired with a German company in Niagara, or a food manufacturing investor would be paired with a similar company.
- **To develop content from ambassadors** by way of quotes and testimonials, business profiles, or case studies to add to the information and content we can share more widely.

The Niagara Ambassador Program complements both attraction and retention efforts, and provides Niagara Economic Development with an opportunity for greater reach and brand awareness. It will also increase and improve communication between Niagara Economic Development and the business community.

The structure of the program will be open to anyone who wants to participate. Local businesses and community leaders are encouraged to participate. To communicate the launch of the program, Niagara Economic Development will develop a media release, will engage the municipal Economic Development Offices, and will share the program with local business groups and associations via email and social media.

Members of the Planning and Economic Development Committee are invited to join the program and become Niagara Ambassadors. More information and a sign up form can be found at niagaracanada.com/Ambassadors.

Alternatives Reviewed

None applicable.

Relationship to Council Strategic Priorities

Economic development activities described in this report directly support two of Council Strategic Priorities:

- Fostering innovation, investment and entrepreneurship
- Positioning Niagara globally

Other Pertinent Reports

None applicable.

Prepared by:
Farzana Crocco
Manager, Strategic Marketing
Economic Development

Recommended by:
Valerie Kuhns
Acting Director
Economic Development

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with and reviewed by Valerie Kuhns.

Subject: Niagara Biennial Awards Program

Report to: Planning and Economic Development Committee

Report date: Wednesday, May 8, 2019

Recommendations

1. That Report PDS 19-2019 **BE RECEIVED** for information; and,
2. That a copy of Report PDS 19-2019 **BE CIRCULATED** to all Local Area Municipalities for information.

Key Facts

- The purpose of this report is to provide information related to the rebranded design awards program, the Niagara Biennial which is to be delivered by Niagara Region on a biennial basis.
- The new program builds upon the former 'Niagara Community Design Awards' program which was delivered annually from 2004 to 2016.
- The Niagara Biennial is aligned with other biennial awards programs in the GTHA and beyond. It will expand upon the range of eligible design fields and provide learning and networking opportunities relevant to the design industry. This will promote better exposure of design achievements in Niagara and increase both interest and relevance of the program by recognizing unique design practices found in the region which will be promoted broadly.
- The Niagara Biennial will seek submissions from the design community, the development community, and the arts community at a launch symposium in the fall of 2019. Submissions will be juried and awards distributed at an awards ceremony in the spring of 2020.
- The Niagara Biennial event will promote Niagara's global brand by placing it in the realm of other international design destinations with similar competitions, bringing broad-reaching recognition of local design achievements.

Financial Considerations

The previous awards program was an annual event that ran for 12 years. It had an annual budget of approximately \$15,000.00.

The new awards program will comprise a broader scope of design and feature more events with stakeholders that will be held biennially. The new program includes a greater level of outreach and promotion of the design industry in Niagara which will supplement strategic goals of economic development and tourism. An investment in the new program for 2019 to 2020 is projected to be \$45,000.00. This can be accommodated within the Council approved 2019 Operating Budget.

Some of the projected expenses required for holding the events can be offset through submission of entry fees, sponsorships from professional organizations, and in-kind donations.

Analysis

Background on the Niagara Community Design Awards

The Niagara Community Design Awards (NCDA) was an architecture, landscape architecture and urban design awards program organized and hosted by the Niagara Region from 2004 to 2016.

Municipal awards programs that promote the best works of architecture, landscape architecture, and urban design in their respective communities are found in many municipalities in and around the Greater Toronto and Hamilton Area (GTHA). These programs are aimed at raising the bar of design, promoting community pride, and spotlighting the winning designers. The programs are delivered by a planning department with input from other departments such as public works, economic development and tourism. The programs are often well-resourced with interdepartmental funding and staffing and involve extensive planning and preparation.

In the Region of Niagara, the diversity of scales and capacities of partner municipalities makes it impractical for each of the twelve communities to undertake similar programs. Accordingly, the Region has historically performed this role on their behalf.

The objective of the previous NCDA awards program was to celebrate excellence in community design in the Niagara Region by recognizing projects that enhanced the built environment, efficiently used land, and demonstrated creativity and vision. Awards were organized into twelve categories and typically awarded one project per category. These included: small and large scale projects, architecture, façade improvement, adaptive re-use, brownfield, sustainability and public realm improvements. It also included categories

such as Policy and Plans, Leadership and Legacy. Over the past six years, awards were distributed as follows: 2016=13, 2015=16, 2014=19, 2013=9, 2012=12, and 2011=10.

The awards committee that adjudicated the submissions consisted of nine community members, many of whom participated continuously over the twelve year span of the program. The committee consisted of: professional planners, architects, landscape architects, engineers, real estate agents, educators and developers.

The award that was given to each winning project was a steel sculpture entitled, "Transformation". It was created by Mark Griffis, a sculptor and art educator from Fort Erie. Award winners also received a certificate.

What is a Biennial?

A Biennial is a large contemporary exhibition which is held every two years (bi-annually). The subject matter typically includes works of fine art, film, publishing, design, architecture, landscape architecture, and urban design. A typical Biennial is comprised of many events such as: exhibitions, presentations, talks, workshops and tours. Biennial events occur over a span of time which ranges from one week to several months. There are currently over one hundred biennials in major cities all over the world. Some of the most famous Biennials include: La Biennale di Venezia (Venice, Italy), Chicago Architectural Biennial (Chicago, USA) and the London Design Biennale (London, UK).

For example, the Chicago Architectural Biennial has been running for three installments. It attracts upwards of 500,000 visitors for each exhibition period. The events are increasingly becoming a source of local pride, tourism, cultural capital, and revenue for the host city.

