



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

BRCOTW 3-2024

Thursday, October 17, 2024

6:30 p.m.

Council Chamber - In Person and Electronic Meeting

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

To view live stream meeting proceedings visit: niagararegion.ca/government/council

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>LAND ACKNOWLEDGEMENT STATEMENT</u>	
3. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
4. <u>DELEGATIONS</u>	
5. <u>ITEMS FOR CONSIDERATION</u>	
5.1 <u>BRC-C 2-2024</u> A letter from M. Siscoe, Chair, Niagara Transit Commission, dated September 23, 2024, respecting 2025 Proposed Operating Budget and Special Levy Requisition. A presentation will precede the consideration of this item.	3 - 43
5.2 <u>CSD 44-2024</u> Waste Management 2025 Operating Budget and Requisition A presentation will precede the consideration of this item.	44 - 87
6. <u>CONSENT ITEMS FOR INFORMATION</u> None.	
7. <u>OTHER BUSINESS</u>	

8. **NEXT MEETING**

The next meeting will be held on Thursday, November 7, 2024, at 6:30 p.m. in the Council Chamber, Regional Headquarters.

9. **ADJOURNMENT**

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

2025 Operating Budget

Niagara Transit Commission

October 17, 2024

Agenda

- Services
- Overall Transit Ridership
- NTC Snapshot & Performance Measures and Results
- 2025 NTC Operating Budget
- Efficiencies
- 2025 Budget Investments
- 2025 FTE Summary
- 2025 Mitigations & Risks
- Other Budget Considerations
- 2025 Requisition and Special Levy

Services

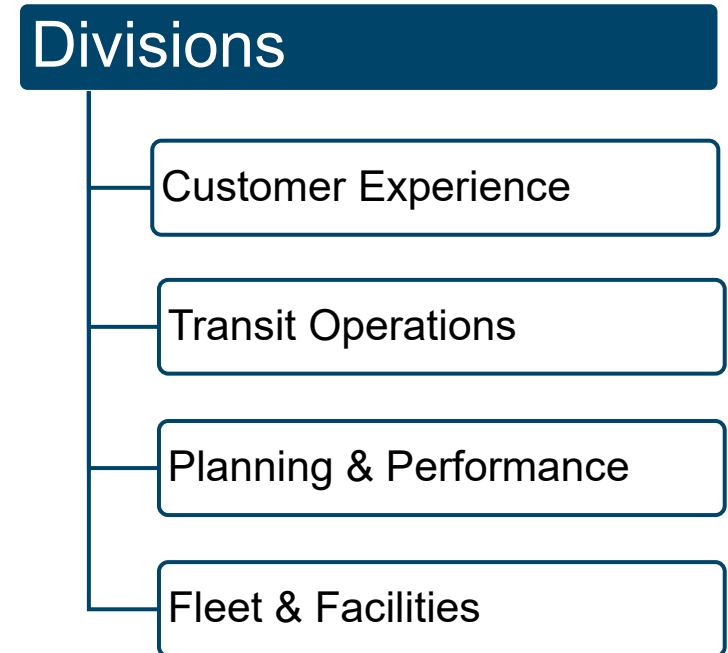
- **Vision:** Connecting Niagara by moving forward together.
- **Mission:** To provide safe, reliable, and sustainable transit service in Niagara.

The Niagara Transit Commission is responsible for the operation, management and maintenance of Niagara's comprehensive regional transit system.

Service Delivery Model

How we do it

- Conventional bus service
 - Welland, St. Catharines, Niagara Falls (local and intermunicipal buses)
 - 1 intermunicipal bus each to/from Fort Erie and Port Colborne
- Microtransit
 - shared-ride service where bus routes don't reach
 - comingled contract with specialized service
- 2-tier fare structure



Key Service

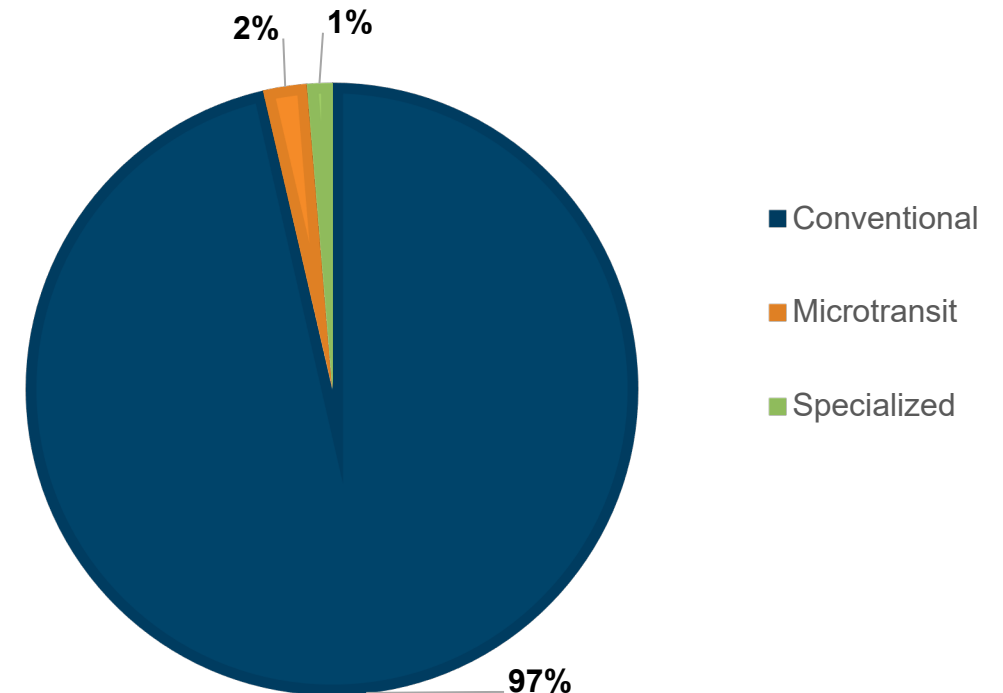
Essential Service –

MTA transferred services
(Conventional bus (local and
intermunicipal routes) & Microtransit
(OnDemand) services in Fort Erie)

Mandatory Service –

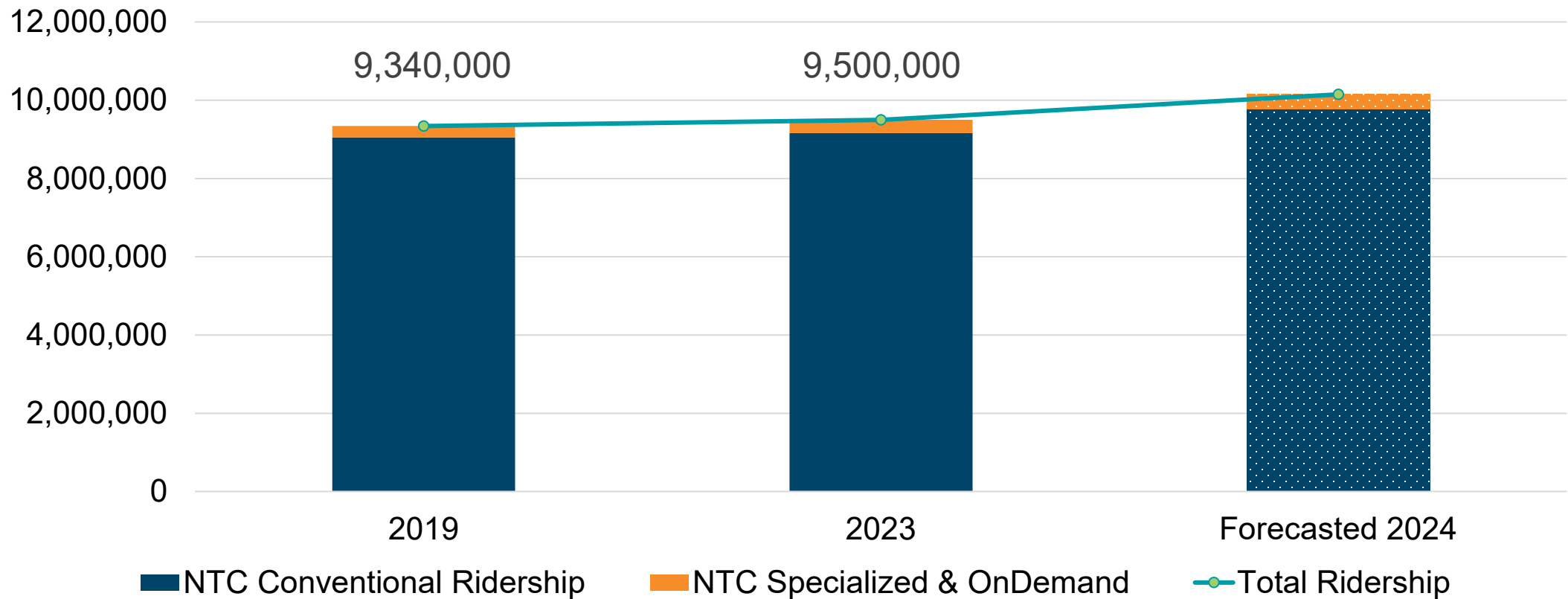
Specialized service per AODA

RIDERSHIP



Overall Transit Ridership

- 2023 total ridership surpassed pre-pandemic levels
- 2024 total ridership is forecasted to exceed 2023 ridership



NTC Snapshot – Q3 2024

Number of Local Routes	88
Number of IMT Routes	11
2025 Staff ¹	453
Number of 40' buses	143
Number of 60' buses	20
Average age of 40' and 60' bus	8
Number of specialized transit buses	23
Average age of specialized buses	6
Number of support vehicles	40
Number of Contracted Vehicles	37
Est 2024 Kilometers Driven (in house)	10,142,000

1. 2025 Budgeted Full Time Equivalent staff including temporary staff, excluding shared services staff

Performance Measures and Results

- Scheduled Service Delivery Rate for Conventional Transit is 99%

On Time Performance	2023	Q3 2024
Conventional	83%	83%
<i>Conventional – Peer average</i>	79%	
Specialized & Microtransit	91%	91%

Customer Feedback

- 91% of our riders gave a 3 and above rating and said they ‘Felt safe while riding’
- 88% of our riders gave a 3 and above rating and said their ‘Driver was good at their job’

2025 NTC Operating Budget

Methodology

- 2025 Budget is based on 2023 and 2024 year-to-date actuals
 - ‘Right sizing’ labour budget after finalizing Collective Agreement
 - Adjustments for inflationary increases
 - Adjustments to reflect expected price increases to diesel
 - Annual reduction to unsustainable funding specific to Provincial Gas Tax (PGT)
 - Annual increase to transfer to Capital Reserve
 - Service levels remain neutral

Division Priority Projects or Initiatives

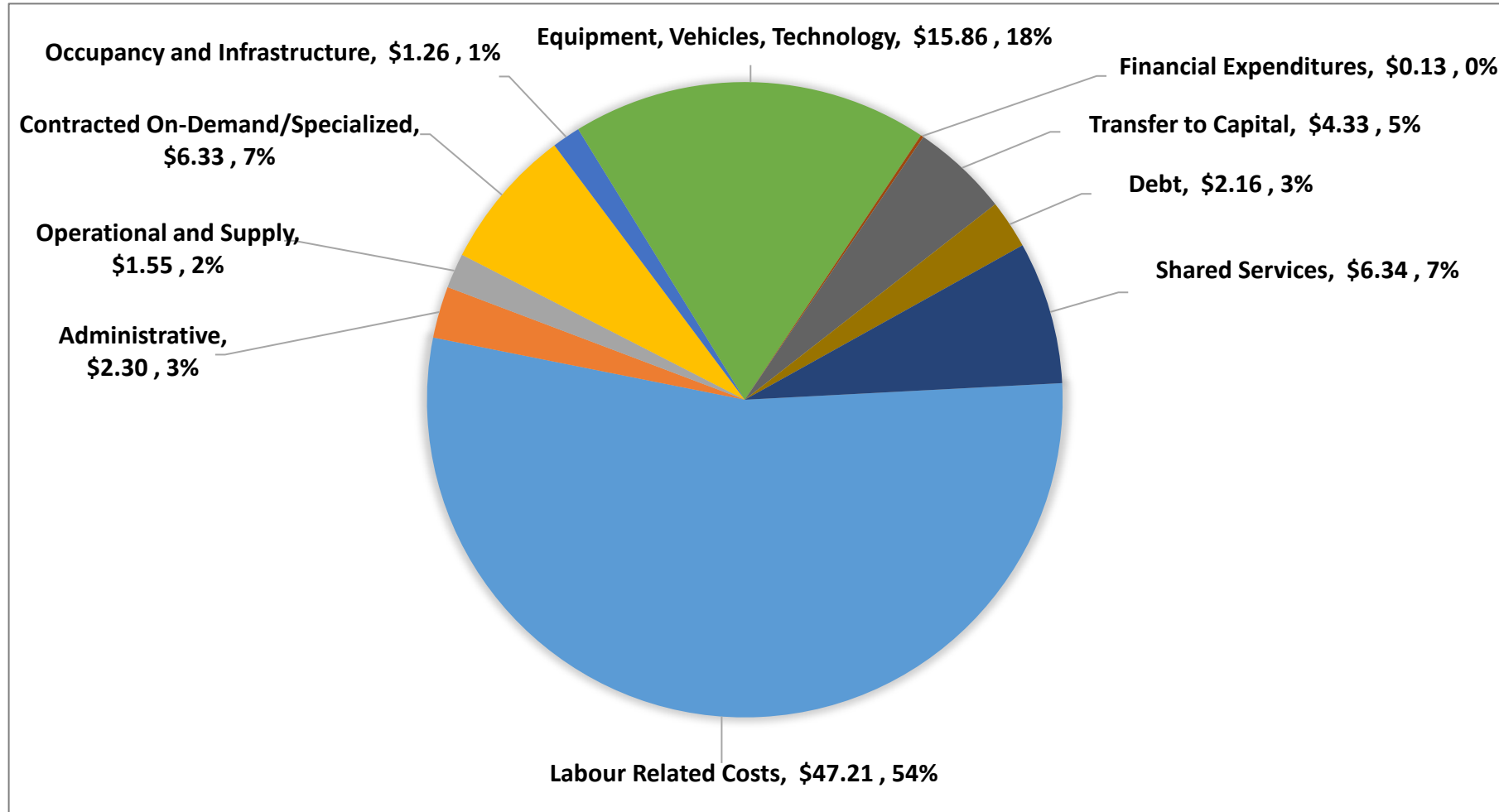
- Sustainable Capital Financing
 - Triple Majority Strategy to increase the transfer to capital by \$2.17 million for three years in order to sustain capital replacements
- Sustain Provincial Gas Tax
 - Reduction of \$300 thousand in 2025 to fund operations to support capital requirements going forward
- Fare Harmonization
 - Beginning July 1, 2025 - one cash fare (\$3.50) for any level of service in Niagara
- 2026 Budget Investment
 - Low-Income Transit Benefit

