THE REGIONAL MUNICIPALITY OF NIAGARA
CORPORATE SERVICES COMMITTEE
FINAL AGENDA

CSC 3-2020
Wednesday, March 11, 2020
9:30 a.m.
Council Chamber
Niagara Region Headquarters, Campbell West
1815 Sir Isaac Brock Way, Thorold, ON

Pages

1. CALL TO ORDER

2. DISCLOSURES OF PECUNIARY INTEREST

3. PRESENTATIONS

4. DELEGATIONS

5. ITEMS FOR CONSIDERATION

5.1 CSD 15-2020 — 4 - 154
2019 Year End Results and Transfer Report

A presentation will precede the consideration of this item.

5.2 HR 3-2020 — 155 - 173
Chief Administrative Officer (CAO) Recruitment – Regional Councillor Appointments to the CAO Recruitment Committee

5.3 CLK 4-2020 — 174 - 197
Policy Update – Whistleblower Policy, Code of Ethics - Conflict of Interest Policy and Recruitment and Selection Policy

5.4 CSD 3-2020 — 198 - 200
Request to Write-Off Outstanding Amounts Over $25,000

5.5 CSD 16-2020 201 - 209
Procurement Process for Insurance and Risk Management Services

5.6 CSD 21-2020 210 - 218
CRTC Broadband Fund

5.7 CSD 22-2020 219 - 226
Initiation Report for 2020 Capital Funds – 911 Backup Rationalization

6. CONSENT ITEMS FOR INFORMATION

6.1 CSC-C 5-2020 227 - 231
Statement of Remuneration and Expenses for Members of Council and Council Appointees for 2019

7. OTHER BUSINESS

8. CLOSED SESSION

8.1 Confidential Appendix 2 to Report CSD 22-2020
A Matter in Respect of which a Council, Board, Committee or Other Body May Hold a Closed Session under Another Act – Confidential Memo and Report received from Niagara Regional Police Services Board respecting Niagara Regional Police Service Interim Back-Up Dispatch/911 Communications Unit

8.2 Confidential CSD 10-2020
A Matter Respecting Litigation and A Matter of Advice that is Subject to Solicitor-Client Privilege under s. 239(2) of the Municipal Act, 2001 – Carillion Canada Inc. v. RMON re NRPS Headquarters and 2 District

8.3 Confidential CSD 14-2020
A Matter of Advice that is Subject to Solicitor-Client Privilege and Respecting Litigation – Summary of Civil Lawsuits Commenced Against The Regional Municipality of Niagara (Niagara Region), Niagara Regional Police Service (NRPS) and Niagara Regional Housing (NRH)

8.4 Confidential Verbal Update
Confidential Verbal Update - A Matter Respecting Litigation and a Matter of Advice that is Subject to Solicitor-Client Privilege under s. 239(2) of the Municipal Act, 2001 - Application for Judicial Review - Niagara Home Builders' Association

9. BUSINESS ARISING FROM CLOSED SESSION ITEMS

10. NEXT MEETING

The next meeting will be held on Wednesday, April 8, 2020 at 9:30 a.m. in the Council Chamber, Regional Headquarters.

11. ADJOURNMENT

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

Q4 2019
Financial Results

Corporate Services Committee

March 11, 2020

Niagara Region

Agenda

- Background
- Deliverables
- Q4 Operating Results - Levy
- Q4 Operating Results - Rate
- Q4 Capital Results

Background

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

- Budget Planning By-Law
- Capital Financing Policy

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

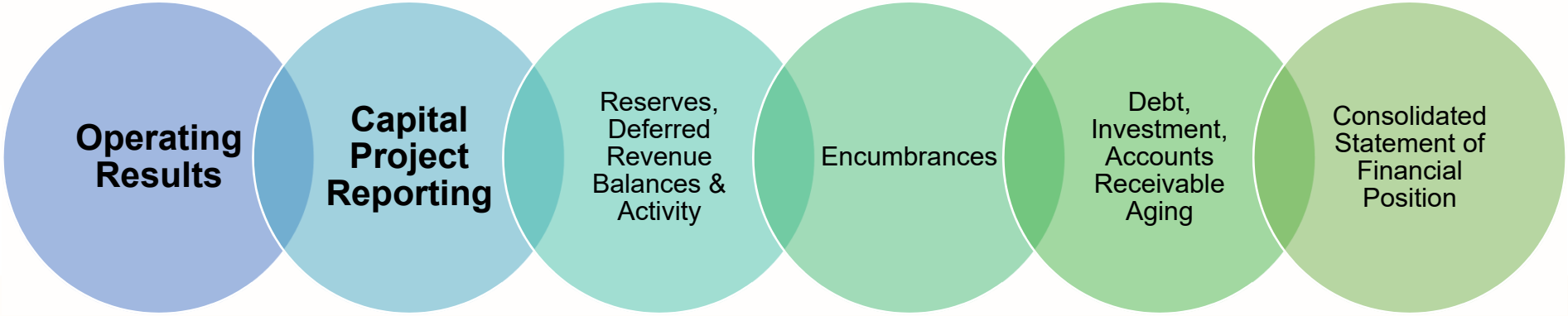
- Budget Control By-Law
- Reserve and Reserve Fund Policy
- Operating Surplus / Deficit Policy
- Financial Reporting and Forecasting Policy

Deliverables

Q4 2019 Financial Update is available on the Niagara Region's external website:

December 2019 Financial Report
(https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx)

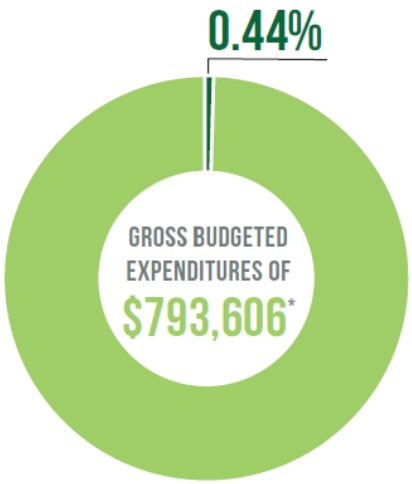
The report contains information on:



Q4 Summary Results
Levy

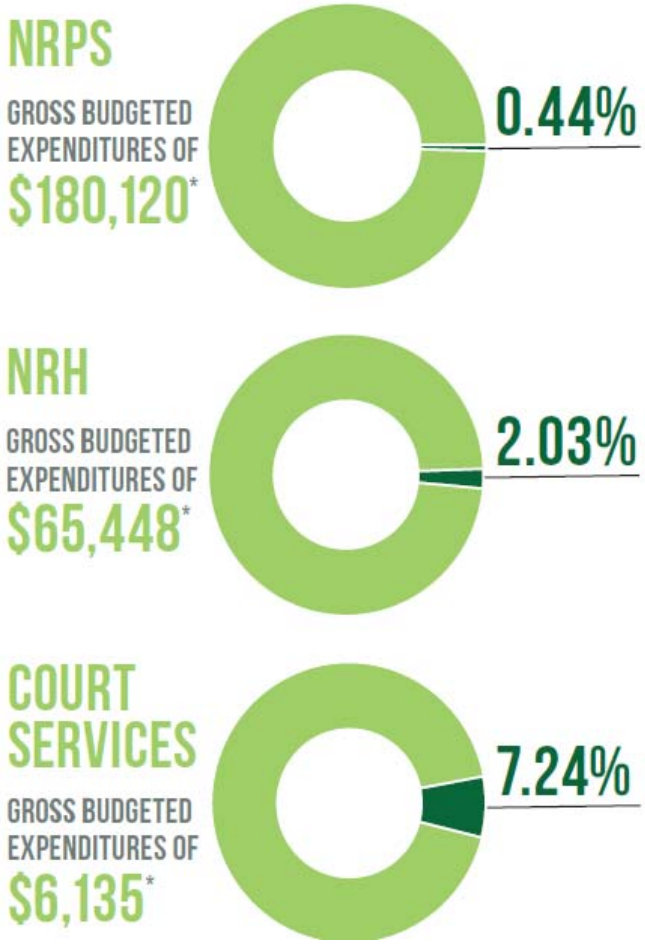
(in thousands)	Surplus Before Indirect Allocations	Surplus After Indirect Allocations
Levy no ABCs	$ 1,450	$ 878
ABCs	$ 1,895	$ 2,575
Total Levy	**$ 3,345**	**$ 3,453**

Levy Programs
(including ABCs)



* Includes transfer, intercompany charges and indirect allocations

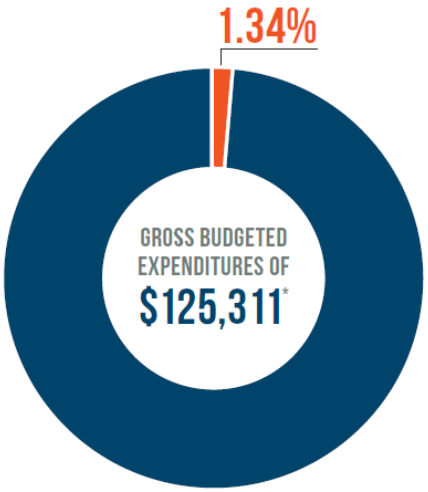
Financial Results of ABCs



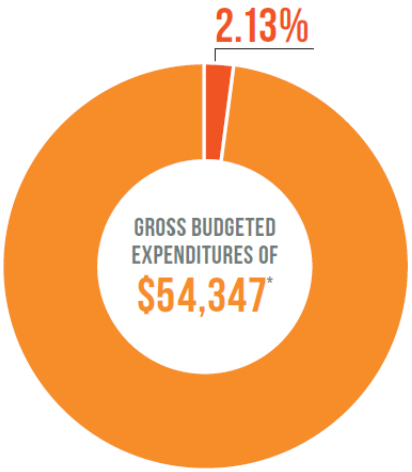
Q4 Summary Results
Rate

(in thousands)	Deficit Before Indirect Allocations	Deficit After Indirect Allocations
Water and Wastewater	$ (1,497)	$ (1,684)
Waste Management	$ (1,236)	$ (1,156)
Total Rate Supported Programs	**$ (2,733)**	**$ (2,840)**

Water and Wastewater



Waste Management



* Includes transfer, intercompany charges and indirect allocations

Q4 Results By Department

(in thousands)	Surplus / (Deficit) (before indirect allocations)	Surplus / (Deficit) (after indirect allocations)	Percentage of Gross Budget
Regional Departments			
Governance	$ 216	$ 222	
General Government	$ (5,372)	$ (5,373)	
Corporate Administration	$ 1,079	$ 976	
ERMS	$ 1,580	$ (0)	
Corporate Services	$ 1,566	$ 243	
Community Services	$ (236)	$ 1,413	
Public Health & Emergency Services	$ (2,586)	$ (2,243)	
Public Works - Transportation	$ 5,115	$ 5,395	
Planning & Development	$ 88	$ 244	
Total Regional Departments	**$ 1,450**	**$ 878**	**0.16%**
Agencies, Boards and Commissions (ABCs)			
Court Services	$ 368	$ 444	7.24%
NRH	$ 1,185	$ 1,327	2.03%
NRPS	$ 342	$ 798	0.44%
NPCA	$ (0)	$ 6	0.13%
Total ABCs	**$ 1,895**	**$ 2,575**	**1.01%**
Total Levy Supported Programs	**$ 3,345**	**$ 3,453**	**0.44%**
Water and Wastewater	$ (1,497)	$ (1,684)	1.34%
Waste Management	$ (1,236)	$ (1,156)	2.13%
Total Rate Supported Programs	**$ (2,733)**	**$ (2,840)**	**1.58%**

Niagara Region

Levy
Regional Departments

(in thousands)	Surplus / (Deficit) (before indirect allocations)	Surplus / (Deficit) (after indirect allocations)	Percentage of Gross Budget
Regional Departments and General Government	$ 1,450	$ 878	0.16%
ABC's	$ 1,895	$ 2,575	1.01%
Total Levy Supported Programs	**$ 3,345**	**$ 3,453**	**0.44%**

Factors impacting Regional Departments (Surplus of +$878):

- Labour related costs (+$3,467), offset by WSIB costs (-$1,084)
- Supplemental tax revenue (+$2,313)
- NRT revenue - revised fare agreements (+$1,218)
- NRT services – delayed rollout in West Niagara services (+$1,904)
- Development Charge grants (-$3,083)
- Change in legal liability (-$4,832)

Major factors driving results at Q3 were included in the 2020 budget where applicable

Levy
ABCs

(in thousands)	Surplus / (Deficit) (before indirect allocations)	Surplus / (Deficit) (after indirect allocations)	Percentage of Gross Budget
Agencies, Boards and Commissions (ABCs)			
Court Services	$ 368	$ 444	7.24%
NRH	$ 1,185	$ 1,327	2.03%
NRPS	$ 342	$ 798	0.44%
NPCA	$ (0)	$ 6	0.13%
Total ABCs	**$ 1,895**	**$ 2,575**	**1.01%**

Factors impacting ABCs (Surplus of +$2,575):

- NRH – Subsidy payments to providers and rent supplement (+$1,825), rental revenue (+$526) repairs and maintenance (-$1,117)
- Court Services – Labour related costs (+$404), increased revenues (+$285) offset by higher distribution to LAMs (-$444), sale of surplus lands (+$215)
- NRPS – Compensation (+$364), Provincial funding ($356), other revenue (+$282)

Major factors driving results at Q3 were included in the 2020 budget where applicable

Rate
Water & Wastewater

(in thousands)	Deficit Before Indirect Allocations	Deficit After Indirect Allocations	Percentage of Gross Budget
Water and Wastewater	$ (1,497)	$ (1,684)	1.34%
Waste Management	$ (1,236)	$ (1,156)	2.13%
Total Rate Supported Programs	**$ (2,733)**	**$ (2,840)**	**1.58%**