Design Awards in the Canadian context

In Canada, there are no Biennials like those found in the rest of the world. However, Canada has many design awards programs that are held biennially. These programs are design competitions that consist of a one day awards ceremony – unlike the international biennials that run for longer periods of time and consist of multiple events and programming. Canadian design awards programs typically focus on national works of architecture, landscape architecture, urban design and planning. Design award programs in Canada are held at the national, provincial and municipal levels.

Niagara Region is uniquely positioned to be able to host an awards program on behalf of the 12 local area municipalities. Building on Niagara's globally recognized name, a Niagara Biennial has the potential to evolve into an international biennial similar to other established events around the world. Being at an international border, Niagara can host Canadian and International designers, inviting new eyes to see and experience Niagara.

The role of a Biennial in Niagara

A biennial awards program for Niagara is an appropriate vehicle to reward excellence in design and to showcase the state of the art in design. Works of the design and development community, arts community, and others can be paired with the diversity and richness of Niagara's attractions, events, places and people.

The biennial adds an important and unique layer which will entice a new audience to learn about, visit and appreciate design achievements in Niagara.

The Niagara Region Design Context

Niagara's design community comprises a broad and diverse range of artistic and design professions that promote Niagara both locally and globally. The region is home to professional architects, landscape architects, urban designers, urban planners, engineers, industrial designers, interior designers, and graphic designers. It is also home to talented visual artists, performing artists, artisans and makers of all types.

Members of the Niagara design community are spread throughout the diverse geographies of the region. They live and work in downtown centres, historic towns, hamlets, and rural settlements. They are surrounded by a unique physical environment that includes protected woodlands, lakes, rivers, canals, waterfalls, agricultural fields, industrial areas and more. This physical context combined with the Region's historical and cultural assets strongly influence design in Niagara, setting it apart from other regions around the Greater Golden Horseshoe.

Niagara Region's Creative Cluster context

The Creative Cluster includes businesses such as design services, media, publishing, marketing, entertainment, music, visual arts, performing arts and culture. Design professionals, designers, artists and artisans work in many industries that contribute to key economic sectors such as agriculture, manufacturing, tourism, construction, personal services, government, education and healthcare.

In 2018, Niagara Region's creative cluster consisted of 1,314 businesses with a total of 7,538 jobs. Job growth increased 29% between the years of 2011 to 2018. This figure demonstrates the significant contribution to Niagara's economy that the creative cluster provides.

Creative people in the Region of Niagara contribute substantially to the economic growth and vitality of the region. They enhance the quality of life for residents and visitors through their work and their products. Within the design community, there is a vast range of design services that will continue to be important to the development community and to investors in Niagara's economy. Additionally, growth of the design community within

the region will contribute to the retention of youth and new professionals choosing to stay in Niagara.

Purpose of the new awards program

The Niagara Biennial will be inclusive, broad reaching and relevant to the current economic development and tourism climate. In order to do that, the program will:

- Be held as a biennial event, which includes exhibitions, seminars, workshops and spin-off events. This will promote engagement with the design industry, provide learning and networking opportunities and spark interest in the industry,
- Honour and recognize the work of designers and owners with prestigious awards that highlight a 'Made in Niagara' approach to design excellence of projects and initiatives. The criteria for gaining recognition will be based upon industry standards that are clear, fair, relevant, and unbiased. Award winners value recognition for their works when it is received from well-known and respected design practitioners and industry peers,
- Expand beyond the standard categories to encompass a broader segment of the design community and award design projects that enhance the built environment and design context of the Niagara Region,
- Highlight and celebrate the substantial contribution to the region's economy that design professionals, artists, and artisans provide, and;
- Introduce innovative technologies to showcase winning projects to a greater audience and look for new opportunities to interlace these projects with other events and promotions to enrich the overall visitation experience.

Timelines and Phasing:

The Biennial design awards program is currently in the planning and pre-launch stages which will continue into the summer. In the fall (Q4) of 2019, the awards program will be launched at a symposium event which will include an open call for submissions.

The submission period will close in the winter (Q1) of 2020. At that time, the entries will be adjudicated through a juried process. The program will culminate with an awards ceremony in the spring (Q2) of 2020.

Alternatives Reviewed

Staff considered maintaining the Niagara Community Design Awards program that was already in place. However, many aspects of that program are no longer relevant. The previous program was largely unchanged for twelve years and experienced a decline in the number of submissions. Holding the event annually produces a limited number of submissions to make an interesting and competitive atmosphere.

Staff also considered postponing a new program until 2020, however, there is a lot of interest and encouragement from the design and development communities to create a more vital and relevant awards platform. Based upon this appetite, it was decided to embark on the planning stages of the program immediately.

Relationship to Council Strategic Priorities

The awards program will respond to two of the Regional Council's Strategic Priorities:

- Fostering Investment, Innovation and Entrepreneurship, and;
- Positioning Niagara Globally.

'Fostering Investment, Innovation and Entrepreneurship' will be achieved in several ways. Inviting the design and development communities to submit projects that compete for awards and recognition will, over time, create a design legacy that commemorates design now and into the future. Additionally, the quality of design execution will improve as designers vie to earn awards.

The awards program will showcase the variety and breadth of design happening within the region. Through a variety of events such as seminars, workshops, tours, film nights, etc., the program will provide an opportunity for the design and development communities to gather and network. The program will also provide opportunities for learning and discovery for these communities along with the public.

'Positioning Niagara Globally' will be achieved by promoting the program through publications, a website, social media and advertisements. This will promote Niagara's brand name and showcase design to a global audience.