2025 Budget Strategy vs 2025 Proposed Budget

By-Law Category	Budget Strategy	2025 Budget	Variance
Base Pressures	3.93%	3.16%	0.77%
PGT Strategy	0.51%	0.51%	0.00%
Net Base Service	4.44%	3.67%	0.77%
Capital Financing	<u>3.71%</u>	<u>3.71%</u>	<u>0.00%</u>
Total before Assessment Growth	8.15%	7.38%	0.77%
Estimated Assessment Growth	<u>-1.50%</u>	<u>-1.50%</u>	<u>0.00%</u>
Total	6.65%	5.88%	0.77%

2025 NTC Operating Budget (in Millions)

Where does the money go? Gross Budget = \$87.5M



Efficiencies

Efficiencies in 2025 Budget	(\$)	Qualitative
Comingled Specialty Contract Savings	1,661,784	Consolidation to one OnDemand/Specialized Supplier
Fare Revenue	1,516,152	Increased Ridership - returning to pre-covid numbers
Supplemental Tax Reconciliation	744,676	Not budgeted in 2024
Consulting	233,601	Reduction based on required consulting (higher in 1 st two years due to amalgamation)
Total	4,156,213	

2025 Budget Investments

- Enhanced Capital Financing
 - Triple Majority Strategy approved through Municipal Transfer Agreement
 - Increase transfer to capital reserves by \$2.17 million for three years
 - Zero reserves upon amalgamation for capital replacement/investment
 - Build the capital reserve over three years to sustain assets
 - At end of 2025 there will be \$0 Capital reserves
- Fare Harmonization
 - Consistent fare across all services
 - Effective July 1, 2025
 - Estimated annual increase in fare revenues of \$350 thousand (2025 impact of \$175 thousand)
 - Requirement included in the MTA

2025 Capital Financing Strategy

Year	Transfer from Operating (Triple Majority Reserve Strategy)	Committed to Capital Use per 10-year Capital Budget	Closing Reserve
2024			1,567,308
2025	4,333,334	(3,994,000)	1,906,642
2026	6,500,000	(7,179,274)	1,227,368
2027	6,500,000	(6,474,772)	1,252,596
2028	6,500,000	(6,849,420)	903,176
2029	6,500,000	(2,914,550)	4,488,626
2030	6,500,000	(2,980,185)	8,008,441
2031	6,500,000	(2,429,411)	12,079,030
2032	6,500,000	(9,813,120)	8,765,910
2033	6,500,000	(10,901,939)	4,363,971
2034	6,500,000	(10,828,182)	35,788

Year	Transfer from Operating (No incremental contribution)	Committed to Capital Use per 10-year Capital Budget	Capital Shortfall
2024			1,567,308
2025	2,166,667	(3,994,000)	(260,025)
2026	2,166,667	(7,179,274)	(5,272,632)
2027	2,166,667	(6,474,772)	(9,580,737)
2028	2,166,667	(6,849,420)	(14,263,490)
2029	2,166,667	(2,914,550)	(15,011,373)
2030	2,166,667	(2,980,185)	(15,824,891)
2031	2,166,667	(2,429,411)	(16,087,635)
2032	2,166,667	(9,813,120)	(23,734,088)
2033	2,166,667	(10,901,939)	(32,469,360)
2034	2,166,667	(10,828,182)	(41,130,876)

2025 FTE Summary

Full-Time Equivalents by Division	2025 Permanent	2024 Permanent	Variance
Corporate	2.0	2.0	-
Fleet & Facilities	68.0	68.0	-
Operations	338.3	338.3	-
Planning & Performance	14.0	14.0	-
Customer Experience	29.0	29.0	-
Total NTC FTEs	451.3	451.3	-
Shared Services	14.0	12.0	2.0
TOTAL FTE	465.3	463.3	2.0

Full-Time Equivalents by Division	2025 Temporary	2024 Temporary	Variance
Corporate	1.0	1.0	-
Planning & Performance	1.0	1.0	-
Total NTC FTEs	2.0	2.0	-
Shared Services	0.0	1.0	(1.0)
TOTAL FTE	2.0	3.0	(1.0)

2025 Mitigations & Risks

- Fuel price volatility
- Fluctuations in year-end local area municipality reconciliations of Supplemental Tax revenue and Tax write-offs
- 2025 budget does not take into consideration any phased-in service hour alignments for conventional or specialty services based on the triple majority strategy to increase services by 2025.
- Ridership - Potential for continued increases in ridership recovery or changes related to implementation of fare harmonization
- Vehicle Maintenance costs

Other Budget Considerations

Additional Budget Considerations:	Estimated Cost \$	Increase to Budget
One new Conventional Route Fort Erie	839,560	1.4%
Transfer to Capital - New Bus Fort Erie	Up to 1,000,000	1.7%
Harmonization of Conventional Operating Hours	1,957,398	3.4%
Sunday & Holiday Service - IMT Routes	976,128	1.7%
Harmonization of Operating Hours and Sunday/Holiday Service - Contracted Routes (Specialty Services)	863,200	1.5%
TOTAL	5,636,286	9.7%

Pending results of Master Plan (Service, Route, Strategic Asset & Facility Review (Fall 2025))

2025 NTC Requisition

Methodology

- NTC will determine 12 requisitions for 2025 – one for each LAM
- Requisition Methodology based on sum of:
 1. Local net transit costs and incremental capital will be apportioned based on proportion of **service hours**
 2. Intermunicipal Regional Transit service cost apportioned based on municipal share of Region wide **assessment**
 3. Adjustments for 2022 Direct Revenue Shortfalls funded through one-time funding

*** Financial Strategy approved by Regional Council and local area municipalities through amalgamation ***

2025 NTC Special Levy

Methodology

- Region will determine Special Levy Tax Rate required to recover each municipal requisition
- Municipal tax bills to property owners will include a separate line for Transit Special Levy Taxes
 - Tax rate set by Region just like Regional General Levy rate and Waste Management Special Levy Rate
- LAMs will pay the Region the amount of the requisition in four instalments (like taxes) and collect the Transit special levy from property owners to recover the amount paid to Region

2025 Requisition by Municipality

Municipality	2024		2025					
	2024 Service Hours	2024 Service Hours Allocation %	2025 Service Hours	2025 Service Hour allocation %	2025 Service Hour Allocation	2025 Regional Assessment Allocation ¹	2025 Direct Municipal Allocation ²	2025 Special Levy Requisition
Fort Erie	25,444	5.6%	32,294	7.0%	3,054,552	1,119,755	0	4,174,307
Grimsby	8,483	1.9%	8,741	1.9%	826,774	1,326,855	0	2,153,629
Lincoln	5,980	1.3%	8,251	1.8%	780,427	1,084,485	0	1,864,912
Niagara Falls	130,411	28.6%	130,411	28.2%	12,335,020	3,653,361	513,744	16,502,125
Niagara-on-the-lake	15,912	3.5%	12,599	2.7%	1,191,686	1,494,386	0	2,686,072
Pelham	2,545	0.6%	2,520	0.5%	238,356	756,004	0	994,360
Port Colborne	5,655	1.2%	6,420	1.4%	607,240	554,269	0	1,161,509
St. Catharines	193,924	42.6%	193,924	41.9%	18,342,444	4,387,624	592,500	23,322,568
Thorold	14,647	3.2%	14,647	3.2%	1,385,397	822,138	0	2,207,535
Wainfleet	-	0.0%	-	0.0%	0	263,017	0	263,017
Welland	52,565	11.5%	52,565	11.4%	4,971,899	1,483,306	318,750	6,773,955
West Lincoln	-	0.0%	-	0.0%	0	551,607	0	551,607
Total	455,566	100.0%	462,372	100.0%	43,733,795	17,496,807	1,424,994	62,655,596

2025 vs 2024 Requisition by Municipality

	2024 Approved Budget	2025 Approved Budget	Change in \$	Change in %	Estimated Forecasted Assesment Growth ¹	Change net of Estimated Assessment Growth
Fort Erie	3,216,271	4,174,307	958,036	29.8%	1.5%	28.3%
Grimsby	2,017,945	2,153,629	135,684	6.7%	1.5%	5.2%
Lincoln	1,570,406	1,864,912	294,506	18.8%	1.5%	17.3%
Niagara Falls	15,595,172	16,502,125	906,953	5.8%	1.5%	4.3%
NOTL	2,815,212	2,686,072	(129,140)	-4.6%	1.5%	-6.1%
Port Colborne	1,019,075	1,161,509	142,434	14.0%	1.5%	12.5%
Pelham	946,537	994,360	47,823	5.1%	1.5%	3.6%
St. Catharines	21,863,873	23,322,568	1,458,695	6.7%	1.5%	5.2%
Thorold	2,004,606	2,207,535	202,929	10.1%	1.5%	8.6%
Wainfleet	256,677	263,017	6,340	2.5%	1.5%	1.0%
Welland	6,497,598	6,773,955	276,357	4.3%	1.5%	2.8%
West Lincoln	548,338	551,607	3,269	0.6%	1.5%	-0.9%
Total Base Budget	58,351,710	62,655,596	4,303,886	7.4%	1.5%	5.9%

Questions?



September 23, 2024

Regional Chair Bradley and Council
Regional Municipality of Niagara Region
1815 Sir Isaac Brock Way
Thorold, ON L2V 4T7

RE: 2025 Proposed Operating Budget and Special Levy Requisition - Niagara Transit Commission

Dear Regional Chair Bradley and Council,

Please be advised that its meeting of September 17, 2024, the Niagara Transit Commission passed the following motion:

That Report NTC 28-2024, dated September 17, 2024, respecting 2025 Operating Budget and Special Levy Requisition, **BE RECEIVED** and the following recommendations **BE APPROVED**:

1. That the Niagara Transit Commission (NTC) Board **APPROVE** the proposed 2025 base gross operating budget submission of \$85,306,542 and net base Special Levy of \$60,488,929 for a net increase of \$2,137,219 or 3.66%;
2. That the 2025 net special levy include additional capital financing of \$2,166,667 or 3.71% over 2024 net special levy **BE APPROVED**;
3. That the net Special Levy of \$62,655,596 (inclusive of recommendations 1 and 2 above) **BE APPORTIONED** between the local municipalities as per Appendix 2 determined in accordance with the methodology approved in PW 55-2021 and based on final 2024 current value assessment;
4. That this report **BE PROVIDED** to the Budget Review Committee of the Whole (BRCOTW) for consideration at its meeting on October 17, 2024, and subsequently Regional Council on November 21, 2024, for approval and subsequent calculation of the Special Levy tax rates for each municipality following Regional Council tax policy decisions; and
5. That a copy of this Report **BE CIRCULATED** to the Local Area Municipalities.

I would ask that this information be placed on the agenda for the Regional Budget Review Committee of the Whole meeting scheduled for Thursday, October 17, 2024.

The presentation materials will be provided in advance of the meeting. Please be advised that General Manager, Carla Stout, and myself, in my capacity as Board Chair, will be in attendance to address this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Mat Siscoe", with a stylized, cursive script.