Factors Impacting Water & Wastewater (Deficit of -$1,684):

- R&M (inclusive of emergency repairs) (-$2,215)
- Water sales (-$1,013)
- Increased admin costs (-$574)
- Chemical costs (-$318)
- Utilities (+$1,447)
- Consulting (+$508)
- Sludge disposal (+$372)
- Compensation (+$327)

Major factors driving results at Q3 were included in the 2020 budget where applicable

Rate
Waste Management

(in thousands)	Deficit Before Indirect Allocations	Deficit After Indirect Allocations	Percentage of Gross Budget
Water and Wastewater	$ (1,497)	$ (1,684)	1.34%
Waste Management	$ (1,236)	$ (1,156)	2.13%
Total Rate Supported Programs	**$ (2,733)**	**$ (2,840)**	**1.58%**

Factors Impacting Waste Management (Deficit of $1,156):

- Decrease in **net** recycling sales as a result of lower commodity prices (-$2,404)
- Issuance of liquidated damages on collection contract (+$360)
- Environmental monitoring savings (+$243)
- Consulting (+$198)

Major factors driving results at Q3 were included in the 2020 budget where applicable

Year End Transfer Recommendations
Levy Summary

(in thousands)	Surplus / (Deficit)	Year End Transfer Recommendation	
		Allocate to Taxpayer Relief	Allocate to Other Reserve
Regional Departments and General Government	$ 878	$ 878	$ -
ABC's			
Court Services	$ 444	$ 444	$ -
NRH	$ 1,327	$ 141	$ 1,185
NRPS	$ 798	$ 457	$ 342
NPCA	$ 6	$ 6	$ -
Total for Levy Supported Programs	**$ 3,453**	**$ 1,925**	**$ 1,527**

Allocations to other reserves of $1,527 are as follows:

- $204 to Police Contingency
- $89 to Police Services Board Contingency
- $48 to Ontario Police Video Training Alliance (OPVTA)
- $605 to Niagara Regional Housing Reserve
- $580 to NRH Owned Units

Allocation of $1,925 to Taxpayer Relief includes $177 designated for SNIP in the 2020 budget

Stabilization Reserve Targets

Target per Policy is 10% to 15% of operating expenses

Balances below target impact the ability to manage operational risks

(in thousands)	Reserve Balance		Reserve Target Balance		Conclusion
	Before Year End	After Year End	Low (10%)	High (10%)	
Taxpayer Relief (*)	$ 21,831	**$ 23,756**	$55,968	$83,952	**Underfunded**
Water Stabilization	$ 3,492	**$ 2,985**	$2,359	$3,539	Sufficiently Funded
Wastewater Stabilization	$ 3,025	**$ 1,848**	$6,342	$9,513	**Underfunded**
Waste Management Stabilization	$ 7,200	**$ 6,044**	$5,085	$7,628	Sufficiently Funded
Police Contingency	$ 250	**$ 454**	*Assessed by NRPS*		
Police Services Board Contingency	$ 153	**$ 242**			

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

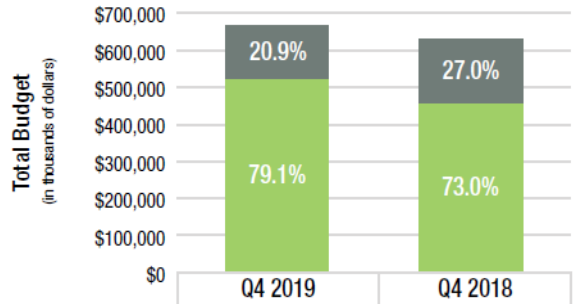
Capital Project Status

Projects with budgets greater than $1M

LEVY

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

Total projects with budgets greater than $1M.

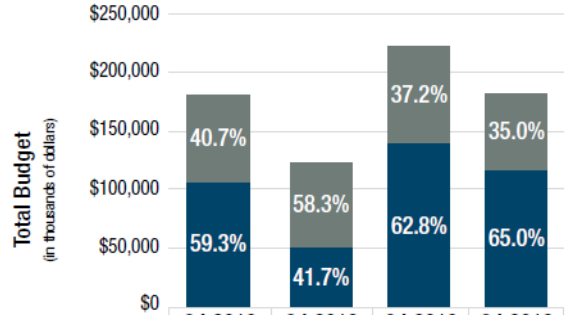


	Q4 2019	Q4 2018
Uncommitted	$137,298	$168,734
Spent & Committed	$521,166	$456,438

WATER & WASTEWATER

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

Total projects with budgets greater than $1M.

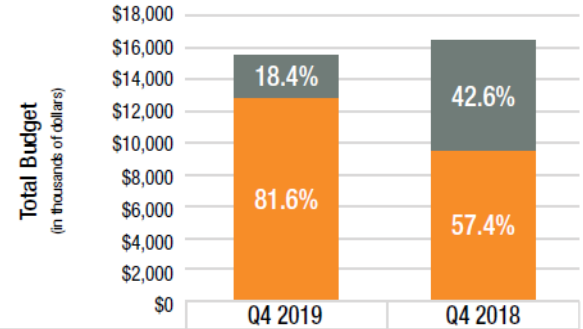


	Q4 2019 Water	Q4 2018 Water	Q4 2019 Wastewater	Q4 2018 Wastewater
Uncommitted	$72,867	$70,995	$82,296	$63,326
Spent & Committed	$106,324	$50,828	$138,807	$117,587

WASTE MANAGEMENT

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

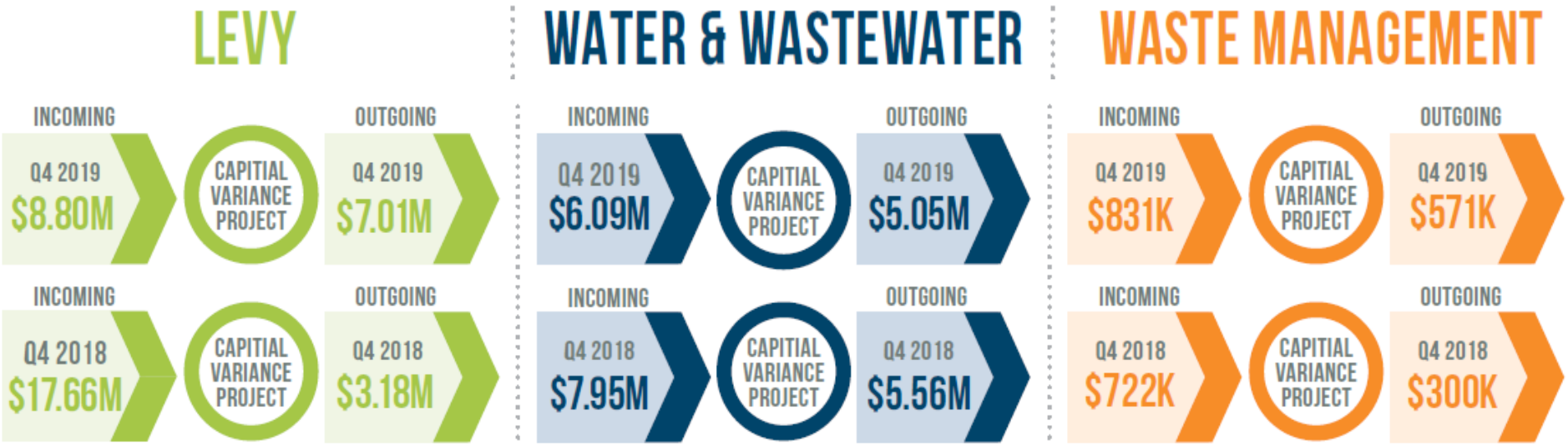
Total projects with budgets greater than $1M.



	Q4 2019	Q4 2018
Uncommitted	$2,885	$7,026
Spent & Committed	$12,781	$9,459

Niagara Region

Capital Project Variances



As of Q4 2019, **$8.4M** has been made available for future capital

$5.1M of this amount has been **committed to the 2020 capital budget**

Questions?

Melanie Steele
Associate Director, Reporting & Analysis

Subject: 2019 Year End Results and Transfer Report

Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

1. That the unaudited summarized financial results of the Niagara Region as detailed in Appendix 1, **BE RECEIVED**;

2. That the 2019 year end operating surplus for levy supported programs including agencies, boards and commissions of $3,453 thousand **BE TRANSFERRED** as follows:
    - $48 thousand **BE TRANSFERRED** to the Ontario Police Video Training Alliance (OPVTA) Reserve as per NRPS recommendation to their Board in Appendix 6
    - $89 thousand **BE TRANSFERRED** to the Police Services Board Contingency Reserve as per NRPS recommendation to their Board in Appendix 6
    - $204 thousand **BE TRANSFERRED** to the Police Contingency Reserve as per NRPS recommendation to their Board in Appendix 6
    - $580 thousand **BE TRANSFERRED** to the NRH Owned Units Reserve to fund heat control system upgrades in owned units to be completed in 2020 as per NRH recommendation to their Board in Appendix 7
    - $250 thousand **BE TRANSFERRED** to the Niagara Regional Housing Reserve to fund the Affordable Housing Master Plan to be completed in 2020 as per NRH recommendation to their Board in Appendix 7
    - $355 thousand **BE TRANSFERRED** to the Niagara Regional Housing Reserve to be utilized for new capital development opportunities to reduce the housing waitlist as per NRH recommendation to their Board in Appendix 7
    - $177 thousand surplus related to the 2019 SNIP program **BE TRANSFERRED** to the Taxpayer Relief Reserve to fund the 2020 SNIP program as directed by Council at December 5, 2019 BRCOTW
    - $1,750 thousand **BE TRANSFERRED TO** the Taxpayer Relief Reserve;

3. That the 2019 year end operating deficit for rate supported programs of $2,840 thousand **BE TRANSFERRED** from reserves as follows:
    - $1,156 thousand **BE TRANSFERRED** from the Waste Management Stabilization Reserve in order to fund the operating deficit relating to Waste Management service
    - $507 thousand **BE TRANSFERRED** from the Water Stabilization Reserve in order to fund the operating deficit related to Water services

- $1,177 thousand **BE TRANSFERRED** from the Wastewater Stabilization Reserve in order to fund the operating deficit relating to Wastewater services;

4. That encumbrances of $16,377 thousand (Appendix 2), **BE RECEIVED** for information and that the deferral of these expenditures be included in the 2020 operating budget; and

5. That the transfers of $8,446 thousand from the capital variance project to Capital Reserves **BE RECEIVED** for information.

Key Facts

- Overall, the unaudited results of Niagara Region's 2019 budget is a surplus of $3,453 thousand in the levy supported programs and deficit of $2,840 thousand in the rate supported programs.

	2019 Surplus/(Deficit) after indirect allocations (in thousands)	2019 Percentage of Budgeted Gross Expenditures	2018 Surplus/Deficit Percentage of Budgeted Gross Expenditures
Regional Depts. & General Government	$878	**0.16%**	0.35%
Court Services	$444	**7.24%**	8.10%
NRH	$1,327	**2.03%**	4.65%
NRPS	$798	**0.44%**	0.34%
NPCA	$6	**0.13%**	0.06%
Total Levy Supported Surplus	**$3,453**	**0.44%**	**0.26%**
Water	($507)	**1.13%**	10.67%
Wastewater	($1,684)	**1.46%**	0.63%
Waste Management	($1,156)	**2.13%**	3.13%
Total Rate Supported Deficit	**($2,840)**	**1.58%**	**2.76%**

- The Niagara Region continues to tightly manage its operating surplus/deficits in year with overall variances as a percentage of gross budgeted expenditure remaining low. A 5 year summary of the surplus/deficit can be found in Appendix 3.

- The recommendations included in this report have been guided by the Operating Surplus/Deficit Policy approved by Council in July 2018, which states that "yearend surpluses will be allocated to those areas that have been identified as underfunded per the Reserve and Reserve Fund Policy and/or one time funding needs as recommended by Council".

- ABC's have made their own recommendations based on their strategic objectives and their assessment of underfunded areas.

- As the Surplus/Deficit Policy applies to all departments, agencies, boards and commissions the recommendation to transfer the full levy supported surplus to the Taxpayer Relief Reserve is preferred by Niagara Region staff in consideration of the Niagara Regions' overall sustainability and credit rating. More information on this is presented in the Alternatives Reviewed section of the report.

- Funding of $16,377 thousand has been set aside in the encumbrance reserve as of December 31, 2019. $12,683 thousand (77.4%) of the total encumbrance amount is related to various incentive and grant programs such as Combined Sewer Overflow (CSO) Program, Smarter Niagara Incentive Program (SNIP), Public Realm Investment Program (PRIP), Gateway Tax Increment Grant (TIG) and the Waterfront Investment Program (WIP). For the amounts encumbered, a spending obligation (in the form of a purchase order, contract or other legally binding commitment) has been made against the 2019 operating budget, however, the product or service has not been received in the year. The budgeted funds will be transferred to the 2020 operating budget when the product or service is received and the related budgeted expense will be grossed up for the year.

- In accordance with the Budget Control By-Law, capital variance projects (CVP) are allocated surplus from capital projects and used for funding capital project deficits in the year. The CVP are maintained at a target balance of $1 million at the beginning of each year per the Capital Asset Management Policy. Balances greater than $1 million are transferred to capital reserves at year end. Transfers to the General Capital Levy of $5,449 thousand, Wastewater capital of $945 thousand, Water capital of $1,172 thousand and Waste Management Capital of $1,100 thousand were completed at year end. Some of this funding was utilized in the 2020 capital budget and some will be leveraged in the long-term capital affordability strategy.