By collaborating with Economic Development and Tourism initiatives, the program will reach a broader audience of residents, visitors, investors and businesses. In turn, this program will contribute to growth within the creative cluster and to an economic uplift in the Region.

Other Pertinent Reports

PDS-C 30-2017: Niagara Community Design Awards was a memorandum that informed the intention to rebrand the previous Niagara Community Design Awards program into a biennial event. The memorandum was dated November 08, 2017.

Prepared by:

Julia van der Laan de Vries
Urban Designer
Planning and Development Services

Recommended by:

Rino Mostacci, MCIP, RPP
Commissioner
Planning and Development Services

Submitted by:

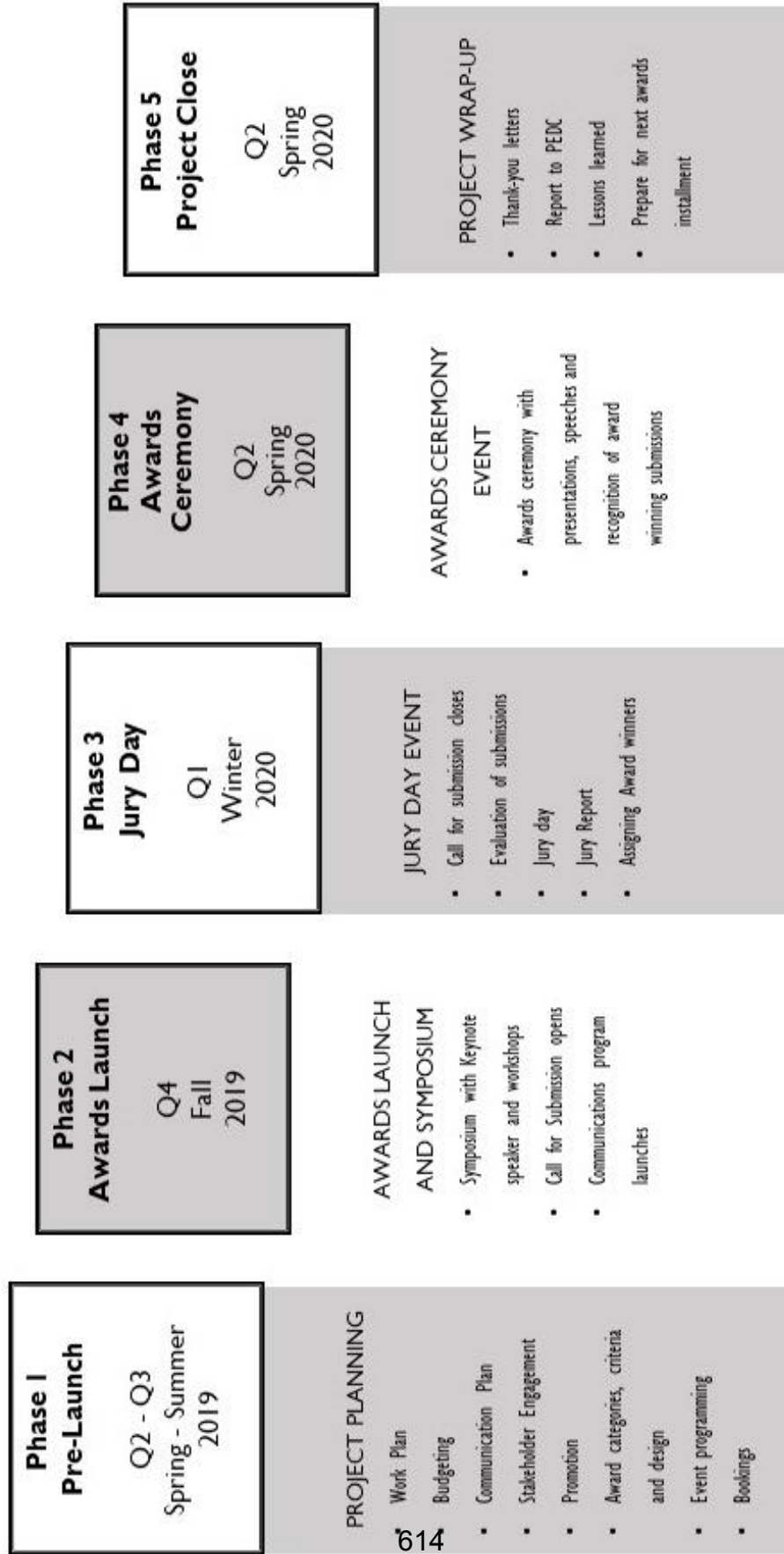
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was prepared in consultation with: Khaldoon Ahmad, Manager of Urban Design and Landscape Architecture, Planning and Development Services; Blake Landry, Economic Research and Analysis Manager, Planning and Development Services; Farzana Crocco, Economic Development Strategic Marketing Manager, Planning and Development Services Department. This report was reviewed by: Diana Morreale, Director of Development Approvals, Planning and Development Services Department.