Mat Siscoe,
Board Chair, Niagara Transit Commission

Subject: **2025 Operating Budget and Special Levy Requisition**
Report to: Niagara Transit Commission Board
Report date: **Tuesday, September 17, 2024**

Recommendations

1. That the Niagara Transit Commission (NTC) Board **APPROVE** the proposed 2025 base gross operating budget submission of \$85,306,542 and net base Special Levy of \$60,488,929 for a net increase of \$2,137,219 or 3.66%;
2. That the 2025 net special levy include additional capital financing of \$2,166,667 or 3.71% over 2024 net special levy **BE APPROVED**;
3. That the net Special Levy of \$62,655,596 (inclusive of recommendations 1 and 2 above) **BE APPORTIONED** between the local municipalities as per Appendix 2 determined in accordance with the methodology approved in PW 55-2021 and based on final 2024 current value assessment;
4. That this report **BE PROVIDED** to the Budget Review Committee of the Whole (BRCOTW) for consideration at its meeting on October 17, 2024, and subsequently Regional Council on November 21, 2024, for approval and subsequent calculation of the Special Levy tax rates for each municipality following Regional Council tax policy decisions; and
5. That a copy of this Report **BE CIRCULATED** to the Local Area Municipalities.

Key Facts

- The purpose of this report is to seek approval for the proposed 2025 Operating Budget for NTC.
- At Niagara Region's BRCOTW meeting on July 25, 2024, the budget planning strategy presented for 2025 included a focus on aligning with the Budget Planning By-law's principles and priorities of sustainability and affordability. The strategy used was to maintain delivery of base services in light of inflationary pressures, support the capital funding gap and continue to address the impacts of funding the operating with reserves.

- The 2025 budget is based on 2023 actuals and 2024 June year-to-date actuals pro-rated annually, as well as a current understanding of key contracts and inflationary increases.
- The budget increase is driven by increases in rightsizing of labour related costs, fuel costs, increased insurance premium, increased shared services, and the elimination of the WEGO contract revenue from the City of Niagara Falls. Cost pressures have been partially offset by increased fare revenues from incremental ridership, reduction in consulting and savings from the commingled specialty contract.
- The NTC budget will be presented to Regional Council on November 21, 2024 for consideration and approval in accordance with the Council approved timetable and Article 7.3 of the Municipal Service By-law (MSB).

Financial Considerations

The 2025 NTC operating budget includes a base increase of 7.38% or \$4,303,886 to maintain current service standards, including a commitment to the triple majority strategy to increase contributions to capital reserves and reduce reliance on funding operations through Provincial Gas Tax. No additional service levels were considered in the 2025 budget in order to stabilize the budget, balance taxpayer affordability, as well as await further insights from the pending strategic review.

The 2025 proposed operating budget is provided in Table 1 below, with further details by object of expenditure and comparison to 2024 included in Appendix 1.

Table 1: Proposed NTC 2025 Operating Budget

Item	2024	2025	\$ Change	% Change
Gross Expenditure	\$82,704,767	\$85,306,542	\$2,601,775	3.15%
Gross Revenue	(24,353,057)	(24,817,613)	(464,556)	1.91%
Net Base Budget after Indirect Allocations	\$58,351,710	\$60,488,929	\$2,137,219	3.66%
Capital Financing	0	2,166,667	2,166,667	3.71%
Total Base Budget	\$58,351,710	\$62,655,596	\$4,303,886	7.38%

Table 2 compares the expected 2025 budget, included in the 2025 Budget Strategy report CSD 29-2024 presented to Council on July 25, 2024, and the proposed 2025 budget. The NTC proposed budget is less than the expected budget included in the budget strategy. Although there were some incremental pressures, there were some efficiencies found through reviewing the budget more closely. These efficiencies include the addition of supplemental tax revenue and write-offs into the NTC budget, refinement

in consulting and branding costs required in the first two years of amalgamation, and savings realized from the award of one contract for the delivery of commingled specialty services.

Table 2: 2025 Proposed Operating Budget compared to Budget Strategy Report

Budget Categories	Budget Strategy	2025 Proposed Budget	Reduction
Base Services	3.93%	3.15%	(0.77%)
PGT Strategy	0.51%	0.51%	-
Net Base Services	4.44%	3.67%	(0.77%)
Capital Financing	3.71%	3.71%	-
Subtotal	8.15%	7.38%	(0.77%)
Estimated Assessment Growth	1.50%	1.50%	-
Total	6.65%	5.88%	(0.77%)

Analysis

The pressures specific to the 2025 operating budget by object of expenditure are as follows:

Operating Expenditures

- **Labour Related Costs** – Labour related costs have increased by \$3.85 million due to the rightsizing of the actual benefits issued based on historical data, annual performance wage increases for non-union FTE's and final negotiated collective bargaining agreement annual wage increases. No new FTE's were requested by NTC through the 2025 budget.
- **Administrative** – The decrease of \$0.41 million relates mainly to refinement in expected consulting costs which were higher for the first two years after amalgamation and a reallocation and review of the marketing budget to support the new Customer Experience department.
- **Operational & Supply** - The decrease of \$1.72 million relates mainly to savings on the commingled On-demand/Specialized specialty services contract approved for July 1, 2024. These savings are due to consolidating to one service provider across the Region with a 2-year signed contract.
- **Equipment, Vehicles, Technology** – The increase in equipment, vehicles, technology of \$0.4 million relates mainly to incremental fuel costs of \$0.3 million.

The 2025 budget estimate was prepared based on current fuel usage and the Niagara Region corporate fuel price budget assumptions which highlighted estimated costs for fuel and gasoline to be used in the 2025 estimates. The remaining \$0.1 million increase relates to incremental costs for new IT software support.

- Financial Expenditures – This new budget line of \$0.1 million is related to the estimate for the allocation of tax write-offs reconciled by the local area municipalities at the end of each year. The supplemental tax revenues are recorded in taxation noted below. The budget is based on the 2023 actuals reconciliations.
- Transfer to Capital Reserves - The capital needs of the NTC are significant, which requires a balance between operational budget affordability and capital sustainability. Included in the triple majority strategy was the strategy to build up capital reserves. The strategy included phasing in \$6.5 million of required annual transfers to capital reserve over 3 years (\$2.17 million in 2023; \$4.33 million in 2024 and \$6.5 million in 2025 and ongoing). This strategy along with provincial gas tax (PGT) is intended to support renewal of the infrastructure up-loaded to the NTC. This strategy aligns with the continued investments required in the 2024 NTC AMP approved in CSD 22-2024, which indicated an average annual funding gap of \$3.3 million between available funding and the required investment to sustain the current level of service. The total required annual transfer to capital reserves to complete all approved 2025 capital projects would be \$2,426,692. However, by only contributing the minimum to cover 2025 capital projects, this will leave a \$0 balance in the capital reserve by the end of 2025. This will put pressure on 2026 and future capital requests resulting in required projects relating to repairs and replacements having to be delayed. Regional Council approved the full transfer as recommended in this report at their Budget review Committee-of-the-Whole meeting on September 12, 2024.
- Shared Services – There is an increase in shared services costs in 2025 of \$315 thousand. This is due to an 8.9% expected increase in insurance premium of \$176 thousand, increased labour costs of \$236 thousand related to the shared services provided by 14 permanent FTE's of the Niagara Region offset by a reduction of \$97 thousand in one-time ADP and consulting costs required in 2024.

Operating Revenues

- WEGO Transition - The WEGO contract with the City of Niagara Falls ended in September 2024. The Commission is committed to maintaining the required level of service for the local residents of the City of Niagara Falls along Lundy's Lane. Local routes 116 & 216 now maintain the base local service and address the removal of the (visitor transportation system) VTS Red Line. There is no longer a contracted fee received for this service resulting in reduced revenues of \$1.8 million.
- Fare Revenues – There is a \$1.5 million increase to 2025 budgeted fare revenue as a result of expected increased ridership and forecasted 2024 fare revenues. In addition, there is a slight increase related to the implementation of the fare harmonization effective July 1, 2025 (approved through report NTC 22-2024).
- Provincial Gas Tax (PGT) Revenue - Also included in the triple majority strategy was the strategy to earmark reserve PGT entirely for capital for long-term asset sustainability, however as a 2023 budget mitigation strategy \$1.6 million of PGT was used in the operating budget. The 2025 budget includes the reduction of PGT used in operating by \$0.3 million. This reduction is to continue to be reduced to \$0 over 5 years in order to reduce the use of PGT to fund operations thus removing an unsustainable source of funding from operating and ensuring capital needs are met.
- Supplemental Taxes – Increased budgeted revenues of \$0.87 million based on actual 2023 supplemental tax revenue received is to be allocated to the Transit Special Levy. Supplemental tax revenue relates to incremental tax revenue received during the year related to new assessment and can fluctuate year over year based on assessment growth.
- Advertising Revenues – Increased advertising revenues of \$0.3 million based on 2024 forecasted annual revenues to be received through current contracts.

As with any budget, the following are additional risks identified:

- Fuel prices continue to fluctuate, which we will report through our quarterly reviews to the Board.
- Year-end local area municipality reconciliations of Supplemental Tax revenue and Tax write-offs which fluctuate year over year as it is hard to predict as these are based on how much assessment will change in a given year.

- 2025 budget does not take into consideration any phased-in service hour alignments for conventional or specialty services based on the triple majority strategy to increase services by 2025.
- Potential for increases in ridership or changes related to the implementation of fare harmonization.
- Fluctuations in vehicle maintenance costs as it is difficult to predict which parts may be required to be repaired.

Full-time Equivalents

The budget includes labour related costs that accommodate the organization chart and corporate and administrative services supported by Regional shared services as approved in 2022. In accordance with the Budget Planning By-law the staff complement in Table 3 and 4 is provided for in the recommended NTC budget as full-time equivalents (FTE) which converts headcount based on full time hours for each position as per the Budget Planning By-law. In 2025, there is an increase of two permanent FTE's added within the shared services support (Table 3). One FTE is being moved from a temporary FTE to a permanent FTE as they have been supporting our payroll department since amalgamation. The second FTE is for the contract administrator position in facilities which was temporary in 2023 during amalgamation. During the 2024 budget process it was assumed that the temporary position may not be required. However, this position continued as temporary in facilities supporting NTC, but the cost was not charged back to NTC for 2024. After two years the position is being requested to be permanent FTE for 2025 and to continue to support the contract administration in facilities relating to NTC.

Table 3: 2025 proposed NTC permanent Staff Compliment compared to 2024

Full-Time Equivalents by Division	2025 Permanent	2024 Permanent	Variance
Corporate	2.0	2.0	-
Fleet & Facilities	68.0	68.0	-
Operations	338.3	338.3	-
Planning & Performance	14.0	14.0	-
Customer Experience	29.0	29.0	-
Total NTC FTEs	451.3	451.3	-
Shared Services	14.0	12.0	2.0
TOTAL FTE	465.3	463.3	2.0

Table 4: 2025 proposed NTC temporary Staff Compliment compared to 2024

Full-Time Equivalents by Division	2025 Temporary	2024 Temporary	Variance
Corporate	1.0	1.0	(0.0)
Planning & Performance	1.0	1.0	(0.0)
Total NTC FTEs	2.0	2.0	(0.0)
Shared Services	0.0	1.0	(1.0)
TOTAL FTE	2.0	3.0	(1.0)

2025 Transit Requisition

The net requisition amount will be allocated to the LAMs in accordance with the methodology approved in PW 55-2021. As such, costs will be apportioned on the following basis:

- Municipal service cost of \$43.7 million is apportioned based on proportionate share of service hours. This methodology recognized that the cost for each municipality would not reflect the actual cost of services delivered in the municipality but reflects the triple majority approved methodology that best aligned with the Transit financial model evaluation criteria.
- Regional transit which was transferred to NTC upon amalgamation is apportioned based on the proportionate share of Regional assessment. The 2025 value of 17.5 million is based on the 2024 budgeted allocation adjusted for an estimated increase for inflation of 2%.
- 2022 Revenue shortfalls that were funded with one time funding of \$5.7 million were directly levied on the previous conventional transit providers (Niagara Falls, St. Catharines and Welland). The strategy to gradually reduce this impact on these municipalities was to reduce it by \$2.8 million or 50% in 2024 proportionately and the remaining balance will be reduced by 50% again in 2025 and 2026 (\$1.4 million in each of these years).

Appendix 2 presents the results of this methodology by municipality with Appendix 3 providing a further year over year comparison both by municipality and by average household in each municipality.

The net requisition, after estimated assessment growth, changes by municipality ranges from -6.1% to 28.3%. These requisition changes are the result of the differences in local

service hours, 2024 assessment changes and budget increase. The large difference in range is mainly driven by service hours. The cost per household at this time is an estimate only as the actual special levy tax rate will be calculated based on final 2024 tax roll assessment to be delivered in December and subject to Regional tax policy decisions in the first quarter of 2025. The actual cost per household at that time will also reflect actual municipal assessment growth which can only be estimated at this time at the average of 1.5% for all of the Region.