Financial Considerations

The recommendations in this report will fully allocate the 2019 year end operating surplus to reserves. Full explanations for the surpluses and deficits can be found in Appendix 4 and are summarized on the *Consolidated Year End Funding Surplus/(Deficit) Review* in Appendix 1.

Analysis

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

December 2019 Financial Report
(https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx)

Reserve Impacts Based on Report Recommendations

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

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

The chart below shows a summary of the transfers recommended in this report and shows the reserve balance before and after the recommended transfers.

Reserve Description	Reserve Balance Before Transfer (in thousands)	Recommended Transfer to/(from) Reserve (in thousands)	Reserve Balance After Transfer (in thousands)
Stabilization Reserves			
Taxpayer Relief	$21,831	$1,925	$23,757
Water Stabilization	$3,492	($507)	$2,986
Wastewater Stabilization	$3,026	($1,177)	$1,848
Waste Management Stabilization	$7,200	($1,156)	$6,043
Police Contingency	$250	$204	$454
Police Services Board Contingency	$152	$89	$252
Capital Reserves			
Ontario Police Video Training Alliance	$61	$48	$109
Niagara Regional Housing	$7,623	$605	$8,228
Niagara Owned Units	$5.408	$580	$5,987

The following shows the balance of the reserves (after the recommended transfers included in this report) and amount over or below the minimum target balances as outlined in the Reserve and Reserve Funds Policy.

Reserve Description	Reserve Balance After Transfer (in thousands)	Target Balance (in thousands)	
		Low (10%)	High (15%)
Stabilization Reserves			
Taxpayer Relief	$23,757	$55,968	$83,952
Water Stabilization	$2,986	$2,359	$3,359
Wastewater Stabilization	$1,848	$6,342	$9,513
Waste Management Stabilization	$6,043	$5,085	$7,628
Police Contingency	$454	Determined by NRPS	
Policy Contingency	$252	Determined by NRPS	
Capital Reserves			
Ontario Police Video Training Alliance	$109	Reserve targets noted above not applicable for these reserves	
Niagara Regional Housing	$8,228		
Niagara Owned Units	$5,987		

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

- Taxpayer Relief
- Wastewater Stabilization

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

Unspent Budgeted Reserve Transfers

Budgeted reserve transfers that are unspent during the year are returned to their originating reserves in accordance with the Reserve and Reserve Fund Policy. In 2019 the following funds were returned to reserves:

- Unused drainage assessment funding by local area municipalities of $98 thousand
- Unused active transportation/bike lane funding by local area municipalities of $150 thousand
- Unused funds for Niagara Regional Transit West Niagara service expansion rollout of $821 thousand
- Unused funds for Stormwater guidelines of $50 thousand

Encumbrances

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

Incorporated in the year end operating funding surpluses are encumbrances totalling $16,377 thousand (see Appendix 2). As part of the year end reporting process, the Financial Management and Planning division has reviewed each encumbrance request with the originating department. The encumbrances identified will be transferred to the encumbrance reserve at December 31, 2019 and transferred back to the respective departments in 2020. Encumbrance balances that have been carried forward from a previous year have also been identified in Appendix 2.

The majority of the encumbrance requests in 2019 relate to various incentive and grant programs which are in partnership with the local area municipalities (LAMs) and can span multiple years.

Capital Variance Project Transfer to Capital Reserve

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

During 2019, a total of 117 projects were closed (compared to 197 projects in 2018). As a result of the project closures and budget reductions, a total of $15,727 thousand and $26,331 thousand were returned to the CVP in 2019 and 2018 respectively.

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

The following is a summary of the amounts transferred to the respective capital reserve from each CVP and the balances remaining in the CVP as of December 31, 2019.

CVP Description	CVP Balance Before Transfer to Reserve (in thousands)	Transfer to Reserve (in thousands)	CVP Balance After Transfer to Reserve (in thousands)
Levy Programs	$6,229	$5,229*	$1,000
Waste Management	$1,682	$1,100**	$582
Wastewater	$1,945	$945	$1,000
Water	$2,172	$1,172	$1,000
Total	**$12,028**	**$8,446**	**$3,582**

* $4,000 of the amount transferred to reserve has been committed to the approved 2020 capital budget
** All of the $1,100 transfer to reserve has been committed to the approved 2020 capital budget

Alternatives Reviewed

Council may direct staff to consider alternatives options for the consolidated net surplus position of $612 thousand. Some of the potential alternatives may include:

<u>Alternative Option – Transfer all of the Surplus from the Levy Supported Programs to Taxpayer Relief</u>

It is at the discretion of Council how to treat the levy supported operating surplus at year end. Surpluses are a result of funding provided in a budget that was not required to achieve the objectives or mandate for that year. Since these funds are not required, Council may direct staff to allocate all of the levy supported operating surplus to the Taxpayer Relief Reserve (thereby not accepting some or all of the recommendations made by the NRH and NRPS Boards).

The yearend surplus is currently the only mechanism the Region is using to contribute funds into its stabilization reserves as contributions to these reserves are not being made as part of the base budget process. This alternative allows Council to maximize its available contribution to the stabilization reserves and improves the Region's overall

financial sustainability. Strong stabilization reserves support all levy supported programs including the agencies, boards and commissions who may need to leverage them in the future.

To further support staff's position that Niagara Region's reserves are underfunded, the Ministry of Municipal Affairs and Housing's 2018 Financial Indicator Review has been attached in Appendix 5. It show's Niagara Region's reserves as a percentage of municipal expenses at 32.5% which is much lower then the comparative group showing an average of 91.8%.

Relationship to Council Strategic Priorities

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

Other Pertinent Reports

CSD 49-2019	Q1 2019 Financial Update
CSD 63-2019	Q2 2019 Financial Update
CSD 76-2019	Q3 2019 Financial Update

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

Appendices

Appendix 1	Consolidated Year End Funding Surplus/(Deficit)
Appendix 2	Detailed Summary of Encumbrances by Department
Appendix 3	5 Year Funding Surplus/(Deficit) Analysis
Appendix 4	Q4 2019 Financial Update

Appendix 5	MMAH 2018 Financial Indicator Review
Appendix 6	NRPS Financial Variance Overview for the Year Ending December 31, 2019
Appendix 7	NRH 2019 Year-End transfer Report (NRH 2-2020)

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

	Year End Operating Surplus/(Deficit) Before Transfers	Year End Operating Surplus Transferred Back to Reserve(*)	Encumbrance(**)	Year End Operating Surplus/(Deficit)
LEVY SUPPORTED DEPARTMENTS				
Regional Departments				
Corporate Administration	$1,060	$0	-$84	$976
Corporate Services	$343	$0	-$100	$243
Enterprise Resource Management Services	$98	$0	-$98	$0
Commmunity Services	$1,702	$0	-$289	$1,413
Economic Development	$0	$0	$0	$0
Public Works - Transportation	$7,313	-$1,069	-$849	$5,395
Governance	$222	$0	$0	$222
Planning & Development	$958	-$50	-$664	$244
Public Health	-$2,178	$0	-$65	-$2,243
Subtotal - Regional Departments	**$9,519**	**-$1,119**	**-$2,149**	**$6,250**
General Government	**-$909**	**$0**	**-$4,463**	**-$5,373**
Regional Departments and General Government	**$8,610**	**-$1,119**	**-$6,613**	**$878**
Agencies, Boards and Commissions				
Court Services	$444	$0	$0	$444
Niagara Regional Housing	$2,061	$0	-$735	$1,327
Niagara Regional Police	$798	$0	$0	$798
Niagara Peninsula Conservation Authority	$6	$0	$0	$6
Subtotal - Agencies, Boards and Commissions	**$3,309**	**$0**	**-$735**	**$2,575**
Total Levy Supported Departments	**$11,919**	**-$1,119**	**-$7,347**	**$3,453**
RATE SUPPORTED DEPARTMENTS				
Water	-$507	$0	$0	-$507
Watewater	$7,043	$0	-$8,220	-$1,177
Waste Management	-$347	$0	-$810	-$1,156
Total Rate Supported Departments	**$6,189**	**$0**	**-$9,030**	**-$2,840**

(*) Unspent budgeted reserve transfers are returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy
(**) Encumbrances are transferred to 2020 operating budgets in accodance with the Budget Control By-Law

Description		Amount
General Government		
Public Realm Investment Program		
East Fonthil Seating RR20 & Rice Road	$12	
Parkette Queenston St*	$100	
Prince Charles Dr*	$13	
RR18 (Ontario St.), RR81 (King St.)*	$10	
Civic Square Revitalization*	$30	
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)*	$100	
Smithville Public Square*	$100	
RR54 Pelham Port Robinson Rice Rd Parkette	$30	
RR20 West Lincoln Smithville Streetscaping Upgrades	$100	
RR20 West Lincoln Smith Street Lighting Upgrades	$100	
RR27 Welland Parkette Hellems/East Main St	$20	$615
Gateway - Tax Increment Grant		
287 Silverthorne/Buchner		$1,613
Waterfront Improvement Program		
Millennium Recreation Trail*	$400	
Town of Lincoln Museum and Cultural Centre*	$250	$650
Smarter Niagara Incentive Program		
Building and Facade Improvement Grant/Loan Program	$360	
CIP/MasterPlans/Official Plans Grant Program	$410	
ESA Phase II (Risk Assessment Plan)	$36	
Heritage Restoration and Improvement Grant	$50	
Public Realm Grant Program	$130	
Residential Grant/Loan Program	$599	$1,585
Total Encumbrances for General Government		**$4,463**
Corporate Administration		
Advertising Partnership with City of St. Catharines*		$13
Economic Development - Study and Lead Generation		$71
Total Encumbrance for Corporate Administration		**$84**
Corporate Services		
Business Licensing		$100
Total Encumbrance for Community Services		**$100**
Enterprise Resource Management Services		
Sustainability Review*		$85
Advertising Partnership with City of St. Catharines*		$13
Total Encumbrance for Enterprise Resource Management Services		**$98**
Community Services		
Gateway Residential Community Support		$289
Total Encumbrance for Community Services		**$289**
Planning & Development		
New Regional Official Plan*		$391
Municipal Comprehensive Review*		$61
Environmental Planning Review*		$53

Description	Amount
Highly Vulnerable Aquifer Reviews*	$18
Ontario Tender Fruit Irrigation Ambassador	$16
Stormwater Management Guidelines	$125
Total Encumbrance for Planning and Development	**$664**
Public Health	
EMS System Redesign*	$65
Total Encumbrance for Public Health	**$65**
Niagara Regional Housing	
Integrated Housing Solution Software*	$31
Designated Substance Survey*	$110
Masonry Wall Investigation	$87
K3D Thermostat Technology	$507
Total Encumbrance for Niagara Regional Housing	**$735**
Public Works - Transportation	
Emerald Ash Bore*	$178
Spring Tree Planting	$64
Complete Streets Design Manual	$400
Niagara Transit Governance Study	$207
Total Encumbrance for Public Works - Transportation	**$849**
Public Works - Waste Management	
Fairness Advisor for MRF Opportunity Review*	$25
MRF Opportunity Review*	$345
Long-Term Waste Management Strategic Plan*	$400
Service level change campaign	$40
Total Encumbrance for Public Works - Waste Management	**$810**
Public Works - Water/Wastewater	
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*	$1,229
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*	$2,083
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*	$1,089
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)*	$1,851
Unused Combined Sewer Overflow Funding - 2019 Program (at 50%)	$1,968
Total Encumbrance for Public Works - Water/Wastewater	**$8,220**
TOTAL 2019 ENCUMBRANCE	**$16,377**

* Encumbrance balance carried over from 2018

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

	Year End Operating Surplus/(Deficit) (in thousands)				
LEVY SUPPORTED DEPARTMENTS	**2019**	**2018**	**2017**	**2016**	**2015**
Regional Departments					
Corporate Administration	$976	$357	$365	$127	$74
Corporate Services	$243	$254	-$118	$0	$0
Enterprise Resource Management Services	$0	$10	-$10	$0	$0
Commmunity Services	$1,413	$1,742	$3,700	-$951	$258
Economic Development	$0	$0	$226	$216	$51
Public Works - Transportation	$5,395	$975	$1,913	$2,332	-$3,887
Governance	$222	$413	$120	-$190	$291
Planning & Development	$244	$558	$518	-$66	-$308
Public Health	-$2,243	-$186	$1,825	$345	$1,873
Subtotal - Regional Departments	**$6,250**	**$4,123**	**$8,539**	**$1,813**	**-$1,648**
General Government	**-$5,373**	**-$5,850**	**-$6,113**	**$192**	**$3,972**
Regional Departments and General Government	**$878**	**-$1,727**	**$2,426**	**$2,005**	**$2,324**
Agencies, Boards and Commissions					
Court Services	$444	$396	-$344	-$249	-$226
Niagara Regional Housing	$1,327	$2,635	$1,908	$624	$717
Niagara Regional Police	$798	$528	-$7,641	-$2,781	$629
Niagara Peninsula Conservation Authority	$6	-$4	-$3	$0	-$51
Subtotal - Agencies, Boards and Commissions	**$2,575**	**$3,555**	**-$6,080**	**-$2,406**	**$1,069**
Total Levy Supported Departments	**$3,453**	**$1,828**	**-$3,654**	**-$401**	**$3,393**
RATE SUPPORTED DEPARTMENTS					
Water	-$507	$2,449	$1,432	$1,361	-$56
Watewater	-$1,177	-$370	-$1,343	$588	$593
Waste Management	-$1,156	$1,551	$5,682	$4,337	$4,552
Total Rate Supported Departments	**-$2,840**	**$3,630**	**$5,771**	**$6,286**	**$5,089**

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

Niagara Region

2019

Q4 FINANCIAL UPDATE | DECEMBER

Q4 Financial Update – December 2019

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Introduction

On behalf of Niagara Region, we are pleased to provide you with the 2019 Q4 financial update.