Appendices

Appendix 1 Niagara Biennial Awards – Project Overview

NIAGARA BIENNIAL DESIGN AWARDS – PROJECT OVERVIEW



Subject: Regional Incentives Financial Information

Report to: Planning and Economic Development Committee

Report date: Wednesday, May 8, 2019

Recommendations

1. That Report PDS 22-2019 **BE RECEIVED** for information; and
2. That a copy of Report PDS 22-2019 **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The purpose of this report is to provide background on the financial implications and funding for the Region's incentive programs - particularly tax-related grants accessed through projects eligible under Local Community Improvement Plans (CIPs), as directed by Council at meeting on April 25, 2019.
- The Smarter Niagara Incentive Program (SNIP) is a suite of Regional incentive programs providing matching grants to eligible projects in Local Municipalities (LAMs). SNIP incentives are divided into simple grants (e.g., building and façade improvement grants) and tax-related grants (e.g., tax increment grants).
- Niagara Region is a funding partner on more than 50 CIP-based incentive programs across Niagara. Since May 2017, Regional Council has consistently directed staff to defer partnering on any new or revised incentive programs included in CIPs approved by the LAMs, pending completion of the ongoing Regional incentive review. As of March 2019 this has affected four new or revised locally approved CIPs.
- On April 25, 2019, Council approved including all CIPs which had been or will be locally approved by December 31, 2019 as eligible to submit Regional matching funding requests for SNIP simple grants and Council approved a budget of \$600,000 for 2019 for this purpose. A report on the financial implication of tax-related SNIP grants was also requested.
- SNIP simple grants and tax-related grants are budgeted for and administered in different ways. A description of the financial implications of SNIP tax-related grants, specifically tax increment grants is outlined below, but Regional funding requests for SNIP tax increment grants in 2019 could well be in excess of \$5 million over the life of the grants, usually 10 years.
- Nineteen Regional incentive programs (Appendix 1) administered by the Planning and Development Services, Finance, and Economic Development departments are

currently under review, including SNIP incentives. A presentation on Regional incentives and the Regional incentive review is scheduled for the Committee of the Whole meeting on June 6, 2019.

Financial Considerations

SNIP Simple Grants

SNIP simple grants are funded through an annual line item in the Levy budget (i.e. \$600,000 in 2019). This funding is allocated to applicants from the LAMs who match the funding and apply through a quarterly, first-come, first-served basis for eligible projects, until the budget limit is reached. In 2016 and 2017, funding from reserves was required to meet historical Regional incentive commitments for SNIP simple grants beyond the \$634,000 annual budget for each of those years, depleting reserves for these programs. (The SNIP simple grant budget was not exceeded in 2018). The unused funds are treated as all other operating budget surpluses for the corporation. No allocation to reserves is budgeted.

SNIP Tax Increment Grants

SNIP tax increment grants (TIGs) are generally larger financial commitments of longer duration than simple grants. They are funded differently from simple grants. The budget is established in the first year of completed construction when the property is added to the tax roll and funded directly from the assessment growth in that year. The budget for grant/repayment expense is established in that year until the completion of the duration of the commitment - usually 10 years. The 2019 SNIP TIG budget is \$1.6 million. As most of the TIGs are for a 10 year period the cumulative impact of TIGs for which the Region is currently committed is a total over \$30 million through 2030. For all Regional tax increment grant commitments (including Gateway CIP tax increment grants), the total Regional commitment is over \$50 million through 2030. These amounts includes applications approved for which construction is not yet complete therefore assessment growth has not yet occurred and the expense budget respectively has not been established.

Each year the Region includes in the budget process the estimate of additional taxation revenue generated from new development (assessment growth). Historically this new revenue had averaged 1.31% of tax levy or \$4.2 million. Before this revenue can be utilized to fund the cost of services associated with the growing development and population, some must be set aside to provide for the repayment of the TIGs. The concern is that with the expansion of CIPs to greater proportion of the Region, more properties will become eligible, more taxes will be refunded and less funding will be available to fund operating expenses.

In 2019 to date, the Region has received approximately \$5 million in outstanding requests for matching SNIP TIG funding from eligible CIP programs, with more anticipated in 2019, these new commitments will be budgeted across the life of the grants, usually 10 years. This \$5 million is 1.3% of the Regional levy and has the potential, based on the timing of construction, to further erode assessment growth revenue. If the five new or revised locally approved CIPs, four of which have TIG programs, also become eligible for SNIP TIG matching Regional funding, there could be a considerable increase to the 2019 Regional request figure.

Analysis

Nineteen of the Region's incentive programs administered by the Planning, Economic Development and Finance departments are currently under review. A presentation for Councillors on these incentive programs and the incentive review is slated for the June 6, 2019 Committee of the Whole meeting. This report deals specifically with one of oldest of these Regional programs, an umbrella incentive program called the Smarter Niagara Incentive Program, or SNIP.

As noted, SNIP incentives provide matching Regional funding for eligible projects approved by the LAMs through CIPs and all 12 Niagara LAMs have access to Regional SNIP incentives. Ten of the 12 LAMs have CIP programs offering a range of incentive types, and the Region matches over 50 of these programs.

SNIP and Tax Increment Grants

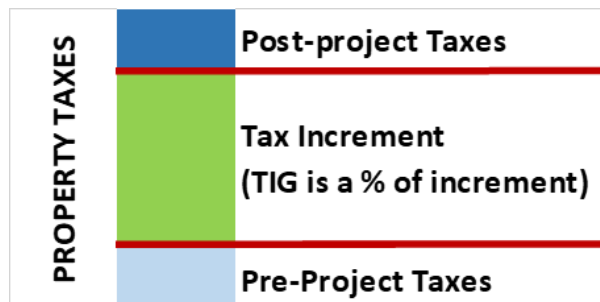
Below is information specifically on the tax increment grant (TIG).

TIGs, such as the SNIP Property Rehabilitation and Redevelopment Tax Increment Financing Grant (SNIP TIG), are grants based on a percentage of the tax related to the additional assessment created from the new construction (the difference between pre- and post-construction assessment) generated when a property is rehabilitated or redeveloped. The TIG is intended to refund taxes attributed to growth.

There is some inconsistency in the methodology by which some LAMs calculate the TIG. The simplest of methods to calculate this in an environment of annual changes to the assessment due to reassessment and increase in taxation (due to increase in budget and tax levies) where the grant is determined in the first year of the new assessment generated and then to continue to refund that 'fixed' amount annually for 10 years. This allows for consistency for the Region and developers.