Additional Considerations:

The NTC is currently undergoing a strategic review and master plan which is to be completed in 2025. As the results of this plan are not known at this time, NTC staff is not recommending any new service changes within the 2025 budget until this plan is complete. The following is a list of additional items and requests by the Board and Council that have been considered throughout the 2025 budget planning process but are not recommended at this time.

1. A motion was passed by the Town of Fort Erie requesting consideration for a new fixed route in Fort Erie. The estimated annual operating costs for a new fixed conventional route would be approximately \$839,560 or 1.4% increase to the operating budget. These costs would include labour (five additional FTE's), maintenance of vehicles, fuel, etc. In addition, a new bus would also be required which depending on the size of the vehicle could cost up to approximately \$1 million or an increase of 1.7% on the operating budget as this request would require an increase to the transfer to capital reserves to fund the capital purchase. The NTC has currently maximized our capital reserve balances and there is no request included within the capital budget ask for a new growth bus. In addition, it will take approximately 18 months for a new bus to be received from the time ordered.
2. As part of the triple majority vote, there was a Service Strategy developed to harmonize all operating hours by 2025. The estimated annual operating cost of harmonizing all conventional and in-house specialized hours in St. Catharines, Welland and Niagara Falls is \$1,957,398 or 3.4% increase to the operating budget. These costs include labour (twelve additional FTE's), maintenance of vehicles, fuel, etc. There are no immediate capital needs for this service increase.
3. As part of the triple majority vote, there was a Service Strategy developed to introduce Sunday and Holiday service on IMT routes. The estimated annual

operating cost of this new service is \$976,128 or 1.7% increase to the operating budget. These costs include labour (six additional FTE's), maintenance on vehicles, fuel, etc. There are no immediate capital needs for this service increase.

4. Further to enquiries by local area municipalities and a motion from West Lincoln to the Board and as part of the triple majority vote, there was questions about initiating the Service Strategy developed to harmonize all operating hours by 2025. The estimated cost of harmonizing all hours and introduction of Sunday and Holiday service on contracted out commingled service is \$863,200 or a 1.5% increase to the operating budget. This service is currently contracted out and there would be no requirement for additional FTE's or capital needs. The actual implementation date during the 2025 year would be dependent on the provider's ability to ramp up.

Alternatives Reviewed

The recommended budget is in alignment with the budget strategy received by Regional Council to maintain delivery of base services and support capital sustainability. Several budget mitigation options were investigated through the line-by-line analysis described in the Financial Implications and Analysis sections of this report. The budget proposed is staff's best recommendations, however at the discretion of the Board, programs can be identified for elimination from or addition to the budget.

Relationship to Niagara Transit Commission Strategic Priorities

The 2025 special levy budget supports all facets of the organization in their support of NTC's strategic priorities.

Other Pertinent Reports

- NTC 20-2024 2025 Capital Budget
- CSD 29-2024 2025 Budget Strategy

Prepared by:
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Deputy General Manager
Planning & Performance

Submitted by:
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General Manager
Niagara Transit Commission

This report was prepared in consultation with Stephanie Muhic, Program Financial Specialist, and reviewed by Melanie Steele, Associate Director, Reporting & Analysis.

Appendices

Appendix 1	2025 vs 2024 NTC Operating Budget by Operating Expenditure
Appendix 2	2025 NTC Requisition Summary by Municipality
Appendix 3	2025 vs 2024 Requisition by Municipality & Cost by Household
Appendix 4	2025 Operating Business Case – Enhanced Capital Financing

Appendix 1 - 2025 vs 2024 NTC Operating Budget by Operating Expenditure

Operating Expenditure	2025	2024	Variance \$	Variance %
Labour Related Costs	47,207,205	43,352,418	3,854,787	8.89%
Administrative	2,299,542	2,706,401	(406,859)	-15.03%
Operational and Supply	7,878,060	9,596,051	(1,717,991)	-17.90%
Occupancy & Infrastructure	1,262,000	1,239,000	23,000	1.86%
Equipment, Vehicles, Technology	15,864,980	15,431,765	433,215	2.81%
Partnership, Rebate, Exemption	512	-	512	0.00%
Financial Expenditures	129,410	-	129,410	0.00%
Transfers to Capital Reserve	4,333,334	2,166,667	2,166,667	100.00%
Debt	2,162,477	2,192,199	(29,722)	-1.36%
Shared Services	6,335,689	6,020,266	315,423	5.24%
Total Gross Expenses	87,473,209	82,704,767	4,768,442	5.77%
Fare Revenue	(19,696,998)	(18,180,846)	(1,516,152)	8.34%
Tax Revenue	(874,598)	-	(874,598)	0.00%
Other Revenue	(4,075,125)	(5,903,492)	1,828,367	-30.97%
Federal & Provincial Revenue	(170,892)	(167,000)	(3,892)	2.33%
Transfers from Encumbrance Reserve	-	(101,719)	101,719	-100.00%
Total Gross Revenues	(24,817,613)	(24,353,057)	(464,556)	1.91%
Total Special Levy	62,655,596	58,351,710	4,303,886	7.38%

Appendix 2 - 2025 Requisition Summary by Local Area Municipality

	2024		2025							
	2024 Service Hours	2024 Service Hours Allocation %	2025 Service Hours	2025 Service Hour allocation %	2025 Service Hour Allocation	2025 Service Regional Assessment Allocation ¹	2025 Direct Municipal Allocation ²	2025 Special Levy Requisition	2024 Special Levy Requisition	Change
Fort Erie	25,444	5.6%	32,294	7.0%	3,054,552	1,119,755	0	4,174,307	3,216,271	958,036
Grimsby	8,483	1.9%	8,741	1.9%	826,774	1,326,855	0	2,153,629	2,017,945	135,684
Lincoln	5,980	1.3%	8,251	1.8%	780,427	1,084,485	0	1,864,912	1,570,406	294,506
Niagara Falls	130,411	28.6%	130,411	28.2%	12,335,020	3,653,361	513,744	16,502,125	15,595,172	906,953
Niagara-on-the-lake	15,912	3.5%	12,599	2.7%	1,191,686	1,494,386	0	2,686,072	2,815,212	(129,140)
Pelham	2,545	0.6%	2,520	0.5%	238,356	756,004	0	994,360	946,537	47,823
Port Colborne	5,655	1.2%	6,420	1.4%	607,240	554,269	0	1,161,509	1,019,075	142,434
St. Catharines	193,924	42.6%	193,924	41.9%	18,342,444	4,387,624	592,500	23,322,568	21,863,873	1,458,695
Thorold	14,647	3.2%	14,647	3.2%	1,385,397	822,138	0	2,207,535	2,004,606	202,929
Wainfleet	-	0.0%	-	0.0%	0	263,017	0	263,017	256,677	6,340
Welland	52,565	11.5%	52,565	11.4%	4,971,899	1,483,306	318,750	6,773,955	6,497,598	276,357
West Lincoln	-	0.0%	-	0.0%	0	551,607	0	551,607	548,338	3,269
Total	455,566	100.0%	462,372	100.0%	43,733,795	17,496,807	1,424,994	62,655,596	58,351,710	4,303,886

¹ 2024 Total Regional Allocation adjusted for 2% CPI allocated based on the 2024 Municipal current value assessment.

² The strategy was to reduce the direct municipal allocation by 50% in 2024 and 25% in each of 2025 and 2026. This results in the 2025 allocation being a 50% reduction over 2024.

Appendix 3 - 2025 vs 2024 Cost Per Local Area Municipality

Municipality	2024 Approved Budget	2025 Approved Budget	Change in \$	Change in %	Estimated Forecasted Assesment Growth ¹	Change net of Estimated Assessment Growth
Fort Erie	3,216,271	4,174,307	958,036	29.8%	1.5%	28.3%
Grimsby	2,017,945	2,153,629	135,684	6.7%	1.5%	5.2%
Lincoln	1,570,406	1,864,912	294,506	18.8%	1.5%	17.3%
Niagara Falls	15,595,172	16,502,125	906,953	5.8%	1.5%	4.3%
NOTL	2,815,212	2,686,072	(129,140)	-4.6%	1.5%	-6.1%
Port Colborne	1,019,075	1,161,509	142,434	14.0%	1.5%	12.5%
Pelham	946,537	994,360	47,823	5.1%	1.5%	3.6%
St. Catharines	21,863,873	23,322,568	1,458,695	6.7%	1.5%	5.2%
Thorold	2,004,606	2,207,535	202,929	10.1%	1.5%	8.6%
Wainfleet	256,677	263,017	6,340	2.5%	1.5%	1.0%
Welland	6,497,598	6,773,955	276,357	4.3%	1.5%	2.8%
West Lincoln	548,338	551,607	3,269	0.6%	1.5%	-0.9%
Total Base Budget	58,351,710	62,655,596	4,303,886	7.4%	1.5%	5.9%

¹ - Estimate of assessment growth as per the 2025 Budget Strategy Report CSD 29-2024.

Appendix 3 - 2025 vs 2024 Cost per Household (Net of Assessment Growth)

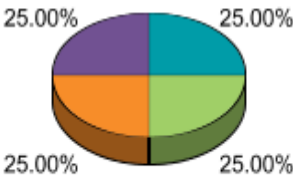
Municipality	2024 Household Current Value Assessment	2024 Approved Budget	2024 Cost per Household	2025 Approved Budget	2025 Cost per Household ²	Change in \$	Change in %
Fort Erie	234,434	3,216,271	162	4,174,307	211	48	29.8%
Grimsby	449,251	2,017,945	165	2,153,629	176	11	6.7%
Lincoln	403,747	1,570,406	141	1,864,912	168	26	18.8%
Niagara Falls	283,758	15,595,172	292	16,502,125	309	17	5.8%
NOTL	543,320	2,815,212	247	2,686,072	236	(11)	-4.6%
Pelham	400,278	946,537	121	994,360	127	6	5.1%
Port Colborne	200,914	1,019,075	89	1,161,509	102	12	14.0%
St. Catharines	273,999	21,863,873	329	23,322,568	351	22	6.7%
Thorold	279,950	2,004,606	165	2,207,535	181	17	10.1%
Wainfleet	318,887	256,677	75	263,017	77	2	2.5%
Welland	229,501	6,497,598	243	6,773,955	253	10	4.3%
West Lincoln	385,958	548,338	93	551,607	93	1	0.6%
Total	-	58,351,710	-	62,655,596	-	-	-

² - Estimate based on 2024 tax rate. Cost per household will be updated once 2024 final tax roll received.

FTE Scenario
Department
Committee Report #
Case Start Date

Niagara Transit Commission
NTC 20-2024 & Triple Majority
1/1/25

Effective Regions Equitable Region
Green Resilient Region Prosperous Region



Alignment to Council Strategic Priorities

The capital financing strategy supports all four of Council’s strategic priorities as it supports investment to deliver sustainable core services (Effective); Supports zero emissions growth projects to purchases buses and infrastructure (Green Resilient); access to transit such as shelters and bus stops replacements, terminals and parking lots (Prosperous); and investment in specialty vehicles (Equitable). Adequate funding supports projects that move all pillars forward.

Description

The Niagara Region's Capital Financing Policy is a strategy for establishing adequate levels of funding for capital projects that address sustainment, growth and new strategic investments. Included in report CSD 29-2024 Budget Strategy, was an enhanced contribution to capital of \$2,166,667 in order to support the infrastructure deficit in accordance with the Asset Management Plan and Capital Financing Strategy. The current operating contributions to the capital reserves for Transit is \$2,166,667. Sustainable reserve funding is critical to lowering the infrastructure deficit. In addition, it provides the Region more flexibility for future capital decisions.

2025 Business Case - Capital Financing - Enhanced Capital Financing

Business Reasons

The sustainability strategy for capital, as approved in the triple majority agreement, recommended phasing in \$6.5M of required annual transfers to capital reserves over 3 years (\$2.17M in 2023; \$4.33M in 2024 and \$6.5M in 2025 and ongoing). This strategy aligns with the continued investments required in the 2024 NTC AMP approved in CSD 22-2024, which indicated an average annual funding gap of \$3.3M between available funding and the required investment to sustain the current level of service. The AMP identified the replacement value of all NTC's assets (including facilities owned by the Region) to be \$293.3M with a backlog of \$52.4M.

To mitigate pressures in the 2024 budget, the enhanced capital contribution was paused in 2024. Staff are recommending that the incremental transfer of \$2.2M be reinstated in 2025 to progress towards the total \$6.5M required by 2026. Price escalations in capital renewal requirements will continue to be evaluated and reflected in budget recommendations.

NTC is forecasting a 2024 year-end balance in Capital Reserves of \$1.5M. Included in the 2025 operating budget submission will be the \$4.33M transfer to capital reserves. Based on the submission, \$3.99M is required from reserves to fund the capital budget for 2025. At a minimum, the Board would need to support a transfer to capital reserves of \$2,426,692 transfer from operating to fund the 2025 capital requests. This would leave a \$0 balance in Capital reserve resulting in capital pressures going into the 2026 capital budget process.

Included in Appendix 3 of the 2025 Capital Budget is a summary of the forecasted capital reserves over the next 10 years assuming the capital contribution is approved.