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

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

As of December 31, 2019 Niagara Region is forecasting a funding surplus of $3,453 thousand related to the levy programs, $1,684 thousand deficit related to Water and Wastewater programs, and a $1,156 thousand deficit related to the Waste Management Program.

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

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

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

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

LEVY

(in thousands of dollars)

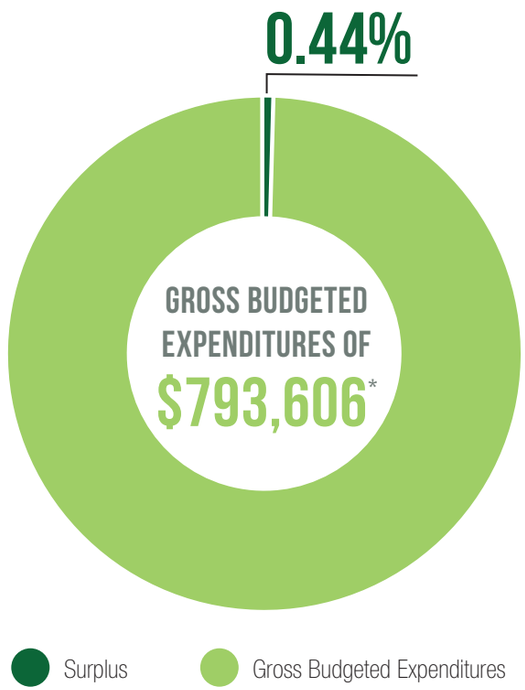
Niagara Region's levy programs excluding agencies, boards and commissions (ABC's) has a year end operating surplus of $878. The surplus is largely driven from labour costs as a result of vacancies ($3,467), collection of supplement tax revenues higher than budgeted ($2,122), increase in revenues for Niagara Regional Transit (NRT) primarily driven by revised agreements with the college and university ($1,218), one-time savings due to the delayed implementation of some enhanced NRT services due to long lead-in time in delivery of buses ($1,904) and lower employee health benefit expense ($853).

This surplus has been partially offset by higher than budgeted Workplace Safety Insurance Board (WSIB) costs in the EMS division ($1,084), higher than budgeted Development Charge (DC) grants ($3,082) and unforeseen claim payouts and changes in the legal liability during the year.

The ABC's surplus of $1,895 is a result of lower labour costs due to vacant positions ($909), increased collection activity in Court Services as well as lower than budgeted subsidy payments to providers ($1,224) and rent supplement to landlords ($601) in Niagara Regional Housing (NRH). These surpluses have been offset by higher distribution to the Local Area Municipalities (LAMs) ($444) in Court Services as well as higher repairs and maintenance ($1,117) in NRH owned units and an unanticipated decrease in Provincial funding ($356) impacting Niagara Regional Police Services (NRPS). The NRH and NRPS Boards have made recommendations as to which reserves their respective surpluses should be allocated at year end. These recommendations have been included in CSD 15-2020 in addition to the recommendation that the remaining levy surplus be allocated to the Taxpayer Relief Reserve in accordance with the Operating Surplus/Deficit Policy C-F-022.

LEVY DEPARTMENT AND PROGRAMS

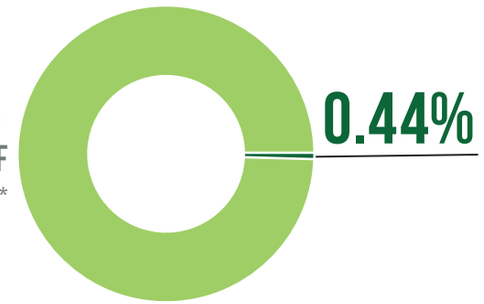
(Including ABC's)



FINANCIAL RESULTS OF ABC'S

NRPS

GROSS BUDGETED EXPENDITURES OF $180,120*

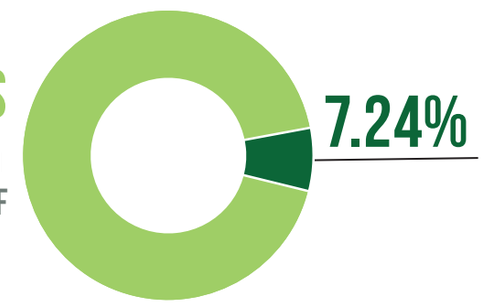


NRH

GROSS BUDGETED EXPENDITURES OF $65,448*

COURT SERVICES

GROSS BUDGETED EXPENDITURES OF $6,135*



*Includes transfer, intercompany charges and indirect allocations

FINANCIAL STATEMENT HIGHLIGHTS

-$3,083

variance as a result of higher than budgeted Development Charge grants provided during the year.

+$2,313

collected in unanticipated supplement tax billings during the year

+$3,122

Combined variance in NRT resulting from increased revenues generated from agreements and one-time savings from delayed implementation of some enhanced NRT services

CONSOLIDATED OPERATING FUNDING SURPLUS/(DEFICIT) REVIEW

WATER & WASTEWATER

(in thousands of dollars)

Water and Wastewater services has a net operating deficit of $1,684 at year end which is attributed to a deficit in the Water division of $507 and a deficit in the Wastewater division of $1,177.

The $507 deficit in the Water division is due to lower than anticipated water sales as a result of cool and wet weather, which has been partially offset by lower than budgeted electricity savings (partly due to the Ontario Fair Hydro Act) and savings in compensation resulting from vacant positions.

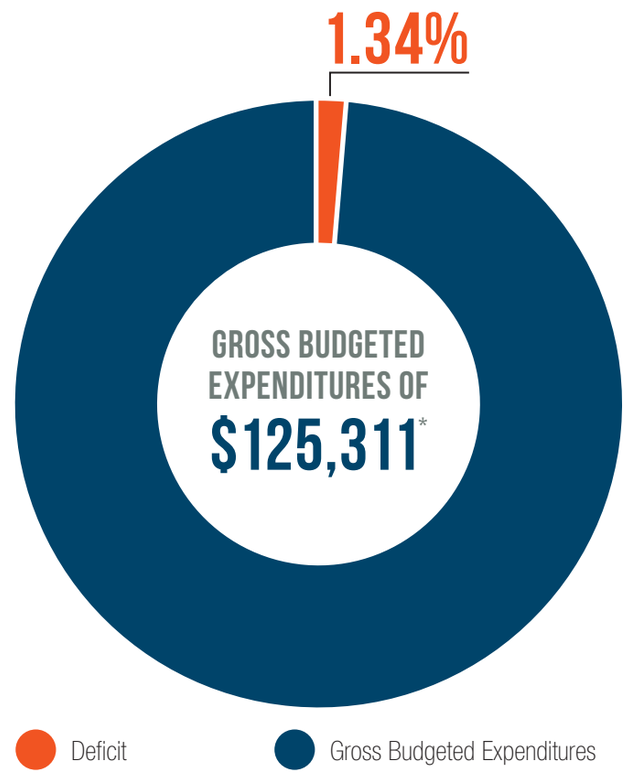
The $1,177 deficit in the Wastewater division is a driven by unanticipated emergency sewer repair costs, higher repairs and maintenance costs for equipment, buildings and grounds and chemical costs. This deficit has been partially offset by a savings in budgeting electricity costs, compensation due to vacant positions as well as higher By Law revenue due to hauled sewage volumes exceeding budget during the year.

It is recommended at year end that the operating deficit in the Water division be transferred from the Water Stabilization Reserve and that the operating deficit in the Wastewater Division be transferred from the Wastewater Stabilization Reserve.

As a result of the year end transfer, the Water Stabilization Reserve will be at a balance of $2,985 which is within the funding targets for the stabilization reserve. The funding target of 10% to 15% of annual budgeted operating expenditures (excluding reserve transfers and debt allocations) are $2,359 and $3,539 respectively.

After the recommended year end transfer, the Wastewater Stabilization Reserve will be at a balance of $1,848 which is below the minimum stabilization target for the Reserve. The funding targets of 10% to 15% of annual budgeted operating expenditures are $6,342 and $9,513 respectively. The reserve balance is below the minimum target, which may impact the ability to manage future operational risks.

WATER & WASTEWATER OPERATING DEFICIT



* Includes transfer, intercompany charges and indirect allocations

FINANCIAL STATEMENT HIGHLIGHTS

-$1,014
VARIANCE IN WATER SALES

3.0% of budgeted variable water revenues due to cool and wet weather

-$1,239
VARIANCE IN EMERGENCY SEWER REPAIR

Dain City emergency sewer repair resulted in unanticipated costs.

WASTE MANAGEMENT

(in thousands of dollars)

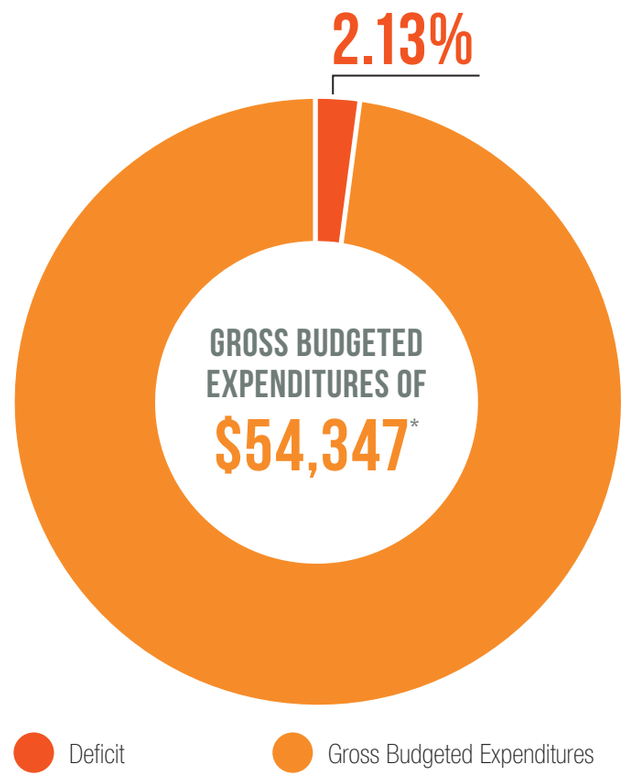
Waste Management Services has an operating deficit of $1,156 at year end.

The deficit is primarily a result of the continuing decline in the recyclable commodities market impacting revenue from sale of recyclables. This was partially offset by lower than anticipate costs of purchasing commodities under contracts with Waterloo, Haldimand and commercial business. The deficit was mitigated further by liquidated damages issued under Niagara Region's collection contract from failure to meet performance standards and savings in compensation.

It is recommended at year end that the operating deficit in Waste Management be transferred from the Waste Management Stabilization Reserve.

As a result of the year end transfer, the Waste Management Stabilization Reserve will be at a balance of $6,044 which is within the funding targets for the Reserve. The funding target of 10% to 15% of annual budgeted operating expenditures (excluding reserve transfers and debt allocations) are $5,085 and $7,628 respectively.

WASTE MANAGEMENT OPERATING DEFICIT



* Includes transfer, intercompany charges and indirect allocations

FINANCIAL STATEMENT HIGHLIGHTS

-$2,404 NET VARIANCE IN RECYCLING OPERATIONS

resulting from the continuing decline in the commodities market

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

	Before Indirect Allocations			After Indirect Allocations		
	Annual Budget	Actuals	Q4 Surplus / (Deficit)	Annual Budget	Actuals	Q4 Surplus / (Deficit)
LEVY SUPPORTED DEPARTMENTS & PROGRAMS						
Regional Departments						
Governance	$2,136	$1,920	$216	$2,413	$2,191	$222
General Government	-$299,136	-$293,764	-$5,372	-$370,336	-$364,963	-$5,373
Corporate Administration	$6,496	$5,417	$1,079	$5,736	$4,760	$976
Enterprise Resource Management Services	$12,928	$11,348	$1,580	$0	$0	$0
Corporate Services	$29,361	$27,795	$1,566	$1,783	$1,540	$243
Community Services	$27,640	$27,876	-$236	$43,791	$42,378	$1,413
Public Health & Emergency Services	$24,908	$27,494	-$2,586	$38,675	$40,918	-$2,243
Public Works – Transportation	$33,604	$28,490	$5,115	$72,966	$67,571	$5,395
Planning & Development	$2,899	$2,811	$88	$4,438	$4,193	$244
Sub-Total - Regional Departments	**-$159,163**	**-$160,613**	**$1,450**	**-$200,534**	**-$201,412**	**$878**
Agencies, Boards & Commissions						
Court Services	-$1,839	-$2,207	$368	-$605	-$1,049	$444
Niagara Regional Housing	$27,789	$26,604	$1,185	$35,405	$34,079	$1,327
Niagara Regional Police	$146,714	$146,372	$342	$161,528	$160,729	$798
Niagara Peninsula Conservation Authority	$4,200	$4,200	$0	$4,206	$4,200	$6
Subtotal Agencies, Boards & Commissions	**$176,864**	**$175,893**	**$1,895**	**$200,534**	**$197,959**	**$2,575**
Total Levy Supported Programs	**$17,701**	**$14,356**	**$3,345**	**$0**	**-$3,453**	**$3,453**
RATE SUPPORTED DEPARTMENTS						
Public Works - Water & Wastewater	-$15,338	-$13,840	-$1,497	$0	$1,684	-$1,684
Public Works - Waste Management	-$2,364	-$1,128	-$1,236	$0	$1,156	-$1,156
Total Rate Supported Departments	**-$17,701**	**-$14,968**	**-$2,733**	**$0**	**$2,840**	**-$2,840**
TOTAL	**$0**	**-$612**	**$612**	**$0**	**-$612**	**$612**