Some LAMs however calculate the amount each year at a percentage of the taxes paid. This 'variable' methodology has the additional impact of refund budget increases and/or impacts of tax shifts due to reassessment. This methodology is also more challenging

to predict and budget for and additionally has risk to the developer to go down upon a reassessment shifts.



Through the SNIP TIG program, the Region matches the percentage and duration of the locally approved TIGs according to program parameters contained in each local CIP. Each LAM, and indeed each CIP even within the same municipality, may have a different TIG eligibility, rates, durations, and parameters. This means Regional funding for each TIG may differ substantially, depending on the CIP under which it is provided. The only Regional parameter cited in the current SNIP incentive program is that the Region will provide a minimum 75% grant rate for eligible brownfield TIGs.

Regional funding requests for SNIP TIGs are complex and require greater administrative review than SNIP simple grants. They typically involve review by policy planning, development planning and finance staff to determine whether it is an eligible request; the status of the project; the implications of the grant term, cost estimates, and building timelines; the potential impact for other incentives leveraged by the project; and whether it is eligible for delegated staff approval. SNIP TIG funding requests from all LAMs with eligible matching programs are accepted on a rolling in-take basis; there are no Regional limits on number of applications or funding amounts requested.

Regional Incentive Review

A review of many Regional incentives, including the SNIP suite, is underway. Objectives of this review are to ensure that Regional incentive programs align with Regional Council priorities and are clear, current, accountable and effective. Following a presentation on Regional incentives to Councillors on June 6, reports through the Planning and Economic Development Committee regarding the incentive review are anticipated in June-July 2019. These presentations and reports will provide background on Regional incentives and existing programs; outline the rationale for and status of the incentive review; and seek Council direction on targeted areas for Regional incentive funding. New or revised programs based on this direction and review findings will be developed and are expected come before Council in fall 2019.

Alternatives Reviewed

This report is for information; no alternatives were considered.

Relationship to Council Strategic Priorities

N/A -- this report is brought forward in response to a motion approved at the April 25, 2019 Regional Council meeting.

Other Pertinent Reports

CL-C 35-2019	Parameters of Regional Matching Funding for Smarter Niagara Incentive Program Tax Increment Grants
PDS 31-2018	Regional Incentive Delivery and Eligibility in 2019
PDS-C 8-2018	Regional Incentive Review and Community Improvement Plans
PDS 42-2017	Overview of 2018 Incentive Review
PDS 33-2017	Smarter Niagara Incentive Program 2017 Budget Update
PDS 6-2017	Town of Lincoln Request for the Region to Participate in its New Community Improvement Plan Incentives Program
PDS 97-2011	Review and Update of the Smarter Niagara Incentive Programs

Prepared by:

Doug Giles
Director, Long Range and Community
Planning

Recommended by:

Rino Mostacci, MCIP, RPP
Commissioner
Planning and Development Services

Submitted by:

Ron Tripp, P.Eng.
Acting Chief Administrative Officer

This report was reviewed by Doug Giles, BES, MUP, Director, Community and Long Range Planning and Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer

Appendices

Appendix 1 List of Regional Incentive Programs Under Review

Appendix 1 – List of Regional Incentive Programs Under Review

1. Smarter Niagara Incentive Program (SNIP)

- Environmental Assessment Study Grant
- Building and Façade Improvement Grant/Loan
- Residential Grant/Loan
- Heritage Restoration and Improvement Grant/Loan
- Agricultural Buildings and Facilities Revitalization Grant/Loan
- Agricultural Feasibility Study Grant
- Community Improvement Plans (CIPs)/Planning Studies Grant
- Affordable Housing Grant/ Loan Program
- Property Rehabilitation and Redevelopment Tax Increment Grant/Loan
- Brownfield Tax Assistance Program
- Development Charge Reduction Grant

2. Public Realm Investment Program

3. Waterfront Investment Program

4. Niagara Investment in Culture Program

5. Gateway Economic Zone and Centre

- Gateway CIP Tax Increment Based Grant
- Gateway CIP Regional DC Reduction Grant

6. Industrial Development Charge Grant

7. Non-Profit Regional Development Charge Grant

8. Heritage Tax Rebate Program

Subject: Canada Summer Games

Report to: Regional Council

Report date: Thursday, May 16, 2019

Recommendations

1. That Report CAO 5-2019, dated May 10, 2019, respecting the Canada Summer Games **BE RECEIVED**, and Regional Council **APPROVE** an additional capital budget commitment of \$13.7 Million (to be allocated from Federal gas tax funding) subject to the commitment of additional funding by the Federal Government, local municipal partners and Brock University.
2. That Regional Council **PASS A RESOLUTION** asking the Ontario provincial government to commit additional capital funding consistent with the bid submission to the proposed 2021 Canada Summer Games legacy projects.