Risk Assessment Description: High-Priority

Risk associated with not funding the increased capital contributions would mean the capital program will continue to be strained thus resulting in capital project deferrals which may increase maintenance costs due to potential asset failures and significant disruptions in service due to asset failures. In addition, if the amount of the annual transfer to capital reserve is maintained at its current level, there would not be enough capital reserves to fund the capital requests for 2026 and beyond. The risk of not increasing the annual transfer to the capital reserves is a continued lack of funding balance in the Capital Transit Reserve to the point of potentially not being sufficient to fund the capital budget required to maintain existing assets.

In the approved 2025 Capital Budget, \$3,994,000 is required from capital reserves to fund the 2025 projects. If the 2025 enhanced transfer to capital is not approved the lowest priority project based on CAMRA results is the Welland Terminal Parking lot. The project has a gross cost of \$895,000. Based on the current reserve balance at the end of 2024 at a minimum an additional \$260,025 is required to be able to fund the entire project to repair the parking lot.

2025 Business Case - Capital Financing - Enhanced Capital Financing

Financial and Staffing Impacts

Category of Expenditure	2025	2026	2027
Labour Related Costs	-	-	-
Administrative	-	-	-
Operational & Supply	-	-	-
Occupancy & Infrastructure	-	-	-
Equipment	-	-	-
Community Assistance	-	-	-
Community Assistance	-	-	-
Financial Expenditures	-	-	-
Financial Expenditures	2,166,667	4,333,334	-
Gross Expenditure	2,166,667	4,333,334	-
Other Revenue	-	-	-
Federal & Provincial Grants	-	-	-
By-Law Charges & Sales	-	-	-
Transfers From Reserves	-	-	-
Gross Revenue	-	-	-
Net Tax Levy Impact	2,166,667	4,333,334	-
Permanent FTEs	-	-	-
Temporary FTEs	-	-	-
Net FTEs	-	-	-

Prepared By: Tim Luey
Position: Deputy General Manager - Planning & Performance

Reviewed By: Stephanie Muhic
Position: Senior Program Financial Specialist

Approved By: Carla Stout
Position: General Manager

Waste Management 2025 Operating Budget

Budget Review Committee of the Whole
CSD 44-2024
October 17 2024

Presented by Melanie Steele, MBA, CPA, CA
Associate Director, Reporting & Analysis
Financial Management & Planning

TWENTY25

NIAGARA REGION BUDGET

Waste Management Operating Budget & Requisition
October 17, 2024

Budget History & Strategy

(in millions of dollars)

Waste Management Requisition	New Collection Contract		Blue Box Program Changes		
	2020	2021	2022	2023	2024
Requisition Before Base Reserve Transfers	\$36.5	\$40.0	\$41.6	\$48.6	\$40.6
Base Reserve Transfers	\$3.9	\$4.1	\$4.1	\$4.1	\$4.1
Requisition Before Mitigations	\$40.4	\$44.1	\$45.7	\$52.7	\$44.7
% Increase / (Decrease)	-	9.18%	3.64%	15.14%	(15.09%)
Reserve Strategy (Mitigations)/Replenishment					
Capital Reserve				(1.8)	
Landfill Liability Reserve				(2.3)	0.5
Stabilization Reserve	(1.6)	(3.5)	(2.9)	(3.4)	
Net Requisition After Reserve Transfers	\$38.8	\$40.6	\$42.8	\$45.2	\$45.2
% Increase	-	4.50%	5.54%	5.50%	0.00%

2025 Waste Management Operating Budget

Key Themes

- Second year of transition for Extended Producer Responsibility (EPR) legislation – multi year considerations
- Able to mitigate 2025 budget increase to 0.9% (0.6% decrease after estimated assessment growth)
- Contracted services account for 80% of operating costs
- Current and multi-year reserve strategy supports stabilization of special levy and sustainable reserves

2025 Waste Management Operating Budget and Requisition

What We Are Going to Cover

- 2025 Budget Drivers
- 2025 Operating Budget Highlights
- Multi-Year Budget
- Risks and Opportunities
- Requisition to Municipalities
- Next Steps

2025 Budget Drivers

Operational Impact

- Extended Producer Responsibility (EPR) Transition
 - Circular Materials Ontario (CMO) funding for cost of promotion and education materials and cost of operating the landfill depots
 - Continued co-collection of recyclables from non-eligible sources
- Investment in People Strategy
- Collection contract pressures due to inflation and fuel prices
- Landfill operations contracted services pressures
- Supplemental taxes revenues have been incorporated

2025 Budget Drivers

Landfill Liability Reserve Strategy

Why an updated strategy now?

- Significant changes around new collection contract and blue box program that had reserve usage to mitigate now finalized
 - Last wholistic review was in 2018
- Asset Retirement Obligation calculations changed in 2023 - full contaminating lifespan of landfill now up to 213 years, previously capped at 40 years

2025 Budget Drivers

Landfill Liability Reserve Strategy Continued

Why an updated strategy now continued?

- Improved data and understanding of how to sustainably fund our assets - updated cost and assumptions in early 2024
- Ensure our budget includes needed contributions and does not over or under contribute

2025 Budget Drivers

Landfill Liability Reserve Strategy

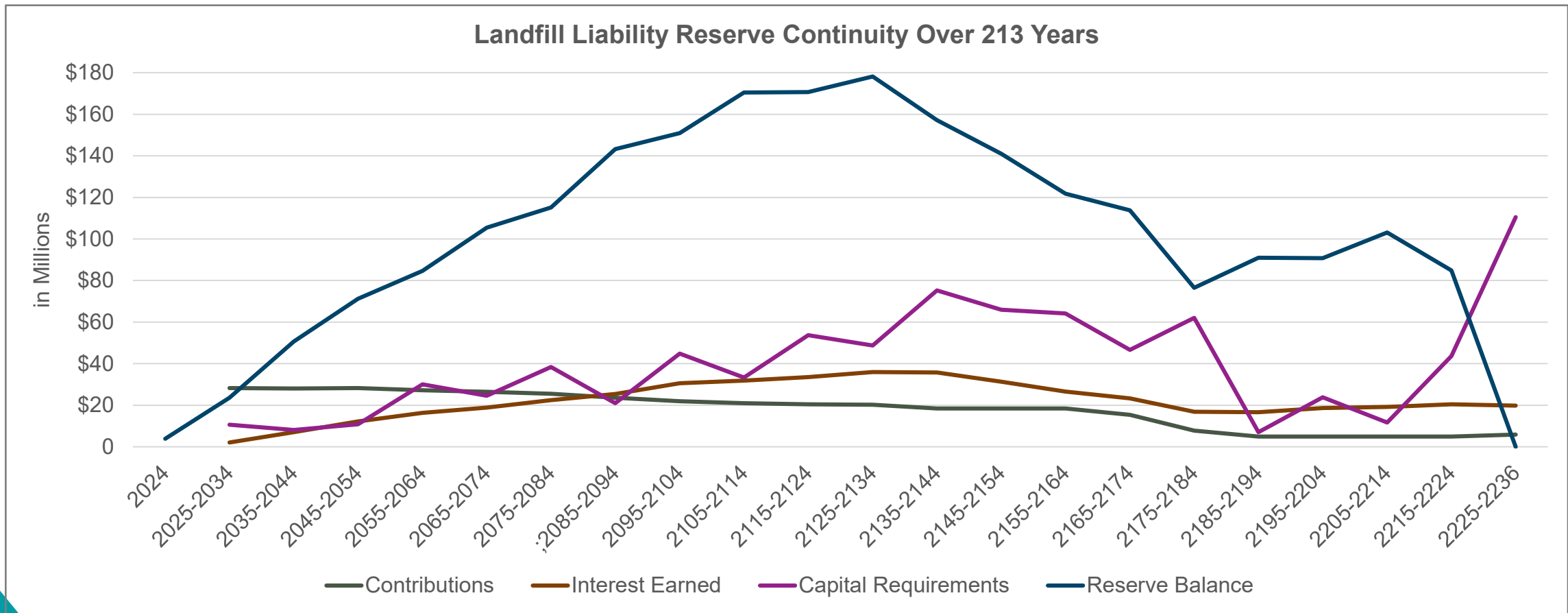
Landfill Site	Status	Liability Ends	Years Remaining
Caistor Road	Closed	2037	14
Winger Road	Closed	2037	14
Perry Road	Closed	2045	22
Centre Street	Closed	2048	25
Quarry Road	Closed	2057	34
Line 5	Closed	2070	47
Station Road	Closed	2087	64
Bridge Street	Closed	2087	64
Elm Street	Closed	2089	66
Park Road	Closed	2108	85
Glenridge Quarry	Closed	2133	110
Mountain Road	Closed	2166	143
Humberstone	Open (closes 2045)	2177	154 (21 active; 133 closed)
Niagara Road 12	Open (closes 2060)	2236	213 (36 active; 177 closed)

Strategy is to ensure a **consistent annual contribution to reserve** that funds the required post closure capital costs of each landfill over their lifespan

2025 Budget Drivers

Landfill Liability Reserve Strategy Continued

Current annual contribution of \$2.8 million will sustain the landfill post closure capital needs



2025 Budget Drivers

Reserve Balances

Current reserves contributions are adequate at this time

Reserve (in millions)	Estimated Opening Balance	Interest	Annual Contribution	Usage	Estimated Closing Balance	Target Balance
Capital	\$24.9	\$0.5	\$1.8	(\$1.5)	\$25.7	Aligned with 2021 AMP
Landfill Liability	\$3.9	\$0.1	\$2.8	(\$1.4)	\$5.4	\$5.4 On Target
Stabilization	\$8.9	\$0.2		(\$0.4)	\$8.7	\$4.8 - \$7.3 Above Target

2025 Budget Strategy vs Proposed

\$45.6 million net requisition

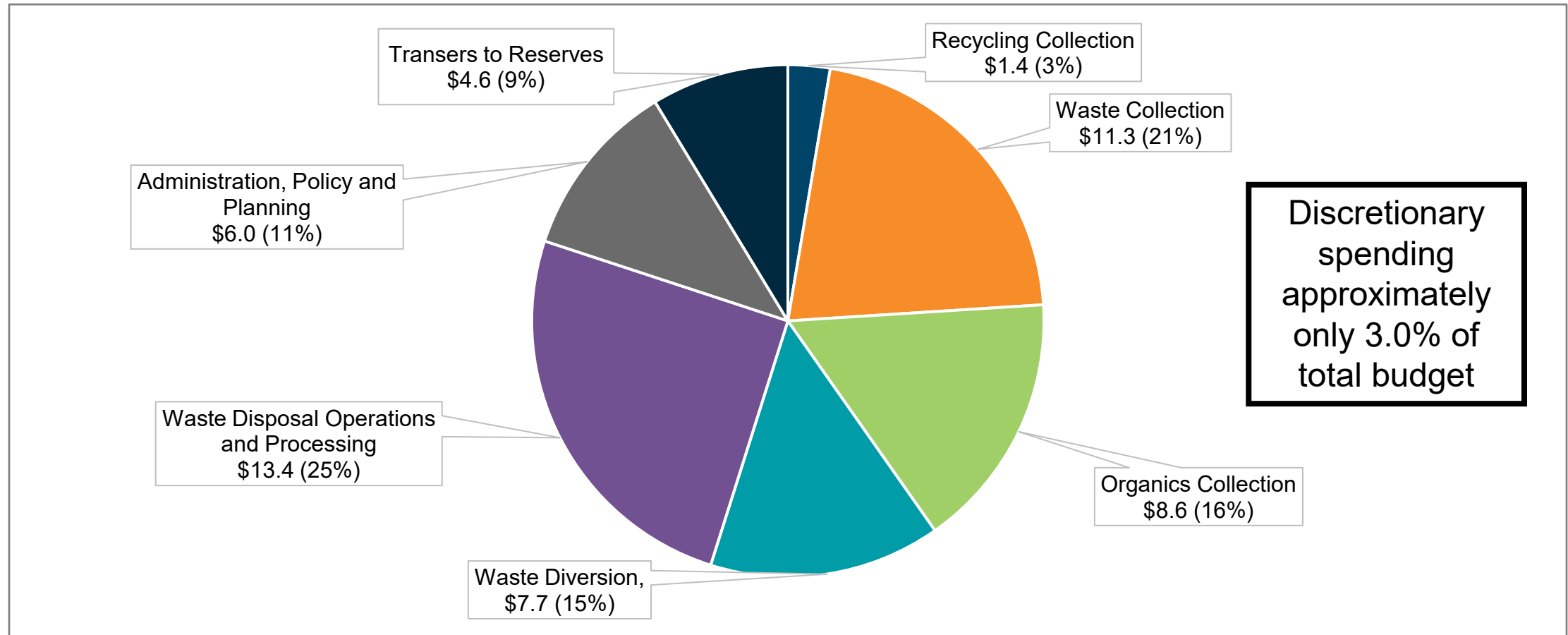
Budget Component	Budget Strategy (%)	Proposed Budget (%)	Change (%)
Base Pressures	4.3%	0.9%	(3.4%)
Reserve Strategy	3.2%	0.0%	(3.2%)
Program Changes	(0.1%)	0.0%	0.1%
Requisition Increase	7.4%	0.9%	(6.5%)
Assessment Growth	(1.5%)	(1.5%)	0.00%
Requisition Increase after assessment growth	5.9%	(0.6%)	(6.5%)

Key change drivers:

- Line by line review of base budget
- Updated contract cost escalation facts
- Strategy update to Landfill Liability reserve

2025 Gross Operating Budget (\$53.0M)

Expenditures by Area (in millions of dollars)



2025 Budget Summary

Increase of \$0.4M on Net Requisition

Pressures mainly attributed to:

- \$0.2M net increase in contract costs for organics processing, drop-off depots, household hazardous waste, and collections
- \$0.2M increase in Niagara Road 12 landfill operations services due to award of tendered contract (approved by Regional Council through PW 21-2024)
- \$0.4M increase in labour related costs to support the people strategy and allocation of corporate support costs
- \$0.2M net increase in consulting costs to prepare for the future collection contract
- \$0.2M increase in leachate processing costs due to internal rate increases

2025 Budget Summary

Increase of \$0.4M on Net Requisition Continued

Pressures offset by:

- \$0.7M net reduction due to supplemental taxes revenue
- \$0.1M net increase in user fees

2025 Operating Budget Staff Summary in Full-Time Equivalents (FTE)

Type	2024	2025	Change	Comments
Permanent	34.0	35.7	1.7	<ul style="list-style-type: none"> - Transfer of Waste Exemptions Representative from temporary - Addition of Capital Coordinator
Temporary	0.7	-	(0.7)	<ul style="list-style-type: none"> - Transfer of Waste Exemptions Representative to permanent
Total	34.7	35.7	1.0	
Student	11.7	11.7	-	<ul style="list-style-type: none"> - Used for outreach, audits, container distribution, special events recycling, etc.