Levy Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$394,344	$391,052	$3,292	0.8%
Administrative	$31,066	$32,502	-$1,436	-4.6%
Operational & Supply	$41,729	$37,971	$3,758	9.0%
Occupancy & Infrastructure	$27,468	$27,760	-$292	-1.1%
Equipment, Vehicles,Technology	$15,374	$15,686	-$312	-2.0%
Community Assistance	$204,529	$197,166	$7,363	3.6%
Partnership, Rebate, Exemption	$22,019	$20,323	$1,696	7.7%
Financial Expenditures	$68,609	$56,450	$12,159	17.7%
Total Expenses	$805,138	$778,910	$26,228	3.3%
Taxation	-$380,993	-$383,481	$2,489	0.7%
Federal & Provincial Grants	-$327,480	-$321,311	-$6,169	-1.9%
By-Law Charges & Sales	-$18,661	-$18,919	$258	1.4%
Other Revenue	-$66,472	-$69,108	$2,637	4.0%
Total Revenues	-$793,606	-$792,819	-$787	-0.1%
Intercompany Charges	-$1,952	-$1,794	-$158	-8.1%
Total Intercompany Charges	-$1,952	-$1,794	-$158	-8.1%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$9,579	-$15,703	$25,283	263.9%
Transfers From Funds	-$23,308	-$22,165	-$1,143	-4.9%
Transfers To Funds	$31,570	$52,319	-$20,750	-65.7%
Expense Allocations To Capital	-$140	-$96	-$44	-31.8%
Total Transfers	$8,122	$30,059	-$21,937	-270.1%
Net Expenditure (Revenue) Before Indirect Allocations	$17,701	$14,356	$3,345	18.9%
Indirect Allocations & Debt	-$17,701	-$17,808	$107	0.6%
Total Indirect Allocations & Debt	-$17,701	-$17,808	$107	0.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$0	-$3,453	$3,453	0.0%

Levy - Continued

Variance Analysis (in thousands of dollars)

Levy is operating a year-to-date surplus before indirect allocations of $3,345. This is due to the following factors:

Compensation – The favourable variance of $3,292 is mainly due vacancies across the corporation, resulting in lower than anticipated compensation costs. These savings have been reduced by higher than budgeted Workplace Safety Insurance Board (WSIB) costs ($1,082) within the Emergency Medical Services (EMS) division.

Administration – The unfavourable variance of $1,436 is largely due to an increase in the estimated legal claims cost.

The unfavourable variance is offset by favourable variances in timing of consulting expenditures involving the new Regional Official Plan (ROP) ($1,018), the rollout of Transportation Services and Transit related studies ($641), Complete Streets consulting study ($400), Niagara Regaional Trannsit (NRT) study ($207). Many of these consulting engagements have been encumbered into 2020.

Operational & Supply – The favourable variance of $3,758 is a result of the following:

- timing differences in the rollout of increased NRT services ($1,904)
- lower than anticipated usage of hired equipment ($764) in Transportation
- savings in the Ontario Senior Dental Care Program (OSDCP) ($707) due to a delay in the launch of the program.
- reduced usage of traffic signal maintenance, sign and pavement marking material ($633) in Transportation
- reduced Niagara Specialized Transit (NST) services due to revised contract terms ($226)

The favourable variance has been partially offset by higher than anticipated medical supplies and transportation expenditures for high intensity needs residents ($565) in Senior Services, which 95% is offset by Ministry funding.

Community Assistance – The favourable variance of $7,363 is primarily due to:

- lower than budgeted Ontario Works (OW) caseload expenditures ($3,123) resulting in reduced number of benefit issuances in SAEO. OW caseload expenditures are fully funded by the Province, as such, surpluses identified in this section are offset by less Provinicial funding being received, described below.
- lower than budgeted subsidy payments to non-profit and co-op providers and rent supplements to landlords ($1,890) in Niagara Regional Housing (NRH)
- timing differences in the 100% Ministry funded-community capital builds as construction will be completed by December 2020 ($1,246) in Children Services
- reinvestment of parental fee revenue ($491) in Children Services

The favourable variance has been partially offset by a transfer to capital for the Regionally owned and operated child care centre build ($553) described in the Transfers below.

Partnership, Rebate, Exemption – The favourable variance of $1,696 is due to lower than anticipated Local Area Municpality (LAM) grants ($298) associated with multi-use paths and drainage assessment funding for LAMs as well as the timing of economic incentive grant payments ($4,394) for Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway Tax Increment Grants. Where appropriate these amounts have been encumbered into 2020 to align with anticipated payments of these grants and are identified in Transfers below.

The favourable variance has been partially offset by higher than budgeted mandatory and non-mandatory Development Charge (DC) exemptions ($3,083) as per the adopted Development Charges By-law 2017-88 in addition to tax rebates to charitable organizations and commercial vacany rebates.

Financial Expenditures – The favourable variance of $12,159 is primarily due to the debt charge placeholder of $12,711 (due to the timing of actual project spending), which has been transferred to capital reserves through Transfer to Funds identified below. The overall favourable variance has been partially offset by higher than anticipated tax write offs ($224) and unrealized foreign exchange losses ($83).

Levy - Continued

Taxation – The favourable variance of $2,489 is primarily the result of increases in supplement tax revenues (SUPs) collected during the year. The increase in SUPs is attributable to growth mainly in Welland, Niagara Falls, Thorold, Grimsby and Niagara-on-the-Lake.

Federal & Provincial Grants – The unfavourable variance of $6,169 is due to:

- lower than budgeted Ministry funding reflective of the reduction in 100% funded expenditures ($3,032) in SAEO
- timing differences as a result of Ministry-funded programs and related administrative costs revenue being recognized based on actual expenditures incurred ($1,381) in NRH
- unfavourable variance related to timing differences of Ministry-funded community capital builds as revenues is recognized based on actual expenses incurred ($1,062)
- delayed launch of the new OSDCP ($609)
- lower than anticipated OW program administration funding ($490) received from the Ministry due to being held at 2018 actuals
- the discontinuation of the annual inflationary increase in Land Ambulance funding ($439)
- shortfall in Provincial grant funding ($356) in NRPS.

These unfavourable variances have been partially mitigated by favourable variances as a result of additional funding in Senior Services received specifically related to the high intensity needs expenditures ($924) and timing of revenue recognized in Homelessness.

Other Revenue – The favourable variance of $2,637 is due to:

- higher than anticipated provincially established accommodation fees ($686)
- higher than anticipated rental revenues for NRH-owned units ($526)
- unbudgeted revenue for EMS provided at the St. Catharine's Consumption Treatment Site ($413)
- higher union billings for employes ($384) in Community Services
- increase in collection enforcement activity ($285) in Court Services
- net proceds for sale of surplus land ($215) in Court Services
- higher than budgeted investment income from the timing differences of transfer between Region and NRH bank accounts ($184)

These favourable variances have partially offset by lower than expected development charges revenue recognized ($259) related to delays in consulting assignments and lower than expected proceeds from sale of fleet vehicles and equipment ($230) in Transporation.

Transfers to Funds – the unfavourable variance is $20,750 is a result of the encumbrance ($7,347), funds returned to reserves from the delayed rollout of NRT services to West Niagara ($821) and debt charge placeholder ($12,711) resulting from the timing of actual project spending.

Governance Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$1,910	$1,795	$115	6.0%
Administrative	$220	$122	$98	44.6%
Operational & Supply	$0	$0	$0	100.0%
Equipment, Vehicles,Technology	$2	$2	$0	13.3%
Partnership, Rebate, Exemption	$2	$0	$2	98.2%
Total Expenses	$2,134	$1,918	$216	10.1%
Other Revenue	$0	$0	$0	0.0%
Total Revenues	$0	$0	$0	0.0%
Intercompany Charges	$2	$1	$0	2.8%
Total Intercompany Charges	$2	$1	$0	2.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$2,136	$1,920	$216	10.1%
Total Transfers			$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$2,136	$1,920	$216	10.1%
Indirect Allocations & Debt	$277	$272	$6	2.0%
Total Indirect Allocations & Debt	$277	$272	$6	2.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$2,413	$2,191	$222	9.2%

Governance - Continued

Variance Analysis (in thousands of dollars)

Governance is operated with a surplus before indirect allocations of $216. The following factors have contributed to this surplus.

Compensation - The favourable variance of $115 is due to vacancies within the Chair's Office and deferred or declined salary increases.

Administration - The favourable variance of $98 is due to lower than anticipated advertising and travel costs.

Community Impacts & Achievements

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

Project Updates/Accomplishments

- Passed the 2020 operating and capital budget which included funding for numerous critical projects along with addressing the impacts of provincial downloading
- Started work on a government relations plan that incorporates the priorities of Niagara 12 municipalities along with the Niagara Region
- Acted quickly to action the recommendations of the Provincial Ombudsman, including providing direction to staff to develop policies to safeguard hiring processes in the future
- Continued to work closely with the 2021 Summer Games committee to ensure the successful completion of the legacy projects and operations of the games
- Met with provincial ministry staff to progress Niagara's priorities on numerous files and issues

General Government Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Administrative	$6,243	$11,165	-$4,922	-78.8%
Operational & Supply	$228	$0	$228	99.9%
Occupancy & Infrastructure	$95	$72	$22	23.5%
Partnership, Rebate, Exemption	$15,414	$14,156	$1,258	8.2%
Financial Expenditures	$66,273	$53,872	$12,401	18.7%
Total Expenses	$88,252	$79,265	$8,987	10.2%
Taxation	-$380,993	-$383,481	$2,489	0.7%
By-Law Charges & Sales	-$55	-$24	-$31	-55.9%
Other Revenue	-$15,771	-$16,407	$636	4.0%
Total Revenues	-$396,818	-$399,912	$3,094	0.8%
Intercompany Charges	-$367	-$211	-$156	-42.4%
Total Intercompany Charges	-$367	-$211	-$156	-42.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-$308,933	-$320,858	$11,926	3.9%
Transfers From Funds	-$11,234	-$11,234	$0	0.0%
Transfers To Funds	$21,031	$38,328	-$17,298	-82.3%
Total Transfers	$9,797	$27,094	-$17,298	-176.6%
Net Expenditure (Revenue) Before Indirect Allocations	-$299,136	-$293,764	-$5,372	-1.8%
Indirect Allocations & Debt	-$71,200	-$71,200	$0	0.0%
Total Indirect Allocations & Debt	-$71,200	-$71,200	$0	0.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-$370,336	-$364,963	-$5,373	-1.5%

General Government - Continued

Variance Analysis (in thousands of dollars)

General Government is operating at a deficit before indirect allocations of $5,373 due to the following factors:

Administration - The unfavourable variance of $4,922 is primarily due to an increase of the accrual for estimated legal claims against the Region.

Operational and Supply – The favourable variance of $228 relates to budgeted expenditures not incurred for the new Council's strategic priorities.

Partnership, Rebate, Exemption - The favourable variance of $1,258 is due to the timing of payments of economic incentive grants amounting to $4,394 (Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway tax increment grants). This amount has been encumbered into 2020 to align with anticipated payments of these grants. These encumbrances are included in the Transfers to Funds identified below.

The favourable grants variance is offset by unfavourable variances of $2,914 for mandatory and non-mandatory development charge exemptions (identified in the Deferred Revenue schedule) as per the adopted Development Charges By-law 2017-88 as well as $222 in tax rebates to charitable organizations and commercial vacancy rebates.

Financial Expenditures – The favourable variance of $12,401 is due to the debt charge placeholder of $12,711 (due to the timing of actual project spending), which has been transferred to capital reserves through Transfers to Funds identified below. The overall favourable variance is offset by unfavourable variances of $224 due to tax write offs and $83 due to unrealized foreign exchange losses.

Taxation - The favourable variance of $2,489 is primarily the result of increases in supplemental tax revenues (attributable to growth mainly in Welland, Niagara Falls, Thorold, Grimsby and Niagara-on-the-Lake).

Other Revenue – The favourable variance of $636 is related to net proceeds of $269 from the sale of surplus properties which has been transferred to the Capital Levy reserve, per Procurement By-law 02-2016, as identified in Transfer to Funds below. $284 of the favourable variance relates to cannabis legalization implementation funding, billboard sign rentals, telecom tower rentals and VISA rebates while $83 relates to investment income.

Intercompany Charges – The unfavourable variance of $156 mainly relates to $145 change in the budgeted funding source from provincial funding to capital variance (CV) project for the roof replacement at Peer Street, Niagara Falls. This unfavourable variance is fully offset by a favourable variance in the transfers to the Capital Levy reserve as identified in Transfer to Funds below.

Transfers To/From Funds – The unfavourable variance of $17,298 is due to economic incentive grant encumbrances ($4,463), debt charge placeholder ($12,711), and net proceeds from the sale of Surplus Property ($269), all as identified above. This is offset by favourable variance of $145 due to the change in budgeted funding source for the Peer Street roof replacement as identified above.