Key Facts

- Niagara Region was selected as the site of the Canada Summer Games (CSG) in 2021 which will bring more than 5000 elite level Canadian junior athletes from across all 13 provinces and territories to compete against one another in Niagara. The Canada Games are the country's largest multi-sport event for young athletes and are recognized as a critical competitive step for elite level Canadian athletes as they develop to compete at senior national and international events. It is also the only national or international event where both Para-athletes and Special Olympic athletes participate in the event inclusively.
- The CSG will be held over a two-week period in August 2021, involving competition in 18 sporting events. These sports attract over 80 hours of national television coverage (TSN/RDS). Prior CSG events have attracted an additional 30,000+ visitors to the host communities.
- The community has already pulled together to create a successful bid. Throughout, all 12 municipalities have fully endorsed Niagara hosting the CSG recognizing that by hosting the games each municipality will benefit. The Niagara Region has acted as the catalyst on this project throughout recognizing that hosting the CSG will directly impact all municipalities positively.
- In addition, multiple major stakeholders were involved from across different public and private sectors. By supporting this increased funding proposal, this would add to our local infrastructure assets while continuing to demonstrate the cooperation between local and regional municipalities and our local educational institutions.
- As the host community, Niagara Region committed \$7 million, consisting of a required commitment of \$3 million for capital expenditures plus an additional \$4

million commitment (in cash or value in kind) for operating expenditures. The Federal and Provincial governments have each committed to provide \$10.35 million for capital and operating costs to the host society in return for hosting the 2021 CSG. The Federal government will contribute an additional \$1.2 Million to the operations of the games for the addition of lacrosse events.

- Niagara Region also approved up to \$3.35 million in additional funding for post-games legacy projects, however these funds would be first applied to any deficit given that the Niagara Region is responsible for any financial deficit associated with the 2021 CSG.
- The total legacy capital budget is now estimated to be \$98.8 million. This will deliver a number of legacy infrastructure investments across Niagara. Two key elements included within the infrastructure plan are, the Canada Games Park, which is a multi-sport and recreation complex located on the Brock University campus opposite the Niagara Region HQ and proposed enhancements to the Henley rowing facility.
- The capital funding formula requires all funding partners to increase their contributions. The Federal government has provided positive indications that subject to commitments of increased funding at the local level a request for increased capital funding up to \$49.4 Million will be considered. There has been no indication from the Provincial government any increased funding will be available.
- Legacy capital projects considered in the original bid in Local Area Municipality's have committed funding. The City of Thorold and the City of St. Catharines are in the process of securing additional funding in the amount of \$15 million.
- The Region is being asked to fund an additional \$13.7 Million contingent on our municipal partners securing the remaining \$15 Million. The urgency of this request is due to the immediacy of the construction of the facilities as well as delays in the commencement of the Infrastructure Community Investment Program (ICIP) which was targeted to be a funding source for this project.

Financial Considerations

The Canada Summer Games Board are finalizing its business plan to the Federal government for consideration. The funding request has been modified from the initial submission with the finalization of the legacy capital projects.

To ensure that the capital projects are funded, the CSG committee has revised the funding model from the initial bid submission. The proposed funding model requires additional contributions from the Federal government, Brock University, the City of St. Catharines and the City of Thorold, as well as funding from the CSG committee. To-date, the Province's contribution has remained the same as the initial bid submission. Likewise funding contributions from other participating local municipalities has remained the same.

In the proposed funding model, the committee has requested that Niagara Region increase the funding component from the initial capital approval of \$6.35 million. The

additional funding requested under this proposed plan is \$13.7 million (approx.). The contributions from all parties is as follows:

Table 1: Proposed Canada Summer Games Capital Project Funding

	Canada Games Park , Henley & Other CSG Projects
Total Project Cost	\$98,822,571
Federal* Contribution	\$49,411,286
Provincial Contribution	\$3,000,000
Brock** <i>contribution</i> (net of Land \$6,500,000)	\$4,000,000
<i>CSG Sponsorship</i>	\$6,500,000
LAM - other facility improvement Contributions	\$874,500
Thorold Contribution*: excluding Land Servicing Costs	\$5,000,000
St Catharines Contribution*	\$10,000,000
Niagara Region Upfront Contribution	\$3,000,000
Niagara Region Pre-Approved Legacy Contribution	\$3,350,000
Niagara Region Deficit Funding Request	\$13,686,786

* *pending approval and confirmation of funding*

** Brock University is committing \$500,000 with a further \$3,500,000 in kind

The Region's approved 2019 budget does not incorporate this request. The recently approved Federal Budget has provided funding to Ontario Municipalities through the Federal Gas Tax. The Region will receive a one-time additional payment of FGT funding which, based on 2018's actual, will be approximately \$13,738,782.

This is a significant increase compared to previous year's announcements. The federal government has encouraged that this one time amount be used on shovel ready projects that are eligible under the gas tax program. In addition, this funding has been identified to be used for projects that may be delayed under the ICIP. The CSG legacy capital projects meet these requirements. While the Region has a significant number of capital projects that meet the eligibility of the gas tax program, there are no projects that are shovel ready under the ICIP program. The CSG legacy capital projects would meet this requirement.

The construction deadline to meet the needs of the 2021 Canada Summer Games requires funding commitments to be in place immediately.

Ownership of buildings

A consortium of the local partners is being developed to own, operate and maintain the Canada Games Park. The Region presently is investigating whether the use of Federal Gas tax funding will require a stake in the consortium.

Further, the governance review may impact the consortium partners involved in the consortium.

Analysis

Corporate Impact

The bid to host the CSG highlighted the Region's ability to be a local catalyst and collaborator with local partners in both the public and private sector. It also demonstrates our ability to deliver on our community vision of *'being a unified community of communities with diverse opportunities and qualities – together we strive for a better tomorrow'*.

The delivery of a successful CSG is imperative to the reputation of the Niagara Region and our local & municipal partners; it will provide a two-week window for Niagara to showcase itself to the rest of Canada beyond its beautiful waterfall and bountiful wineries.

Raising Niagara's Profile

The Canada Games are a national event, celebrated locally. They provide Niagara with an opportunity to showcase itself to a national audience through national marketing campaigns in advance of the Games and considerable media attention during the Games. Typically, 400 media members will attend the Games which will have over 80 hours of national TV coverage (on TSN and RDS), over 350,000 webcast views and an external reach of over 5 million people.