Waste Management Multi-Year Budget

(in millions of dollars)

Waste Management Requisition	2025	2026	2027
Requisition Before Base Reserve Transfers	\$41.3	\$43.3	\$44.7
Base Reserve Transfers	\$4.6	\$4.6	\$4.6
One-time reserve use	(0.3)		
Net Requisition After Reserve Transfers	\$45.6	\$47.9	\$49.3
% Increase	0.9%	5.2%	2.8%

Pressures in 2026 with end of EPR transition, inflation, fuel prices, contracted services and People Strategy.

Decision on non-eligible commercial recycling collection services would further impact 2026.

2025 Waste Management Budget

Risks and Opportunities

- Inflation – several contracts impacted by annual escalations tied to CPI and fuel prices, inflation volatility could impact the budget
- Continued transition of transferring residential recycling responsibilities to the producers which began in 2024
- Availability of Stabilization Reserve strengthens the ability to mitigate unforeseen in-year operating expenditures as they arise
- Revisions to the 2025 AMP data and assumptions

2025 Waste Management Requisition

Methodology

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

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

Impact on Households

Net of Assessment Growth

Municipality	2024 Final WM Taxes	Estimated 2025 WM Taxes	Annual Increase/ (Decrease) (\$)	Annual Increase/ (Decrease) (%)	Net Monthly Increase/ (Decrease) (\$)
Fort Erie	\$ 172.51	\$ 171.19	\$ (1.32)	-0.8%	\$ (0.11)
Grimsby	\$ 204.06	\$ 206.91	\$ 2.85	1.4%	\$ 0.24
Lincoln	\$ 199.77	\$ 200.49	\$ 0.72	0.4%	\$ 0.06
Niagara Falls	\$ 165.17	\$ 167.43	\$ 2.25	1.4%	\$ 0.19
Niagara-on-the-Lake (Note 1)					
Pelham	\$ 202.95	\$ 203.19	\$ 0.24	0.1%	\$ 0.02
Port Colborne	\$ 191.91	\$ 188.91	\$ (3.00)	-1.6%	\$ (0.25)
St. Catharines	\$ 202.24	\$ 200.56	\$ (1.69)	-0.8%	\$ (0.14)
Thorold	\$ 178.82	\$ 177.35	\$ (1.48)	-0.8%	\$ (0.12)
Wainfleet	\$ 195.46	\$ 195.22	\$ (0.24)	-0.1%	\$ (0.02)
Welland	\$ 188.97	\$ 187.47	\$ (1.50)	-0.8%	\$ (0.12)
West Lincoln	\$ 192.82	\$ 192.40	\$ (0.42)	-0.2%	\$ (0.04)

Note 1 - NOTL charge to residents based on fixed household amount as calculated by NOTL and therefore is not included.

Impact on
Typical
Residential
Property from
decrease of
**\$3.00 per
year**
to increase of
**\$2.85 per
year**

Next Steps

Approval and Requisition

- BRCOTW consideration of CSD 44-2024 today
- Council approval of budget and requisitions by-law on November 21, 2024
- Communication of budget approval to LAMs
- Set 2025 Waste Management Tax Rates in Q1 2025
 - Set for each municipality excluding NOTL based on approved requisitions
 - Rates built on 2025 tax policy decisions as approved by Council

Questions



Subject: Waste Management 2025 Operating Budget and Requisition

Report to: Budget Review Committee of the Whole

Report date: Thursday, October 17, 2024

Recommendations

1. That the Waste Management Services net operating budget increase (inclusive of program changes related to staffing resources for service delivery) of \$416,952 or 0.9% **BE APPROVED**;
2. That \$350,000 **BE TRANSFERRED** from the Waste Management Stabilization Reserve in order to fund one-time costs included in the 2025 Waste Management Services operating budget;
3. That the 2025 Waste Management Services gross operating budget of \$53,029,717 and net budget of \$45,584,715 as per Appendix 1 to Report CSD 44-2024 **BE APPROVED**;
4. That the net budget amount of \$45,584,715 **BE APPORTIONED** between the local area municipalities in accordance with the methodology approved in PWA 55-2011 and outlined in Appendix 2 to Report CSD 44-2024;
5. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
6. That a copy of Report CSD 44-2024 **BE CIRCULATED** to the local area municipalities.

Key Facts

- The proposed Waste Management Services (WMS) net operating budget represents an overall increase of \$416,952, or 0.9% over 2024 as shown in Appendix 1 to Report CSD 44-2024.
- Key drivers to the 2025 budget include inflation, fuel pricing, increased contract pricing, people strategy support, inclusion of supplemental taxes revenue, and an updated reserve strategy.
- Approximately 80% of all services provided by WMS are being executed through external contracts, therefore the budget is subject to inflation volatility.

- Assessment growth for Niagara Region and Area Municipalities has not been finalized; however, estimated assessment growth of 1.5% is included in Appendix 2 to Report CSD 44-2024. The estimate of 1.5% for 2025 results in the net requisition decrease to be approximately 0.6% (0.9% less growth of 1.5%) with an estimated average typical annual residential decrease of \$0.32 per year.
- The net requisition amount has been allocated in accordance with the methodology approved in PWA 55-2011. The impacts by municipality in Appendix 3 to Report CSD 44-2024 are affected by the budget increase, growth in households by municipality and the enhanced services as requested and selected by each Local Area Municipality (LAM).

Financial Considerations

The gross operating expenditures are \$53.0 million, which net of revenues equates to a net requisition of \$45.6 million. This represents approximately \$0.4 million or 0.9% (0.9% for base operating and 0.0% for staffing program changes) increase over the 2024 net requisition as outlined in Appendix 1 to Report CSD 44-2024. A thorough review of operating needs and key contract assumptions has been completed which resulted in a reduction from the 2025 Budget Planning Strategy.

Table 1 – Summary of Proposed WMS Budget (in millions of dollars)

Waste Management 2025 Budget Summary	2024	2025	Increase (%)
Base Operating Expenses Net of Revenues	\$40.6	\$41.3	1.7%
Capital Transfers (Note 1)	4.6	4.6	
Transfers from Reserve for One-Time Costs	-	(0.3)	
Base Net Budget Requisition	\$45.2	\$45.6	0.9%
Program Changes	-	(0.0)	0.0%
Total Net Budget Requisition before Assessment Growth	\$45.2	\$45.6	0.9%
Total Net Budget Requisition after Assessment Growth			(0.6%)

Note 1 – Includes the annual base budget transfers to the Landfill Liability Reserve and the Capital Reserve of \$2.4 million and \$1.8 million, respectively.

A schedule providing the budgeted revenues and expenditures for 2024 and 2025 by type of expenditure is included as Appendix 1 to Report CSD 44-2024.

A contributing factor of the budget increase is inflation of the Consumer Price Index (“CPI”) and diesel fuel prices, both of which are components of the cost escalations of contracts administered by WMS. Another contributing factor to the budget increase relates to tenders awarded for operating contracts where increases have a direct impact on WMS operating budget. Further details are outlined in the Analysis section under Base Budget Increases, Pressures and Mitigations.

Through this budget process, staff updated the reserve strategy (last updated in 2018) considering the 2021 Asset Management Plan and updated capital data available on post closure costs of landfills. In late 2023, accounting standards changed to require the Asset Retirement Obligation (ARO) for the landfills to consider the full contaminating lifespans of the landfills instead of being capped at 40 years. As a result, post closure cost estimates were updated for the full post closure contaminating lifespan instead of a rolling 40 years and assumptions refreshed. Staff updated the financial funding model based on this newly available information with the goal of establishing a consistent annual contribution to reserve that would meet the post closure landfill needs over the landfill’s lifespan. This approach ensures the post closure landfill needs can be met while prioritizing annual stability of taxes to the ratepayers. The updated strategy supports the existing annual contribution of \$2.8 million to the Landfill Liability Reserve and aligns with the Average Annual Renewal Investment (AARI) concept for capital reserve needs.

Analysis

Base Budget Increases, Pressures and Mitigations

The 2025 operating and multi-year budgets are impacted by a number of operational challenges such as the EPR transition ending in 2025 and external factors, such as escalating fuel prices, CPI rates, and contracted services.

Approximately 80% of the operating-related costs are in the form of outsourced costs and are subject to contract escalations and conditions. The remaining operating-related costs are associated with program-related purchases, budgeted repairs and maintenance, utilities, labour related costs, program support, consulting, and other administration costs. Of the budgeted operating-related expenditures, approximately 3.0% are considered discretionary.

The pressures in operations that contribute to the operating increases are:

- \$0.2 million net increase in contract costs for organics processing, drop-off depots, household hazardous waste, and collections
- \$0.2 million increase in Niagara Road 12 landfill operations services due to award of a tendered contract approved by Regional Council through PW 21-2024
- \$0.2 million increase in labour related costs to support the people strategy
- \$0.2 million increase in corporate support costs
- \$0.2 million net increase in consulting costs to prepare for future collection contract
- \$0.2 million increase in leachate processing costs due to internal rate increases

The pressures noted above have been partially offset by favourable variances which are comprised of the following:

- \$0.7 million net reduction due to inclusion of supplemental taxes revenue
- \$0.1 million net increase in user fees

Program Changes

Included in the above base budget details are the program change requests to support staffing resources for service delivery outlined below. The net financial impact of these changes is fully offsetting and does not contribute to any budget increase. Business cases for these changes can be found in Appendix 5 to Report CSD 44-2024.

- Capital Coordinator required to support GIS database, asset management program, project deliverables, operational support for 12 closed and 2 open landfill sites - this represents an increase of 1 permanent full-time equivalent (FTE) funded 50% by capital.
- Waste Exemptions Representative required permanently to address the sharply increasing volume of waste exemptions applications (e.g. diapers, medical) that continue to grow annually – this represents an increase of 0.7 permanent FTE and decrease of 0.7 temporary FTE resulting in no net overall impact.
- Internal Allocations reduction from customer service division as a result of one less staffing resource required in the call center due to lower call volumes with the elimination of the blue/grey box program.

One-Time Expenditures

The 2025 Waste Management Services operating budget includes \$0.3 million for a one-time consulting engagement to conduct household waste composition studies which are essential for obtaining accurate data on the types and quantities of waste (garbage and green bin organics) being generated to enable informed decision-making regarding waste diversion strategies, program improvements, and the development of new initiatives. This will be funded by the Waste Management Stabilization Reserve and therefore has no overall impact on the proposed 2025 Waste Management Services net requisition for this one-time expenditure.

Reserve Strategy and Forecast

For 2025, the budget recommends maintaining the annual base budget transfers to the Landfill Liability Reserve and Capital Reserve in the amount of \$2.8 million and \$1.8 million, respectively. With the change to ARO and the updated Landfill Liability Reserve strategy, this reserve is now funded to align with the AARI over the contaminating lifespan of each landfill. The Capital Reserve remains funded to align with the 2021 Asset Management Plan with a 10-year AARI strategy.

As part of Niagara Region's Reserve and Reserve Funds Policy (C-F-013), minimum and maximum funding targets have been established for reserves. For stabilization reserves, such as the Waste Management Stabilization Reserve, the funding target is 10% to 15% of operating expenditures not including debt repayments. Based on the forecasted balance at the end of 2024 of \$8.9 million, the reserve balance will be deemed to be adequately funded based on 2024 operating expenditures.