Community Impacts & Achievements

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

General Government - Continued

- Successfully funded 56 Capital projects for 2019 through a $14,000 reserve contribution to the Capital Levy reserve. Some of the significant capital projects for 2019 included Martindale Road Reconstruction ($16,100), Niagara Regional Transit ($14,000), Casablanca Boulevard ($10,000), and Thorold Stone Road extension ($6,000).
- Successfully funded 79 Capital projects and 129 Operating projects with $18,300 and $1,500 respectively of Development Charges reserves by utilizing a more streamlined and efficient funding process.
- Delivered economic incentive grant programs (Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway tax increment grants) partnering with the Local Area Municipalities and Non for Profit Organizations to promote culture, public realm and economic growth.
- Funding of $400 related to the 'Connect to Innovate' program which seeks to improve the digital infrastructure by bringing broadband internet to rural and remote communities across the Region.
- Funding of $200 to Niagara College in support of the Region's agri-business sector through targeted investments in new laboratories, specialized teaching and applied research infrastructure, and agri-business incubation space.
- Contribution of $1,000 towards activities involved in hosting the 2021 Canada Summer Games (CSG) which is expected to attract over 4,600 athletes across 17 sporting disciplines. In addition to welcoming over 30,000 visitors to the Region, the CSG is anticipated to generate an economic impact of $200 million and 1,100 jobs for the Region.
- Successfully invested over $165,000 with an overall portfolio rate of 3.11%.
- Total of $97,700 of debentures successfully issued through the Capital Markets and Infrastructure Ontario as follows:
  - $32,400 issued for Regional projects (Roads, Niagara Regional Housing, Niagara Regional Transit, Properties Management, and Police) with a term of 10 years and at a rate of 2.71%
  - $25,800 issued for Regional projects (Roads, Public Health, Police, Wastewater, Water) with a term of 30 years and a rate of 2.91%
  - $31,000 issued for Local Area Municipalities (Wainfleet, Niagara Falls, Welland, St. Catharines, Pelham) with a term of 10 years and at a rate of 2.71%
  - $8,500 issued on behalf of Local Area Municipalities; $2,700 for Lincoln with a term of 20 years and a rate of 2.8%, $1,800 for Niagara-on-the-Lake with a term of 15 years and a rate of 2.69%, $4,000 for West Lincoln with a term of 30 years and a rate of 2.80%.

Corporate Administration Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$4,507	$4,113	$394	8.7%
Administrative	$1,943	$1,239	$704	36.2%
Operational & Supply	$17	$4	$13	75.7%
Occupancy & Infrastructure	$0	$0	$0	0.0%
Equipment, Vehicles,Technology	$12	$29	-$17	-146.4%
Partnership, Rebate, Exemption	$628	$575	$53	8.4%
Financial Expenditures	$0	$1	-$1	0.0%
Total Expenses	$7,106	$5,961	$1,145	16.1%
Federal & Provincial Grants	-$200	-$81	-$119	-59.3%
Other Revenue	$0	-$131	$131	0.0%
Total Revenues	-$200	-$212	$12	6.0%
Intercompany Charges	$11	$6	$6	50.7%
Total Intercompany Charges	$11	$6	$6	50.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$6,917	$5,755	$1,163	16.8%
Transfers From Funds	-$421	-$421	$0	0.0%
Transfers To Funds	$0	$84	-$84	0.0%
Total Transfers	-$421	-$337	-$84	-19.9%
Net Expenditure (Revenue) Before Indirect Allocations	$6,496	$5,417	$1,079	16.6%
Indirect Allocations & Debt	-$761	-$658	-$103	-13.5%
Total Indirect Allocations & Debt	-$761	-$658	-$103	-13.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$5,736	$4,760	$976	17.0%

Corporate Administration - Continued
Variance Analysis (in thousands of dollars)

Corporate Administration operated at year-to-date surplus before indirect allocations of $1,079. The following factors have contributed to this surplus.

Compensation - The favourable variance of $394 is due to staffing vacancies throughout the divisions of Corporate Administration. The variance is lowered due to a seconded position at the Niagara District Airports, which is offset by increased revenues.

Administration - The favourable variance of $704 is due to timing of consulting expenditures and changes in work plans related to strategic economic development consulting; government relations activities; and internal project management work. The deferred spend is directly linked to the staffing vacancies throughout the department. Of this unspent budget, $84 of expenditures have been committed to Economic Development lead generation and a sponsorship shares service arrangement with the City of St. Catharines and are included in the 2019 encumbrances reported as Transfer Between Funds.

Partnership, Rebate, Exemption - The favourable variance of $53 is due to decreased grant & sponsorship funding issued by Economic Development.

Federal & Provincial Grants - The unfavourable variance of $119 is due to decreased funding available for Economic Development activities.

Other Revenue - The favourable variance of $131 is due to revenue received for an employee seconded to the Niagara District Airports.

Transfers Between Funds - The unfavourable variance of $84 relates to the 2018 encumbrances.

Community Impacts & Achievements

Corporate Administration includes the Chief Administrative Officer's Office, Organizational Performance, Internal Audit, Project Management and Strategic Communications & Public Affairs whose main focus is the general management/support of the other Regional departments. Economic Development is also a part of Corporate Administration and supports the Niagara Region and business communities to compete successfully in Niagara, Ontario and on a global scale.

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Strategic Communications and Public Affairs

Advanced corporate communications priorities and campaigns, including:

- Public engagement on Industrial and Commercial excess land policies
- Executed communications plan for Niagara Region Transit fall service changes including radio advertising, social media, billboards, movie theatre trailer, and other tactics
- Coordinated eight week radio and digital media campaign through Bell Media for Waste Management campaign Recycling Matters
- Provide ongoing communications support on Region's Official Plan process, including the development of branding, media and public engagement strategy
- Communications provided support on budget process including spearheading public and media engagement, preparation of graphic design materials, social media and media releases.
- Provide ongoing support related to corporate-wide sustainability review
- Providing key support & counsel for 2 major Economic Development projects: 100-minutes of promotional videos, 4 new websites, branding and print products
- Supported launch of new urban design awards program including providing branding and print products, video, event planning and coordinating media coverage.
- Provide ongoing communications support on construction of new International Plaza including facilitating media coverage, organizing public events and providing regular updates internally to staff on progress of work
- Supported Waste Management on communications element of Waste Collection RFP and change to Every-Other-Week garbage collection
- Support in communicating and creation of Council Strategic Priorities.

Corporate Administration - Continued

- Support Senior services in the development and execution of their provincially mandated professional development training that included education/training kits for all Senior's staff**.** Additionally created branding and supporting materials including artwork installations of Senior Services Strategic Plan 2020-2023.
- Development of a brand for Built for Zero Niagara which was featured by the national organization for being an example of best in industry communications method.
- Assisted in the execution and communication materials to support the Regional Staff Engagement Survey which received the highest participation rate in Regional history.

Organizational Performance, Internal Audit & Project Management

- Successful launch of the new Strategic Plan to Regional staff through the Ignite Summit manager/directors meeting, along with a digital organization-wide launch.
- Re-alignment of the public facing corporate dashboard with the new strategic plan, with a new look and feel that will be launched in early 2020
- Continued work as Project Manager for NRH Alternate Service Delivery project taking the future state; moving on to coordinate and action the implementation plan.
- Continued work as Project Manager for Airport, including discussions with LAM owners, gathering legal documentation, and supporting the airport study commissioned by economic development.
- Internal Audit completed a review of Waste Management Contract Terminology and Oversight Practices
- The Project Management Office (PMO) developed and delivered PM Methodology the Region based on industry best practice along with a Toolkit including Templates for the PMs for standardized project management practice across the organization.
- PMO also organized multiple training events for project managers across the organization based on best-in-class principles from the global Project Management Institute.
- In addition, the PMO team also delivered two major cross-functional projects: Bill 142 Compliance and NOTL W/WW Plant project documentation as well as A Stakeholder Communication Tool for Transportation and a Procurement Intake Tool.

Economic Development

Project Updates/Accomplishments

- Information and Communications Technology (ICT) Policy Brief with the Niagara Community Observatory released.
- Niagara Economic Update presented at the Niagara Economic Summit, November 1.
- NFTZ program now has 110 clients, an additional 14 since Q3.
- Two NFTZ seminars were held, on at Niagara Region and the second in Welland.
- Lead generation contract awarded to develop program of meetings in the U.S. in Q4.
- Foreign Direct Investment Report completed by consultants to inform 2020 workplan.
- One application to the Niagara Gateway Economic Zone and Centre Community Improvement Plan, attracting $8 million in new investment. On completion will create an estimated 51 to 74 new jobs.
- Twenty one site selection requests were received this quarter.
- Collaboration continues with Planning and Development on a Niagara Employment Lands Strategy.
- Advertising for business attraction executed in Q4 included sponsored content in Globe and Mail, Toronto Life, National Post and the Canadian Immigrant.
- Sponsorship of the CKTB 610 Business Trip included daily promo reals and speaking/interview opportunities.
- Niagara's Airports' Feasibility and Future Business Modelling draft report received and stakeholders were engaged for feedback.
- Information Centre Q3 2019: Approximately 27,769 tourists visited the kiosk.

Enterprise Resource Mgmt. Serv. Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$9,984	$9,004	$980	9.8%
Administrative	$3,603	$2,926	$678	18.8%
Operational & Supply	$42	$53	-$11	-26.4%
Occupancy & Infrastructure	$0	$0	$0	0.0%
Equipment, Vehicles,Technology	$8	$9	$0	-2.2%
Financial Expenditures	$0	$16	-$16	0.0%
Total Expenses	$13,638	$12,008	$1,630	12.0%
Federal & Provincial Grants	-$122	-$123	$1	0.8%
By-Law Charges & Sales	-$10	-$11	$1	8.1%
Other Revenue	-$20	-$64	$44	218.5%
Total Revenues	-$152	-$198	$45	29.9%
Intercompany Charges	$23	$20	$3	11.9%
Total Intercompany Charges	$23	$20	$3	11.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$13,508	$11,830	$1,678	12.4%
Transfers From Funds	-$580	-$580	$0	0.0%
Transfers To Funds	$0	$98	-$98	0.0%
Total Transfers	-$580	-$482	-$98	-16.9%
Net Expenditure (Revenue) Before Indirect Allocations	$12,928	$11,348	$1,580	12.2%
Indirect Allocations & Debt	-$12,928	-$11,348	-$1,580	-12.2%
Total Indirect Allocations & Debt	-$12,928	-$11,348	-$1,580	-12.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$0	$0	$0	0.0%

Enterprise Resource Management Services - Continued
Variance Analysis (in thousands of dollars)

Enterprise Resource Management Services operated at a surplus before indirect allocations of $1,580 due to the following factors:

Compensation - The favourable variance of $980 is due to temporary staffing vacancies in Financial Management and Planning, Procurement and Strategic Acquisitions, Legal Services and the Asset Management Office.

Administration - The favourable variance of $678 is due to timing of corporate sustainability review expenses which were encumbered at 2018 year-end as well as lower than anticipated claim payouts and legal fees associated with claims.

Other Revenues – The favourable forecasted variance $44 is due to legal costs recovered related to claims management.

Transfers – The unfavourable variance of $98 relates to unspent reserve funding for the corporate sustainability review ($85) and corporate sponsorship shared service arrangement with the City of St. Catharines ($13).

Community Impacts & Achievements

Financial Management and Planning

- 2018 Financial Statement audit completed with unmodified opinion and no management letter points.
- Approval of both the 2019 and 2020 Operating, Capital and Rate Budgets.
- Received 2018 GFOA Canadian Award for Financial Reporting and 2019 GFOA Distinguished Budget Presentation Award.
- Public engagement completed for change in tax policy regarding proposed vacancy rebates and vacancy rebate changes subsequently approved by Council in January 2019.
- Collaborated with Social Assistance and Employment Opportunities and the Regional Enterprise Resource Planning teams to create a SAMS daily load interface which greatly reduced time required to reconcile bank statements
- Supported major cross functional corporate initiatives such as Niagara Regional Housing Governance, Canada Summer Games, GO implementation, Airport study, impacts of Bill 108, and reporting on Provincial budget implications.
- Approval of the new Budget Planning By-law based on principles of sustainability, transparency and affordability to replace the former Budget Affordability Guidance Policy.
- Approval of the Capital Financing Policy which provides a framework and long-term strategy for sustainable capital financing.
- Approval of a modernized Employee Travel and Expense Policy that is based on principles of accountability, transparency, value for money, and fairness.

Procurement and Strategic Acquisitions

- Utilized negotiated RFP for Early On Childcare providers, Social Housing Alternative Service Delivery, Homelessness service providers.
- A number of formal procurements have utilized eBidding system, approved in 2018.

Legal Services

- Legal support for land transactions that advanced affordable housing initiatives:
    - Land acquisition for Niagara Regional Housing at 12 St. Davids Road and 52 Ormond Street, Thorold for the improvement of six existing apartment units and the creation of four more affordable units
    - Land transaction (Niagara Region sale to Niagara Regional housing) surplus lands at the Provincial Offences Court site on East Main Street in Welland for future affordable housing units

Enterprise Resource Management Services - Continued

- Strategic advice and legal support to the GO team on the acquisition of the VIA station property on Bridge Street in Niagara Falls.
- Legal assistance with formal procurements and agreements relating to:
    - Early ON Childcare Care
    - Waste Management Collection contract
    - Successfully defended and resolved a number of claims at mediation and trial on favourable terms that represented cost savings for the Region.

Asset Management Office

- Asset Management Plan governance strategy completed and approved by Council in January 2019. Asset Management Office currently engaged in collaborative work with all Regional departments around asset management.