It is anticipated that the 2021 Canada Summer Games will increase visitation to Niagara by approximately 30,000. A large number of attendees are VIPs and dignitaries that attend the opening and/or closing ceremonies, a Ministers conference, VIP receptions and sporting competitions. The VIP's include the Prime Minister, Governor General and other dignitaries.

The Canada Summer Games is a showcase opportunity for Niagara as a community, including its residents, local businesses and local government and educational institutions. These showcase opportunities would be further enhanced via new community facilities.

Brock University is intended to be the athlete's village which would be in close proximity to the proposed Canada Games Park. This would create a hub of activity around the

Niagara Region Headquarters and would be an opportunity to highlight progress on the Brock District Plan with the new International Plaza and Civic Park being focal points. With events planned in every municipality, it also creates an opportunity to showcase locations across the Region to a national TV audience.

Community Impact

Infrastructure Benefits

Through hosting the Canada Summer Games, this has afforded the Niagara Region to opportunity to invest in our community through planned improvements to local infrastructure across Niagara. The approval of increased Regional funding along with additional Federal funding would support two marquee legacy facilities.

The Canada Game Park, which will include:

- Sport and Abilities Centre – with Canadian Sport Institute of Ontario Regional Centre, Centre for Health and Well-Being, Para-Sport Gymnasium, Twin-Pad Ice-Box for box lacrosse and ice sports, and sport offices;
- Outdoor Cycling and Environmental Sustainability Centre;
- Athletics Facility;
- Beach Volleyball Centre; and
- Rowing Centre as a key satellite facility.



Henley Rowing facility



Post-Canada Summer Games operating and tri-party management planning for the legacy facilities is in development to ensure these facilities remain available to the community after the games has ended.

A recognized benefit of hosting the Canada Summer Games is the legacy infrastructure that remains post-games. At the 2019 Canada Winter Games, Red Deer invested a total of \$250 Million in legacy infrastructure projects.

Health Benefits

There has been significant research which demonstrates increasing access to sports and recreation increases physical activity within communities. In the 2015 report Framework for Recreation in Canada, researchers highlight five goals which support community health. Two of which are: *Ensure the provision of supportive physical and social environments that encourage participation in recreation and help build strong, caring communities*, and, *ensure the continued growth and sustainability of the recreation field*.

The legacy projects outlined support both of these goals through increasing our community recreation assets while also creating hubs for sports and recreation participation. National and International research has long demonstrated the link between increased availability of sports and recreation facilities and increased physical activity. Research suggests this benefit is emphasized where there is a multitude of travel options available to these facilities.

In Niagara 59.5% of individuals reported to be either overweight or obese (CCHS, 2015-15). Aligned with this, 21.9% of individuals were found to be below physical activity recommendations as per Canada's Physical Activity Guide (CCHS, 2015-16). 20.8% of individuals report no physical activity at all and this group is predominantly made up of seniors (+65).

By further investing in the Canada Summer Games infrastructure, this will increase access to sports and recreation facilities for all of Niagara's residents while also allowing for targeted access/participation by the key demographics in partnership with municipalities and local health care providers.

Culture and Reconciliation

The Canada Summer Games is built on the concept of unifying Canada in a local setting, and celebrating that local setting. It will be a celebration of youth, sport and culture with planned programs and cultural events within each of the 12 municipalities. The game will support community engagement and increased volunteerism with more than 4,000 volunteers needed to support games delivery.

There is a strong theme of embracing Canadian heritage planned in the run up to the games and during the event. This is an opportunity to highlight our community as inclusive and diverse, celebrate our local francophone and indigenous communities as well as show case reconciliation efforts in Niagara to a national audience. The more than 5000 young athletes would become brand ambassadors for Niagara in the future through experiencing the best of the Niagara Region.

Local and elite sport participation

By investing in these facilities, Niagara will have leading class sports and para-sports facilities which can be used by the community at large while also hosting future national and international sporting and para-sporting events.

The success of the Canada Summer Games bid has already seen success in this area with the 2017 Scotties – Tournament of Hearts, the 2018 FIBA U18 Basketball Championships, and 2016 IIHF Ice Hockey Women U18 World Championships all being held in Niagara.

Further investment in the two major infrastructure projects outlined within this report will increase our ability to potentially host future national and international sporting events. One such example is the 2024 World Rowing Championships if the improvements to the Henley Rowing facility are approved.

Having these leading class legacy facilities will support the promotion of local sports participation in Niagara; this in turn will promote physical activity while also allowing for the development of local athletic talent here in Niagara.

Historically, developing Niagara athletes have needed to travel into the Greater Toronto Areas regularly for training, access to coaching and competitive events. By investing in these facilities, all of these things would be available here in Niagara and would promote athletic excellence locally.

This investment also opens up the potential for the relocation of elite athletes and teams to Niagara. Again, we have already seen some success in this area with the Toronto Maple Leafs hosting training events in Niagara in recent years. Another good example of this is the development of the Meridian Centre in St. Catharines and subsequent ability to secure the Niagara River Lions as a local community asset.

Economic Impact

After each Canada Games, the host society must conduct an economic impact study using the Canadian Sport Tourism Alliance (CSTA) STEAM model. The study for the 2013 Canada Summer Games (Sherbrooke) determine that it had an economic impact of \$165 million, and supported more than 1,111 jobs and \$54 million in wages and salaries.

The Canada Winter Games are smaller than the Summer Games, but studies of the 2011 (Halifax) and 2015 (Prince George) determined they had economic impacts of \$123 to \$130 million, supported 693 to 1,100 jobs and \$40 to \$43 million in wages and salaries.