Appendix 4 to Report CSD 44-2024 shows the forecasted Waste Management Reserve balances.

2025 Waste Management Requisition

The net requisition amount will be allocated to the LAMs in accordance with the methodology approved in PWA 55-2011. As such, base WMS costs will be apportioned based on the 2023 percentage of residential units in each municipality, with the enhanced collection of services and associated disposal costs to be apportioned to the requesting municipalities.

The year-over-year increase in requisition amount by municipality before assessment growth equates to a range of a 0.3% decrease to a 2.4% increase with an average

increase of 0.9% as outlined in Appendix 2 to CSD 44-2024. The net requisition change by municipality after the 1.5% forecasted assessment growth (as of October 3, 2024) equates to a range of a 1.6% decrease to a 1.4% increase with an average decrease of 0.6% as outlined in Appendix 2 to CSD 44-2024. The range is the result of the difference in household growth between LAMs as well as net assessment growth. The WMS levy is collected as a special levy with the Region establishing the tax rates for each municipality (with the exception of Niagara-on-the-Lake).

Appendix 3 to Report CSD 44-2024 provides the impacts of the WMS requisition for 2025 in comparison to 2024 on a cost per typical residential unit basis by area municipality. The 0.6% decrease on the budget net of assessment growth of 1.5% will impact the average annual residential property from a decrease of \$3.00 to an increase of \$2.85 depending on the municipality (average decrease of \$0.32 per year).

Multi-Year Forecast

2025 will be the second of the two years representing the transition period of the extended producer responsibility (EPR) which ends on December 31, 2025. The multi-year forecast to 2027 reflects this impact along with inflation, contract pressures, people strategy, and updated reserve strategies. The forecast reflects annual increases of 5.2% for 2026 and 2.8% for 2027. There are many assumptions and unknowns included in these forecasts, and staff will re-evaluate the long-term budget and reserve strategies with the budget cycle each year. Reports will be brought forward in Q4 2024 to the Public Works Committee and Council for consideration and deliberation as to whether recycling collection from non-eligible sources should continue following the end of the transition period. Financial impacts of this decision will be considered for the 2026 WMS operating budget as part of the annual budging process.

The key assumptions affecting the multi-year forecast are as follows:

- 2026
 - Reduced funding of \$0.6 million from Circular Materials Ontario (“CMO”) due to the end of EPR transition period
 - Increased pressures of \$0.7 million for inflation and fuel prices on the collection contract
 - Increased landfill operations contracted service pressures of \$0.5 million
 - Continued investment in the People Strategy of \$0.3 million

- 2027
 - Increased pressures of \$0.7 million for inflation and fuel prices on the collection contract
 - Continued investment in the People Strategy of \$0.2 million

Risk and Opportunities

The proposed budget, like any other budget, has a number of risk and opportunities. However, due to the EPR transition changes, the risks to post 2025 transition have yet to be estimated in the multi-year and will be based on future Council direction. The most significant risk to 2025 is the inflationary pressure of the collection contract, as well as several other contracts managed by WMS containing annual contract cost adjustments related to fuel prices and CPI. If these factors exceed the forecasted amounts, this could result in variances to the proposed budget. However, the adequately funded stabilization reserve would help address any variances that may occur.

Alternatives Reviewed

None.

Relationship to Council Strategic Priorities

The 2025 Waste Management Services proposed budget aligns with Niagara Region's 2023 – 2026 Council Strategic Priorities supporting an Effective Region, a Green and Resilient Region, and an Equitable Region.

Other Pertinent Reports

PWA 55-2011 Waste Management Services Financing Study
(Please contact the Niagara Region if a copy is required)

[PWC-C 24-2021 – Residential Blue Box Program – Final Producer Responsibility Regulation](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=9aa51b17-536f-4a78-a67f-8d4065f60dd1&Agenda=Agenda&lang=English>)

Confidential PW 37-2023 Recycling Collection from Non-Eligible Sources under Blue V Box Regulation (O.Reg 391/21)

[PW 21-2024 – Niagara Road 12 Landfill Site Operations Contract](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=bb190b0b-08e1-49d3-8ff8-b3c82ae14fe6&Agenda=Merged&lang=English>)

[CSD 29-2024 - 2025 Budget Strategy](#)

(<https://pub-niagararegion.escribemeetings.com/Meeting.aspx?Id=5ea2c44e-e03a-4ef1-91b8-f5f6a188db45&Agenda=Agenda&lang=English>)

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Commissioner / Treasurer
Corporate Services

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Ron Tripp, P.Eng.
Chief Administrative Officer

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Appendices

- Appendix 1 2025 Waste Management Schedule of Revenues and Expenditures by
Object of Expenditure
- Appendix 2 Proposed 2025 Requisition by Municipality
- Appendix 3 2025 Waste Management Requisition for Typical Residential Property by
Municipality
- Appendix 4 2024 to 2027 Forecasted Waste Management Reserve Balances
- Appendix 5 2025 Waste Management Services Operating Business Cases

2025 Waste Management Schedule of Revenues and Expenditures by Object of Expenditure

Object of Expenditure	2024 WMS Budget Total (\$)	2025 WMS Budget Base (\$)	2025 WMS Budget One Time (\$)	2025 WMS Budget Growth/New Programs (\$)	2025 WMS Budget Total (\$)	Total Variance (\$)	Total Variance (%)	Notes
Labour Related Costs	4,314,865	4,485,849	0	56,130	4,541,979	227,114	5.26%	(1)
Administrative	1,043,566	1,155,895	350,000	0	1,505,895	462,329	44.30%	(2)
Operational & Supply	37,810,488	38,228,895	0	0	38,228,895	418,407	1.11%	(3)
Occupancy & Infrastructure	1,038,272	1,133,800	0	0	1,133,800	95,528	9.20%	
Equipment, Vehicles, Technology	349,731	354,680	0	0	354,680	4,948	1.41%	
Partnership, Rebate, Exemption	238,619	235,263	0	0	235,263	(3,356)	-1.41%	
Financial Expenditures	0	153,692	0	0	153,692	153,692	0.00%	(4)
Transfers To Funds	4,581,105	4,602,930	0	0	4,602,930	21,825	0.48%	
Allocation Between Departments	437,590	485,117	0	(73,927)	411,190	(26,399)	-6.03%	
A_60260AC Allocation Within Departments								
Gross Expenditure Subtotal	49,814,236	50,836,121	350,000	(17,797)	51,168,324	1,354,088	2.72%	
Taxation	(45,167,763)	(46,416,394)	0	26	(46,416,368)	(1,248,605)	2.76%	(4)
By-Law Charges and Sales	(5,366,048)	(5,370,931)	0	0	(5,370,931)	(4,883)	0.09%	
Other Revenue	(1,000,561)	(892,418)	0	0	(892,418)	108,143	-10.81%	
Transfer from Funds	0	0	(350,000)	0	(350,000)	(350,000)	0.00%	(2)
Gross Revenue Subtotal	(51,534,372)	(52,679,743)	(350,000)	26	(53,029,717)	(1,495,344)	2.90%	
Net revenue before indirect allocations	(1,720,137)	(1,843,622)	0	(17,771)	(1,861,393)	(141,256)	8.21%	
Indirect Allocations	1,720,137	1,843,622	0	17,771	1,861,393	141,256	8.21%	
Capital Financing Allocation	0	0				0	#DIV/0!	
Allocation Subtotal	1,720,136	1,843,622				141,256	8.21%	
Net revenue after indirect allocations	0	0	0	0	0	0	0.00%	

FTE - Permanent	34.0	34.0	0.0	1.7	35.7	1.7	(1)
FTE - Temporary	0.7	0.7	0.0	(0.7)	0.0	(0.7)	(1)
FTE - Total	34.7	34.7	0.0	1.0	35.7	1.0	
Student	11.7	11.7	0.0	0.0	11.7	0.0	

(1) Increase is due to base annual increases to support the people strategy and program change requests related to support staffing resources for service delivery (addition of Capital Coordinator funded 50% by capital and Waste Exemption Representative required permanently when previously temporary).

(2) Increase is primarily due to a one-time consulting engagement to conduct household waste composition studies which are essential for obtaining accurate data on types and quantities of waste being generated to enable informed decision-making regarding waste strategies. This one-time cost is fully offset by the increase in Transfer from Funds as it will be funded by the Waste Management Stabilization Reserve. The additional increase is due to consulting studies to prepare for the future collection contract.

(3) Increase is largely driven by increases in contract costs for landfill operations, drop-off depots, household hazardous waste, and collection services as well as increases to internal leachate processing costs.

(4) Increase in Financial Expenditures is due to budgeting for Waste Management's portion of tax write-offs which is fully offset by the budget for Waste Management's portion of supplemental taxes revenue included in Taxation of \$831,653 for a total net requisition reduction of \$677,961. The remaining increase in Taxation of \$416,952 equates to the increase in the total net requisition.

Proposed 2025 Requisition by Municipality

Municipality	2024 Requisition (\$000)	2025 Proposed Requisition (\$000)	2024 vs 2025 Increase/(Decrease) (\$000)	2024 vs 2025 Increase/(Decrease) (%)	Taxable Assessment Growth (%) (Note 1)	Net Increase/(Decrease) (%)
Fort Erie	\$ 3,415	\$ 3,435	\$ 20	0.6%	-1.4%	-0.8%
Grimsby	\$ 2,498	\$ 2,542	\$ 44	1.7%	-0.3%	1.4%
Lincoln	\$ 2,224	\$ 2,238	\$ 14	0.6%	-0.2%	0.4%
Niagara Falls	\$ 8,814	\$ 9,024	\$ 211	2.4%	-1.0%	1.4%
Niagara-on-the-Lake	\$ 1,963	\$ 1,959	\$ (4)	-0.2%	-0.7%	-0.9%
Pelham	\$ 1,589	\$ 1,608	\$ 19	1.2%	-1.1%	0.1%
Port Colborne	\$ 2,194	\$ 2,187	\$ (7)	-0.3%	-1.3%	-1.6%
St. Catharines	\$ 13,423	\$ 13,431	\$ 8	0.1%	-0.9%	-0.8%
Thorold	\$ 2,177	\$ 2,229	\$ 52	2.4%	-3.3%	-0.9%
Wainfleet	\$ 668	\$ 668	\$ (0)	0.0%	-0.1%	-0.1%
Welland	\$ 5,062	\$ 5,121	\$ 59	1.2%	-2.0%	-0.8%
West Lincoln	\$ 1,142	\$ 1,144	\$ 2	0.2%	-0.4%	-0.2%
Total	\$ 45,168	\$ 45,585	\$ 417	0.9%	-1.5%	-0.6%

Note 1 - Total taxable assessment growth percentage of 1.50% represents Niagara estimated growth for 2024 as of October 3, 2024.

Change in Residential Units - 2025 Budget over 2024 Budget

Municipality	Residential Units 2024 Budget	Residential Units 2025 Budget	Increase	Increase (%)
Fort Erie	16,545	16,690	145	0.9%
Grimsby	11,969	12,205	236	2.0%
Lincoln	10,592	10,618	26	0.2%
Niagara Falls	40,200	40,379	179	0.4%
Niagara-on-the-Lake	9,132	9,057	(75)	-0.8%
Pelham	7,535	7,657	122	1.6%
Port Colborne	10,450	10,452	2	0.0%
St. Catharines	62,244	61,639	(605)	-1.0%
Thorold	10,293	10,549	256	2.5%
Wainfleet	3,256	3,269	13	0.4%
Welland	24,645	24,918	273	1.1%
West Lincoln	5,680	5,704	24	0.4%
Total	212,541	213,137	596	0.3%

Source: Municipal Property Assessment Corporation (MPAC)

Estimated 2025 Requisition For Typical Residential Property by Municipality

Municipality	2024 Final CVA (Note 1)	2024 Final WM Tax Rate	2024 Final WM Taxes	2025 Draft CVA (Note 1)	2025 Draft WM Tax Rate (Note 2)	Estimated 2025 WM Taxes	Annual Increase/ (Decrease) (\$)	Annual Increase/ (Decrease) (%)	Net Monthly Increase/ (Decrease) (\$)
Fort Erie	234,434	0.00073584	\$ 172.51	234,434	0.00073023	\$ 171.19	\$ (1.32)	-0.8%	\$ (0.11)
Grimsby	449,251	0.00045422	\$ 204.06	449,251	0.00046057	\$ 206.91	\$ 2.85	1.4%	\$ 0.24
Lincoln	403,747	0.00049480	\$ 199.77	403,747	0.00049658	\$ 200.49	\$ 0.72	0.4%	\$ 0.06
Niagara Falls	283,758	0.00058209	\$ 165.17	283,758	0.00059003	\$ 167.43	\$ 2.25	1.4%	\$ 0.19
Niagara-on-the-Lake (Note 3)									
Pelham	400,278	0.00050702	\$ 202.95	400,278	0.00050763	\$ 203.19	\$ 0.24	0.1%	\$ 0.02
Port Colborne	200,914	0.00095517	\$ 191.91	200,914	0.00094025	\$ 188.91	\$ (3.00)	-1.6%	\$ (0.25)
St. Catharines	273,999	0.00073812	\$ 202.24	273,999	0.00073196	\$ 200.56	\$ (1.69)	-0.8%	\$ (0.14)
Thorold	279,950	0.00063876	\$ 178.82	279,950	0.00063349	\$ 177.35	\$ (1.48)	-0.8%	\$ (0.12)
Wainfleet	318,887	0.00061294	\$ 195.46	318,887	0.00061218	\$ 195.22	\$ (0.24)	-0.1%	\$ (0.02)
Welland	229,501	0.00082338	\$ 188.97	229,501	0.00081686	\$ 187.47	\$ (1.50)	-0.8%	\$ (0.12)
West Lincoln	385,958	0.00049959	\$ 192.82	385,958	0.00049849	\$ 192.40	\$ (0.42)	-0.2%	\$ (0.04)

Notes

Note 1 - 2024 and 2025 average CVA for typical household based on average value from 2024 tax policy study.