Corporate Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$17,212	$15,546	$1,665	9.7%
Administrative	$3,478	$3,684	-$207	-5.9%
Operational & Supply	$322	$259	$63	19.5%
Occupancy & Infrastructure	$7,223	$6,946	$277	3.8%
Equipment, Vehicles,Technology	$2,639	$2,738	-$99	-3.8%
Partnership, Rebate, Exemption	$5	$3	$1	28.9%
Financial Expenditures	$0	$5	-$5	0.0%
Total Expenses	$30,878	$29,182	$1,695	5.5%
By-Law Charges & Sales	-$320	-$249	-$71	-22.2%
Other Revenue	-$1,116	-$1,076	-$40	-3.6%
Total Revenues	-$1,436	-$1,325	-$111	-7.7%
Intercompany Charges	$168	$86	$82	48.7%
Total Intercompany Charges	$168	$86	$82	48.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$29,610	$27,943	$1,666	5.6%
Transfers From Funds	-$389	-$389	$0	0.0%
Transfers To Funds	$140	$240	-$100	-71.4%
Total Transfers	-$249	-$149	-$100	-40.2%
Net Expenditure (Revenue) Before Indirect Allocations	$29,361	$27,795	$1,566	5.3%
Indirect Allocations & Debt	-$27,578	-$26,255	-$1,323	-4.8%
Total Indirect Allocations & Debt	-$27,578	-$26,255	-$1,323	-4.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$1,783	$1,540	$243	13.6%

Variance Analysis (in thousands of dollars)

Corporate Services operated at a surplus before indirect allocations of $1,566 due to the following factors:

Compensation – The favourable variance of $1,665, are due to vacancies in the General Manager's Office ($249), Human Resources ($245), Clerks Administration ($250), IT Solutions ($218), Construction, Energy and Facilities Management ($127) and Business Licensing Admin ($49) and actual health and dental claims experienced in the year being less than budgeted, partially offset by an unfavourable variance in labour relations.

Administration - The unfavourable variance of $207 is mainly due to upgrading the payroll processing system, offset by lower than anticipated consulting services and training costs.

Operational & Supply - The favourable variance of $63 is mainly due to savings in corporate training costs used to partially offset upgrades to the payroll processing system, partially offset by a higher than anticipated Regional printer and photocopier usage costs.

Occupancy & Infrastructure - The favourable variance of $277 is due to lower than anticipated costs for electricity and natural gas utilities as well as a reduction in property taxes on buildings that have been repurposed for Regional department use, partially offset by a higher than anticipated increase in building lease costs.

Equipment, Vehicles, Technology - The unfavourable variance of $99 is due to an increase in software license costs.

Revenues - The unfavourable variance of $111 is due primarily to lower than anticipated Regional share of business licensing fees.

Transfers – The unfavourable variance of $100 relates to unspent reserve funding for Business Licensing software.

Community Impacts & Achievements

Business Licensing

- Responsibility for licensing, governance and enforcement of all business licenses was successfully transferred back to the Niagara Region from Niagara Regional Police on June 1, 2019.
- Undertook extensive review of license fee structure to better align fees with administrative costs.

Construction, Energy and Facilities Management

- Ground breaking ceremony held on June 4, 2019 for the new 1 District Niagara Regional Police Station in St. Catharines.
- Construction commenced in August 2019 on the St. Catharines Child Care Centre expansion.
- Achieved substantial completion of New Public Health building in September 2019.
- Approval of Energy Conservation and Demand Management Plan for Region on June 12, 2019.

Clerks

- Amended Councillor Expense Policy ensuring additional transparency and accountability.
- Recommendations from Ontario Ombudsman Report "Inside Job" were accepted by Regional Council and staff are working on the required policies and procedures.
- With the onboarding of new staff, Clerks has been able to offer education and training in the areas of privacy and records.

IT Solutions

- Amended Councillor Expense Policy ensuring additional transparency and accountability.
- Recommendations from Ontario Ombudsman Report “Inside Job” were accepted by Regional Council and staff are working on the required policies and procedures.
    - With the onboarding of new staff, Clerks has been able to offer education and training in the areas of privacy and records.

Customer Service

- Enhanced the ability of front line staff to easily access information needed to best direct customers in a timely, accurate and consistent manner through implementation of a new knowledge base software.
- Increased our ability to capture, view, and analyze customer transaction data in order to make better operational recommendations based on customer needs and trends.
- Conducted a cross training pilot with front line staff to enable operational efficiencies and collect data to further inform customer service delivery recommendations.
- Improving the in person service experience for our customers through improved wayfinding and signage within headquarters.
- Modernizing the customer experience creating a new digital channel of communication available for our customers through piloting a chat tool in public health.
- Continuing to foster partnerships within both the organization and the community to enhance service delivery processes and the overall customer experience.

Community Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$101,567	$102,652	-$1,085	-1.1%
Administrative	$1,617	$1,822	-$205	-12.7%
Operational & Supply	$8,951	$9,430	-$479	-5.3%
Occupancy & Infrastructure	$3,691	$3,679	$11	0.3%
Equipment, Vehicles,Technology	$1,158	$1,488	-$330	-28.5%
Community Assistance	$171,911	$167,649	$4,263	2.5%
Partnership, Rebate, Exemption	$0	$0	$0	0.0%
Financial Expenditures	$0	$79	-$79	0.0%
Total Expenses	$288,895	$286,798	$2,097	0.7%
Federal & Provincial Grants	-$236,588	-$233,160	-$3,428	-1.4%
By-Law Charges & Sales	-$3,530	-$4,321	$791	22.4%
Other Revenue	-$23,038	-$24,093	$1,056	4.6%
Total Revenues	-$263,156	-$261,574	-$1,581	-0.6%
Intercompany Charges	$409	$317	$91	22.3%
Total Intercompany Charges	$409	$317	$91	22.3%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$26,147	$25,541	$606	2.3%
Transfers From Funds	-$336	-$336	$0	0.0%
Transfers To Funds	$1,829	$2,671	-$842	-46.1%
Total Transfers	$1,493	$2,335	-$842	-56.4%
Net Expenditure (Revenue) Before Indirect Allocations	$27,640	$27,876	-$236	-0.9%
Indirect Allocations & Debt	$16,151	$14,502	$1,649	10.2%
Total Indirect Allocations & Debt	$16,151	$14,502	$1,649	10.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$43,791	$42,378	$1,413	3.2%

Community Services - Continued

Variance Analysis (in thousands of dollars)

Community Services' operated at a deficit before indirect allocations of $236 in part related to mid-year provincial funding announcements resulting in reduced funding to Social Assistance and Employment Opportunities (SAEO) (-0.9% per cent of the net budget). The following factors contribute to these variances:

Compensation - The unfavourable variance of $1,085 is primarily due to the following: An unfavourable variance of $963 in Seniors Services due to the required one to one staffing for residents with high intensity needs in long-term care (LTC), 95% of which is offset by ministry funding. In addition, there is higher than anticipated pay related to employees' time spent on union business in LTC, offset in union billings. An unfavourable variance of $217 in Children Services due to higher than anticipated staff replacement pay at our regionally operated child care centres. A favourable variance in SAEO of $109 is related to gapping of positions to mitigate Ministry funding being held at 2018 actuals.

Administration - The unfavourable variance of $205 is primarily due to Senior Services higher than anticipated expenditures associated with necessary staff training at the LTC homes (clinical capacity building e.g. enhanced wound care, responsive behaviours and safety).

Operational & Supply – The unfavourable variance of $479 is due to Senior Services higher than anticipated medical supplies and transportation expenditures for high intensity needs residents in LTC, 95% of which is offset by Ministry funding.

Equipment, Vehicles, Technology – The unfavourable variance of $330 is due to Senior Services higher than anticipated equipment repair and building maintenance costs at the LTC homes.

Community Assistance - The favourable variance of $4,263 is primarily due to the following: A favourable variance in SAEO of $3,123 related to lower than budgeted Ontario Works (OW) caseload expenditures resulting in reduced number of benefit issuances, which is 100% funded by the Province. A favourable variance in Children Services of $1,246 due to timing differences in the 100% Ministry-funded community capital builds as construction will be completed by December 2020, offset by a transfer to capital for the regionally owned and operated child care centre capital build of $553. In addition, a favourable variance of $491 related to the reinvestment of the parental fee revenue.

Federal & Provincial Grants – The unfavourable variance of $3,428 is primarily due to the following: An unfavourable variance of $3,644 in SAEO due to lower than budgeted Ministry funding reflective of the reduction in 100% funded expenditures of $3,032 as well as lower than anticipated OW program administration funding received from the Ministry of $490 due to being held at 2018 actuals. An unfavourable variance in Children Services of $1,062 is primarily due to the timing differences related to the Ministry-funded community capital builds as revenue is recognized based on actual expenses incurred. A favourable variance in Seniors Services of $822 in additional funding specifically related to high intensity needs expenditures. A favourable variance of $456 in Homelessness due to the timing of revenue recognized related to the fiscal year-end programs to be spent in the first quarter of 2020.

By-Law Charges & Sales - The favourable variance of $791 is primarily due to Children Services higher than anticipated parental fee revenue at our five regionally operated child care centres of $491, along with an increased fee subsidy parental fee revenue of $205.

Other Revenue - The favourable variance of $1,056 is due to Senior Services higher than anticipated provincially established accommodation fees and union billings for employees.

Transfers – The unfavourable variance of $842 is a result of the following: An unfavourable variance of $553 in Children Services due to the capital expenditures relating to the addition to the St. Catharines child care centre being budgeted in community assistance. An unfavourable variance of $289 in Homelessness due to a transfer to the encumbrance reserve to fund additional supportive housing units over a 24-month period as approved by Council (report NRH 9-2019).

Community Services - Continued

Community Impacts & Achievements

Children Services

- Continuing to provide child care fee subsidy without a waitlist.
- Provided additional funding to service providers to sustain a local expansion plan and achieved a ministry target of 584 new spaces and to maintain affordable rates for child care.
- Five Community capital builds are progressing with 230 new spaces anticipated to be open by December 2020.

Senior Services

- Received ministry approval to proceed with a pilot project where Linhaven will trial a six bed 'step-down' unit to help transition residents out of the behavioral support unit back to regular long-term care.
- Continued work on programming and conceptual design for the redevelopment project (Linhaven and Gilmore Lodge)

Homelessness and Community Engagement

- Launched Built-For-Zero campaign with all homeless agencies.
- Completed the five-year Housing and Homeless Action Plan update, received Council approval and submission to Ministry of Municipal Affairs and Housing was completed.
- Launched work on the Community Safety and Well-being plan, including forming a community advisory table and commencement of community consultations.

Social Assistance and Employment Opportunities

- Achieved provincial employment performance targets, which results in maximum performance funding of 8.1M.
  - Percentage of terminations existing to employment of 23.44% (5.53% greater than target)
    Percentage of total caseload exiting to employment of 1.34% (0.31% greater than target)
  - Percentage of caseload with earnings of 16.65% (0.04% greater than target)

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

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$79,758	$81,784	-$2,025	-2.5%
Administrative	$2,314	$2,936	-$623	-26.9%
Operational & Supply	$6,068	$5,419	$650	10.7%
Occupancy & Infrastructure	$679	$635	$44	6.5%
Equipment, Vehicles,Technology	$2,484	$2,606	-$122	-4.9%
Community Assistance	$0	$3	-$3	0.0%
Financial Expenditures	$0	$4	-$4	0.0%
Total Expenses	$91,304	$93,387	-$2,083	-2.3%
Federal & Provincial Grants	-$65,843	-$64,974	-$869	-1.3%
By-Law Charges & Sales	-$240	-$174	-$66	-27.7%
Other Revenue	-$297	-$819	$522	175.9%
Total Revenues	-$66,380	-$65,967	-$413	-0.6%
Intercompany Charges	$1,540	$1,550	-$10	-0.6%
Total Intercompany Charges	$1,540	$1,550	-$10	-0.6%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$26,463	$28,969	-$2,506	-9.5%
Transfers From Funds	-$1,641	-$1,641	$0	0.0%
Transfers To Funds	$85	$165	-$80	-93.6%
Total Transfers	-$1,555	-$1,475	-$80	-5.1%
Net Expenditure (Revenue) Before Indirect Allocations	$24,908	$27,494	-$2,586	-10.4%
Indirect Allocations & Debt	$13,767	$13,424	$343	2.5%
Total Indirect Allocations & Debt	$13,767	$13,424	$343	2.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$38,675	$40,918	-$2,243	-5.8%

Public Health & Emergency Services - Continued

Variance Analysis (in thousands of dollars)

Public Health (PH) & Emergency Medical Services (EMS) year-end unfavourable variance before indirect allocations was $2,586 due to the following factors:

Compensation – The unfavourable variance of $2,025 was primarily due to higher than anticipated Workplace Safety Insurance Board (WSIB) costs in EMS ($1,084), and paramedic salaries ($895). These unfavourable variances were partially offset by temporary staffing vacancies within various PH programs, as well as in Other Revenues as the majority of the paramedic salary variance was for EMS service provided at the St. Catharine's Consumption Treatment site on a cost recovery basis (as described below).

Administrative – The unfavourable variance of $623 was primarily the result of increased consulting costs relating to current strategic health initiatives, increased staff training and development costs, and unanticipated workspace redesign costs, within divisions of PH.

Operational & Supply - The favourable variance of $650 was primarily due to the introduction of a new Ministry of Health (MOH) Ontario Senior Dental Care Program (OSDCP) in-year. The delayed launch of the program limited PH's ability to utilize all of the available funding in the program's first year (as described below).

Equipment, Vehicles, Technology – The unfavourable variance of $122 was primarily due to replacement furniture as well as investments in audio-visual equipment in Mental Health.

Federal & Provincial Grants – The unfavourable variance of $869 was primarily due to the delayed launch of the new MOH OSDCP ($609 unfavourable), as well as the discontinuation of the annual inflationary increase in Land Ambulance funding ($439 unfavourable). The MOH announced the OSDCP funding in August 2019, effective April 2019. Council acceptance of funding and establishment of the OSDCP budget did not occur until September 2019, which limited the ability to expend the full budget this year. These amounts were partially offset by MOH one-time funding ($295 favourable) that was announced in-year for various PH programs.