The economic impact demonstrated above is similar to that of a Grey Cup or hosting the World Junior Hockey Championship.

Prior to bidding for the Canada Summer Games the Niagara Sport Commission used the CSTA STEAM model to project the economic impact of hosting the 2021 Canada Summer Games. It projected an economic impact of \$180 to \$240 million, and support for approximately 1,150 to 1,500 jobs, and \$57 to \$76 million in wages and salaries.

This projection was based on a total capital infrastructure investment of between \$15 and \$40 million. The 2021 Canada Summer Games Host Organizing Committee is adjusting these projections in line with the new proposed capital infrastructure investment of \$98.8 million. Increasing the investment on capital infrastructure projects increases the local economic impact.

Alternatives Reviewed

Staff are recommending the proposal is funded by the \$13.7 million one-time Federal Gas tax funding. If Regional Council deny this funding proposal, the Gas Tax funding could be invested in alternate infrastructure projects in line with the terms of the Gas Tax funding agreement addressing the Region's capital deficit.

Council could also consider alternative funding options such as the issuance of additional debt (0.44% levy) or, the authorization of a one-time Special Purpose Levy (3.74% levy). Neither of these funding models are recommended.

Relationship to Council Strategic Priorities

Demonstrates our ability to deliver on our community vision of *'being a unified community of communities with diverse opportunities and qualities – together we strive for a better tomorrow'*.

Other Pertinent Reports

ED 2-2017
CSC 1-2017
CL 11-2017
CL-C 123-2017

Prepared by:

Andrew Scott, BA (Hons), Dip Law, PCQI
Manager, CQI
Public Health & Emergency 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 Heather Talbot, Financial & Special Projects Consultant.

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. < >

A BY-LAW TO APPOINT DEPUTY REGIONAL CLERKS FOR THE
PURPOSES OF THE COMMISSIONERS FOR TAKING AFFIDAVITS
ACT AND TO AMEND BY-LAW NO. 2017-44

WHEREAS under the *Commissioners for Taking Affidavits Act*, R.S.O. 1990, c.17, specifically *Ontario Regulation 386/12, Commissioners and Other Persons Who May Take Affidavits*, Clerks and Deputy Clerks, by virtue of office, are commissioners for taking affidavits in the regional municipality in which their local municipality is situate, and;

WHEREAS Subsection 228(2) of the *Municipal Act, 2001* S.O. 2001, c. 25, as amended, provides that a municipality may appoint Deputy Clerks who have all the powers and duties of the Clerk under this and any other Act, and;

WHEREAS on May 18, 2017, Regional Council passed By-law No. 2017-44, being a by-law to appoint deputy clerks for the purposes of the *Commissioners for Taking Affidavits Act*, and;

WHEREAS on February 8, 2018, Regional Council passed By-law No. 2018-19, being a by-law to appoint deputy clerks for the purposed of the *Commissioners for Taking Affidavits Act* and to Amend By-law No. 2017-44, and;

WHEREAS on December 13, 2018, Regional Council passed By-law No. 2018-92, being a by-law to appoint a deputy clerk for The Regional Municipality of Niagara.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That Schedule "A" to By-law No. 2017-44 be repealed and replaced with the attached;

2. That the persons listed in Schedule “A” to this By-law are hereby appointed Deputy Clerks for The Corporation of The Regional Municipality of Niagara for the purposes of carrying out the duties of that office under the *Commissioners for Taking Affidavits Act*, R.S.O. 1990, c.17, and;
3. That this by-law shall come into force and effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA

James Bradley, Regional Chair

Ann-Marie Norio, Regional Clerk

Passed: < >

SCHEDULE "A" to BY-LAW NO. 2017-44

The persons listed below are appointed Deputy Clerks for The Corporation of The Regional Municipality of Niagara for the purposes of carrying out the duties of that office under the *Commissioners for Taking Affidavits Act*, R.S.O. 1990, c.17:

JONATHAN GILSTON

KELLY LOTIMER

KRISTINE RACICOT

THE REGIONAL MUNICIPALITY OF NIAGARA

BY-LAW NO. < >

A BY-LAW TO ADOPT, RATIFY AND CONFIRM THE ACTIONS OF
REGIONAL COUNCIL AT ITS MEETING
HELD MAY 16, 2019

WHEREAS subsection 5 (3) of the Municipal Act, S.O. 2001, Ch. 25, as amended, provides that, except if otherwise authorized, the powers of Regional Council shall be exercised by by-law; and,

WHEREAS it is deemed desirable and expedient that the actions of Regional Council as herein set forth be adopted, ratified and confirmed by by-law.

NOW THEREFORE the Council of The Regional Municipality of Niagara enacts as follows:

1. That the actions of the Regional Council at its meeting held May 16, 2019, including all resolutions or motions approved, are hereby adopted, ratified and confirmed as if they were expressly embodied in this by-law.
2. That the above-mentioned actions shall not include:
 - a) Any actions required by law to be taken by resolution; or
 - b) Any actions for which prior Ontario Municipal Board approval is required, until such approval is obtained.
3. That the Chair and proper officials of The Regional Municipality of Niagara are hereby authorized and directed to do all things necessary to give effect to the above-mentioned actions and to obtain approvals where required.
4. That unless otherwise provided, the Chair and Clerk are hereby authorized and directed to execute and the Clerk to affix the seal of The Regional Municipality of Niagara to all documents necessary to give effect to the above-mentioned actions.
5. That this by-law shall come into force and effect on the day upon which it is passed.

THE REGIONAL MUNICIPALITY OF NIAGARA

James Bradley, Regional Chair

Ann-Marie Norio, Regional Clerk

Passed: < >