Note 2 - 2025 draft WM rates based on 2024 tax policy (except discount factors), 2025 draft requisition amounts and 2024 estimated returned roll assessment values.

Note 3 - NOTL charge to residents based on fixed household amount as calculated by NOTL and therefore not included in this analysis.

Forecasted Waste Management Reserve Balances
(in thousands of dollars)

Waste Management Stabilization Reserve	2024	2025	2026	2027
Opening Balance	\$ 7,562	\$ 8,910	\$ 8,738	\$ 8,913
Interest Allocation	189	178	175	178
Forecasted Year-End Surplus Transfers	1,159	-	-	-
One-Time Costs Funded from Reserve (Note 1)	-	(350)	-	-
Closing Balance (Note 2)	<u>\$ 8,910</u>	<u>\$ 8,738</u>	<u>\$ 8,913</u>	<u>\$ 9,092</u>

Funding Targets (Note 3)

Minimum Funding Target	\$ 4,690	\$ 4,837	\$ 4,996	\$ 5,146
Maximum Funding Target	\$ 7,035	\$ 7,256	\$ 7,494	\$ 7,719

Waste Management Capital Reserve	2024	2025	2026	2027
Opening Balance	\$ 24,577	\$ 24,911	\$ 25,659	\$ 27,040
Interest Allocation	439	498	513	541
Base Operating Budget Transfer to Reserve	1,779	1,779	1,779	1,779
Capital Budget Transfer from Reserve (Note 4)	(1,883)	(1,530)	(911)	(8,012)
Closing Balance	<u>\$ 24,911</u>	<u>\$ 25,659</u>	<u>\$ 27,040</u>	<u>\$ 21,348</u>

Funding Target Adequately funded in alignment with 2021 Asset Management Plan

Landfill Liability Reserve	2024	2025	2026	2027
Opening Balance	\$ 5,398	\$ 3,908	\$ 5,370	\$ 8,302
Interest Allocation	108	78	107	166
Base Operating Budget Transfer to Reserve	2,802	2,824	2,824	2,824
Capital Budget Transfer from Reserve (Note 4)	(4,400)	(1,440)	-	(800)
Closing Balance	<u>\$ 3,908</u>	<u>\$ 5,370</u>	<u>\$ 8,302</u>	<u>\$ 10,492</u>

Funding Target Adequately funded in Alignment with Average Annual Renewal Investment over the contaminating lifespan of each landfill

Note 1 - 2025 one-time consulting engagement to conduct household waste composition studies which are essential for obtaining accurate data on the types and quantities of waste being generated to enable informed decision-making regarding waste diversion strategies, program improvements, and the development of new initiatives.

Note 2 - 2024 forecasted balance will be impacted by any surplus/deficit relating to 2024 operations. Any surplus/(deficit) will be recommended to be transferred to/(from) the Waste Management Stabilization Reserve as part of the 2024 Year End Results and Transfer Report to be presented to Corporate Services Committee in Q1 2025.

Note 3 - As per Niagara Region's Reserve and Reserve Funds Policy (C-F-013), the funding target for the Waste Management Stabilization Reserve is 10% to 15% of operating expenditures not including debt repayments.

Note 4 - Budgeted transfer from reserve represents transfers out of the Waste Management Capital Reserve in order to fund capital projects.

FTE ScenarioTemp To Perm

DepartmentWaste Management Services

Committee Report #

Case Start Date1/1/25

Effective RegionEquitable Region

Green Resilient RegionProsperous Region



Alignment to Council Strategic Priorities

This business case supports Council's 'Equitable Region' and 'Effective Region' strategic priorities by ensuring the Region is inclusive and free of discrimination to those residents requiring collection of additional garbage based on reasonable eligibility criteria; and ensuring that delivered services reflect the needs of residents in an effective manner.

Description

A temporary part-time (0.7 FTE) Waste Exemptions Representative ("WER") for a two-year contract period ending March,2025, is currently in place. Reporting to the Waste Management Collection & Diversion Program Manager, this role is responsible for supporting the Waste Management Services division with the administration, operating, processing and maintenance of the Region's waste exemption programs. This includes processing requests and renewals for the collection contract including diaper exemptions; medical waste exemptions; daycare exemptions; group home medical waste exemptions and set-out service exemptions. Further, the WER also maintains the garbage tag program for residents and Niagara Region's retail partners.

Business Reasons

Waste Exemptions:

The demand for waste exemptions which are subject to specific eligibility criteria has substantially increased with the start of every-other-week garbage collection in Oct. 2020.

Prior to the curbside service level changes in 2020, the processing and renewal of waste exemptions were handled by multiple staff over the work-from-home COVID-19 period. As a result of a sharp increase in the volume of applications received after the service level changes, a temporary part time role was approved to handle the workload.

In 2019 and 2020, 1,054 and 4,462 waste exemption applications were processed and/or renewed respectively, which represents a 323% increase in workload. The waste exemption program covers various forms of bag limit exemptions and currently includes over 250 special set out service exemptions.

The number of waste exemption applications received has continued to increase. Between Jan. and Apr. 2024, 1,838 applications have been processed and waste exemption applications and renewals are expected to exceed 5,500 by year end which represents a 423% increase from 2019.

Risk Assessment Description: Priority

The various forms of waste exemption and sale of garbage tags are Council approved initiatives and something that eligible/qualified households with the region have become accustomed to, therefore this dedicated role for processing waste exemptions will continue to be a necessity.

The increased volume of work related to waste exemption processing and renewal, and garbage tag sales has increased significantly since 2019. Exemption services have become increasingly important to Niagara region residents. A reduction in the operational and administrative need to support this work is not expected thus supporting the need for the current temporary part-time position to become a permanent part-time position.

Without a dedicated role to perform this work, the related activities will need to be added to other staff's existing duties. Processing backlogs will arise adversely impacting current level of service and difficulties in managing overall workload which can lead to difficulties for staff in completing their primary duties, a back log of overdue work and will adversely impact team morale. Further, it will result in a loss of the routine maintenance and upkeep of these programs, leading to complaints from the public, or the potential for the illegal dumping of the material.

BC003 - Growth / New Programs - Waste Exemptions Representative

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Financial and Staffing Impacts

Category of Expenditure	2025	2026	2027
Labour Related Costs	-	-	-
Administrative	-	-	-
Operational & Supply	-	-	-
Occupancy & Infrastructure	-	-	-
Equipment	-	-	-
Partnership, Rebate & Exemption	-	-	-
Community Assistance	-	-	-
Financial Expenditures	-	-	-
Transfer To Reserve	-	-	-
Gross Expenditure	-	-	-
Other Revenue	-	-	-
Federal & Provincial Grants	-	-	-
By-Law Charges & Sales	-	-	-
Transfers From Reserves	-	-	-
Gross Revenue	-	-	-
Net Tax Levy Impact	-	-	-
Permanent FTEs	1	-	-
Temporary FTEs	(1)	-	-
Net FTEs	-	-	-

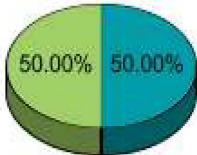
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FTE Scenario New FTE
Department Waste Management Services
Committee Report #
Case Start Date 1/1/25

Effective Region Equitable Region
Green Resilient Region Prosperous Region



Alignment to Council Strategic Priorities

This business case supports Council's strategic priorities of being an 'Effective Region' and 'Green Resilient and Region' by ensuring that the Region strives and implements continuous improvement to Waste Management services and programs. Additionally, it ensures that Waste Management infrastructure is in a good state of repair to maintain resilience to the impacts of climate change, meets customer requirements and remains in complies with relevant regulations.

Description

Reporting to the Waste Management Project Manager, the Project Coordinator ("Coordinator") will be responsible for assisting in various day-to-day activities associated with managing capital projects and supporting waste disposal operations. The Coordinator's time will be evenly divided between capital projects and operations and will include the following responsibilities and tasks:

- Maintenance of the GIS asset management database.
 - Assist with budgeting, financial processes and other documentation.
- Coordination of project schedule and managing resources to execute project deliverables.
- Responsible for project financial and administrative support, and project specific communication and collaboration.
 - Contract Management – supporting Operations to enhance oversight and ensure contractual obligations are met e.g. administration of operating contract database.
 - Due Diligence – coordinate due diligence items such as SOPs and Workplace Health and Safety (H&S) management systems.
 - Administration of Waste Disposal Operations Workplace Health and Safety Program. Leads operational health and safety initiatives.
 - Develops, implements, maintains and updates Standard Operating Procedures (SOPs) as required.
 - Manages Tier 3 projects throughout the lifecycle: including initiation, planning, Environmental Assessment, design, construction, commissioning, and close-out.

The Project Coordinator role would be allocated 50% to capital projects and 50% to the operating budget.

Business Reasons

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Appendix 5

The business reasons for Project Coordinator are as follows:

- Capacity
- GIS/Technology – since 2023 the Waste Management Division has been required to implement and maintain a robust GIS system to track assets; current staff have limited capacity to manage the GIS database, which would be a critical function of the Coordinator.
- Asset Management Office (AMO) – the introduction of a comprehensive corporate asset management program in 2019 / 2020 has significantly added to the workload of the Project Manager. It is estimated that the Project Manager will be required to dedicate approximately 200–250 hours annually (15% of their overall annual work hours) to complete related asset management work. There are on-going long-term deliverables that the Coordinator position would support.
- Projects – Waste Management has one dedicated Project Manager that manages the majority of capital projects, especially projects of a greater complexity and/or value. In 2025, the Project Manager will have 19 active projects that are a mix of tier 2 and 3 projects. As per the Region's Project Management Toolkit, there should be 2 project managers for the number and tier currently being completed by the Project Manager. The addition of the Coordinator will assist the Project Manager to ensure that projects are completed within set timelines and required specifications.
- Site Customers – the number of customers visiting the Region's Residential Drop-off Depots and landfills has increased from 259,000 in 2020 to 324,000 in 2023. The Operations team requires support to assist with the ever-increasing use of the facilities.

Risk Assessment Description: Priority

The potential risks of not having a full-time Project Coordinator include:

- Annual Capital Program – the ability to effectively and efficiently complete the capital program may be compromised
 - o Currently limited to one Project Manager undertaking capital projects which potentially impacts the ability to react to urgent or emergency situations e.g. high voltage line repair
 - o No contingency within capital program e.g. in 2024 hired third party assistance to provide support for an on-going capital project due to workload
- Compliance – potentially lead to issues with both contractual and regulatory compliance
 - o E.g. ensuring corporate H&S policies and regulatory requirements are being met, conduct inspections / monitoring of contracted staff, etc.
- Schedule / Staff Support – project schedules may not be met e.g. capital projects, AMO deliverables, support and workload challenges, etc.
- Capacity – managing the GIS database would be impacted since there is limited capacity within the current Disposal team
 - o There is a developed GIS database however staff resources are required to maintain the database in order to manage assets, provide related deliverables to the AMO and assist with future capital planning
- Lowered Customer Service – inefficiencies and quality issues may result in delays and reduced service quality, negatively impacting customer satisfaction
 - o E.g. will support a good state of repair of sites that the public uses e.g. drop-off depots, naturalization sites

BC004 - Growth / New Programs - Waste Management Capital Coordinator

Financial and Staffing Impacts

CSD 44 2024
Appendix 5

Category of Expenditure	2025	2026	2027
Labour Related Costs	56,130	59,549	62,455
Administrative	-	-	-
Operational & Supply	-	-	-
Occupancy & Infrastructure	-	-	-
Equipment	-	-	-
Partnership, Rebate & Exemption	-	-	-
Community Assistance	-	-	-
Financial Expenditures	-	-	-
Transfer To Reserve	-	-	-
Gross Expenditure	56,130	59,549	62,455
Other Revenue	-	-	-
Federal & Provincial Grants	-	-	-
By-Law Charges & Sales	-	-	-
Transfers From Reserves	-	-	-
Gross Revenue	-	-	-
Net Tax Levy Impact	56,130	59,549	62,455
Permanent FTEs	1	1	1
Temporary FTEs	-	-	-
Net FTEs	1	1	1

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