Other Revenue - The favourable variance of $522 is due mainly to unbudgeted revenue for EMS services provided at the St. Catharine's Consumption Treatment site to offset the related costs ($413).

Community Impacts & Achievements

Mandatory and Related Programs

- In order to harness modern data analytics capabilities, new work is launching to improve information governance within Public Health & Emergency Services to enable more timely and targeted delivery of service to the public
- The Provincial Government's delay in allocating funding to launch the Senior's Dental Program has resulted in a 7 month delay in delivering this new service to the public
- Instituted a new bylaw to strengthen restrictions on smoking, cannabis, and e-cigarette in order to protect the public from second-hand exposure
- Engaging in new health promotion activities concerning suicide-prevention, cannabis, and e-cigarette use
- Adapted Public Health inspections to new regulations issues by the Provincial government
- Launched multiple new tools for engaging with the public (e.g. live chat, text messaging) as well as enhancing social media presence.
- Worked collaboratively with Niagara Health and West Lincoln hospitals to improve screening for risk to child development and appropriate follow-up – resulting in more than 95% uptake by families

Mental Health

- Enhanced funding from the HNHB LHIN for Early Intervention in Psychosis

Public Health & Emergency Services - Continued

- Participation in a four year project to improve evidence-based treatment protocols in the Early Intervention in Psychosis service
- Enhanced capacity to our intake process to ensure our clients have access to the right service, at the right time, in the right place
- Evaluation of outcomes for clients accessing various treatment modalities across MH services shows improvement in client outcomes
- Intensive training for clinical staff on evidence-based treatments and protocols including suicide assessment and intervention, cognitive behavioural therapy and dialectical behaviour therapy
- Collaboratively working across Public Health divisions to ensure messaging to our clients, staff and public is consistent and aligned with research
- Participating in the Mental Health and Addictions Collaborative for system planning in Niagara
- Participating in the Niagara Ontario Health Team application

Emergency Services

- All phases of the EMS system transformation implemented in Q3 with early results at end of Q4
- The system has reduced the amount of lights and siren responses from 42% to 11%, which has decreased risk to the community and responders, while improving resource utilization
- The system has decreased call volume for most municipal fire services responding to medical related calls by approximately 50% or more
- Service delivery changes have resulted in improved patient access to health care resources to best meet their needs and overall reduction in number of patients transported to hospital for the first time since 2007
- Yearly call volume increase for 2019 was 0.11% down from 6.6% yearly average from 2011-2017
- In 2019 there were 2.2% less patients transported to hospital than in 2018
- Despite lowering call volume, and less patients taken to hospital, transfer of care times at Niagara hospitals increased in late Q3 and into Q4 by as much as 30% or more resulting in a decrease in available ambulances positioned to respond to calls (offload delays)
- The lack of available ambulances has impacted the ability to improve response time for the most critically ill or injured patients which is a risk to the community, a key outcome for the system changes undertaken in 2019
- An economic evaluation of the new system is being reviewed by McMaster University to assist with future sustainability planning

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

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$15,999	$14,264	$1,735	10.8%
Administrative	$2,606	$1,550	$1,056	40.5%
Operational & Supply	$22,809	$18,815	$3,993	17.5%
Occupancy & Infrastructure	$869	$558	$311	35.8%
Equipment, Vehicles,Technology	$2,283	$2,284	-$1	0.0%
Community Assistance	$0	$0	$0	0.0%
Partnership, Rebate, Exemption	$367	$8	$359	97.8%
Financial Expenditures	$0	$31	-$31	0.0%
Total Expenses	$44,933	$37,511	$7,422	16.5%
Taxation	$0	$0	$0	0.0%
Federal & Provincial Grants	$0	$16	-$16	0.0%
By-Law Charges & Sales	-$6,229	-$6,473	$244	3.9%
Other Revenue	-$834	-$533	-$301	-36.1%
Total Revenues	-$7,064	-$6,991	-$73	-1.0%
Intercompany Charges	-$2,069	-$1,797	-$272	-13.1%
Total Intercompany Charges	-$2,069	-$1,797	-$272	-13.1%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$35,800	$28,723	$7,077	19.8%
Transfers From Funds	-$4,235	-$3,166	-$1,069	-25.2%
Transfers To Funds	$2,179	$3,028	-$849	-39.0%
Expense Allocations To Capital	-$140	-$96	-$44	-31.8%
Total Transfers	-$2,196	-$233	-$1,963	-89.4%
Net Expenditure (Revenue) Before Indirect Allocations	$33,604	$28,490	$5,115	15.2%
Indirect Allocations & Debt	$39,362	$39,082	$281	0.7%
Total Indirect Allocations & Debt	$39,362	$39,082	$281	0.7%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$72,966	$67,571	$5,395	7.4%

Public Works Transportation - Continued

Variance Analysis (in thousands of dollars)

Public Works Levy operated at a surplus before indirect allocations of $5,115. The following factors contributed to this surplus:

Compensation – The favourable variance of $1,735 is primarily due to delays in filling vacant positions and decreased overtime costs.

Administration – The favourable variance of $1,056 is primarily due to: decrease in consulting work of $641 related to timing differences in the rollout of Transportation Services and Transit related studies; decrease of $104 in data analysis services provided through Transportation Planning; reduced information & promotions costs of $154; and reduced staff travel, training & other administrative expenses of $157 due to vacant positions. Of this unspent budget, $400 has been committed to future Complete Streets consulting study and $207 to Niagara Regional Transit (NRT) consulting study; these commitments are included in the 2019 encumbrances reported in Transfers to Funds.

Operational & Supply – The favourable variance of $3,993 is a result of: timing differences in rollout of increased NRT services of $1,904; reduced Niagara Specialized Transit (NST) services of $226 due to revised contract terms; lower than anticipated usage of winter sand, winter salt and organic de-icing material of $221 due to mild winter conditions in 2019; reduced usage of traffic signal maintenance, sign and pavement marking material of $633; lower than anticipated usage of hired equipment of $764; and a decrease of $245 in other program specific supplies and material. A total of $242 of the unspent hired equipment budget has been committed to the Emerald Ash Borer tree removal project; this commitment is included in the 2019 encumbrances reported in Transfers to Funds.

Occupancy & Infrastructure – The favourable variance of $311 is largely due to lower than expected electricity costs of $387 related to the timing difference in the rollout of the Street Lighting program partially offset by increased repairs and maintenance and other infrastructure costs of $76.

Equipment, Vehicles, Technology – The unfavourable variance of $1 is due to higher than expected vehicle and equipment repairs of $418 on aging fleet vehicles and equipment offset by savings of $417 due to lower than expected fuel prices and usage.

Partnership, Rebate, Exemption – The favourable variance of $359 is due to lower than anticipated Local Area Municipality (LAM) grants of $298 associated with multi-use paths and drainage assessment funding for LAMs and $61 due to a reduction in grant funding to the city of Niagara Falls for Computer Aided Dispatch / Automated Vehicle Location (CAD/AVL) systems for the existing NRT fleet.

By-Law Charges & Sales Costs – The favourable variance of $244 is largely due to higher than anticipated NRT fare revenue of $1,235 primarily related to increased U-Pass agreements with Brock and Niagara College for Fall 2019 semester offset by lower than expected signal maintenance, signs and lane marking revenues of $981.

Other Revenue – The unfavourable variance of $301 is primarily due to lower than expected development charges of $259 related to delays in consulting assignments that are development charge eligible and lower than expected proceeds from sale of fleet vehicles and equipment of $230 offset by increased road permit and license fees and other revenue of $188.

Intercompany Charges – The unfavourable variance of $272 is largely due to lower than expected fuel revenue allocations due to lower fuel prices and usage.

Transfers to Funds – The unfavourable variance of $1,963 relates primarily to: 2019 Administration and Operational & Supply encumbrances of $849, as outlined above; lower than anticipated LAM grants of $298 associated with multi-use paths and drainage assessment funding for LAMs; and return of $821 to reserve fund from delayed rollout of NRT services to West Niagara.

Public Works Transportation - Continued

Community Impacts & Achievements

- The Regional Road Network consists of 1,732 total lane kms of road. As part of the Region's Transportation Engineering capital program, 28.7 lane kms of roadways were resurfaced in 2019 through the annual Hot Mix Program-Phases I and II.

- The Region's Transportation Operations department has: applied 14,985 tonnes of salt on regional roads via the winter maintenance program; removed 1,595 trees as part of the Emerald Ash Borer and Tree Removal programs; and repaired or replaced 204 culverts in 2019.

- The Region's Transportation Planning department has implemented the Vision Zero Road Safety Plan to enhance safety and community wellbeing for Niagara's residents and visitors. A comprehensive 5 year Action Plan is underway focused on reducing traffic-related fatalities and serious injuries on Niagara's streets. The Plan addresses safety for the most vulnerable users of our transportation system (pedestrians, school children, older adults and cyclists) and encourages multi-modal transportation system.

- Martindale Road reconstruction (Phase 2) led by Transportation Services has commenced. This is the second phase of a two-phase program that will complete improvements on Martindale Road from the QEW to Fourth Avenue, including new signals and upgrades, illumination upgrades and geometric improvements. Active transportation has been an important part of this program as the Martindale Road corridor is a highly utilized active transportation route.

- Reece Bridge reconstruction project was completed in September, three months ahead of schedule. Led by Transportation Services, this bridge reconstruction/re-alignment project addressed severe horizontal alignment issues north and south of the bridge structure. Staff took a progressive approach of selecting an alignment that provided an added level of safety when crossing the structure as well as providing construction benefits.

- Ongoing strategic projects out of the Transportation Master Plan (TMP) are underway such as the Casablanca Boulevard Environmental Assessment (EA), the St. Paul Street Bridge EA and the Thorold Stone Road Extension and Bridge Street EAs that will help support efficient traffic, active transportation and GO Initiatives.

- Weekday GO Train service started in January 2019, four years in advance of projected opening day, with one a.m. and one p.m. stop in St. Catharines and Niagara Falls.

- GO Rail Stations:
  - Niagara Falls and St. Catharines: Metrolinx initiated the station design work with the GO Implementation Office coordinating inputs from Local and Regional staff. An MOU for creation of a new local road connecting station to Ridley Rd is approved, and the right of way incorporated in the design. Niagara Falls, in coordination with the Region, has submitted an application for ICIP (Investing in Canada Infrastructure Program) funding to establish a transit hub at the station.
  - Grimsby: Following new direction from Metrolinx on funding of future stations based on market driven Transit Oriented Development (TOD) approach, options are being developed for potentially advancing the Grimsby station under an alternative delivery model.

- Transit Governance framework: critical studies related to transit governance are underway, including the specialized transit study and the transit governance study. The latter will develop a business case for selecting a consolidated transit model, with a decision point expected in Q2 2020.

- September 2019 saw a significant accelerated increase in NRT service hours outlined in the IMT Service Plan. Completed the consolidation of the remaining duplicate routes and renegotiated U-Pass agreements to improve transit services.

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

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$5,636	$5,032	$604	10.7%
Administrative	$2,411	$836	$1,575	65.3%
Operational & Supply	$23	$13	$10	43.5%
Occupancy & Infrastructure	$0	$0	$0	0.0%
Equipment, Vehicles,Technology	$36	$43	-$6	-17.8%
Partnership, Rebate, Exemption	$120	$96	$24	19.8%
Financial Expenditures	$0	$0	$0	0.0%
Total Expenses	$8,227	$6,020	$2,206	26.8%
By-Law Charges & Sales	-$1,740	-$1,211	-$529	-30.4%
Other Revenue	-$1,286	-$411	-$875	-68.0%
Total Revenues	-$3,026	-$1,622	-$1,404	-46.4%
Intercompany Charges	-$419	-$419	-$1	-0.2%
Total Intercompany Charges	-$419	-$419	-$1	-0.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$4,782	$3,979	$802	16.8%
Transfers From Funds	-$1,882	-$1,832	-$50	-2.7%
Transfers To Funds	$0	$664	-$664	-0.0%
Total Transfers	-$1,882	-$1,169	-$714	-37.9%
Net Expenditure (Revenue) Before Indirect Allocations	$2,899	$2,811	$88	3.0%
Indirect Allocations & Debt	$1,539	$1,382	$156	10.2%
Total Indirect Allocations & Debt	$1,539	$1,382	$156	10.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$4,438	$4,193	$244	5.5%

Variance Analysis (in thousands of dollars)

Planning and Development operated at a surplus before indirect allocations of $88. The following factors have contributed to this surplus.

Compensation - The favourable variance of $604 is due to extended vacancies with difficulty recruiting senior professional positions.

Administration - The favourable variance of $1,575 is largely due to the timing of consulting expenditures involving the new Regional Official Plan (ROP) amounting in $1,018. The remaining favourable variance relates to work completed in house saving $49 and delayed completion of a secondary plan $100 and hiring of an aggregates advisor $150 with the latter both offset by revenues.

This amount is offset by decreased development charge revenues realized in the amount of $628 and a 2019 encumbrance of $390 reported as a Transfer Between Funds. An additional encumbrance of $258 represents commitments for the municipal comprehensive review, creation of stormwater guidelines and environmental & highly vulnerable aquifer peer reviews.

Partnership, Rebate, Exemption - The favourable variance of $24 is due to timing of grant awards and lower than anticipated matching grants. This is offset by a committed grant of $16 which is included in the 2019 encumbrance reported as Transfer Between Funds.

By-Law Charges & Sales - The unfavourable variance of $529 is due lower than anticipated application volumes within development planning and a delay in introducing new fees and inflationary increase to April 1.

Other Revenue - The unfavourable variance of $875 is due to a lower transfer of development charge revenue of $725 and a delay in anticipated revenue from a developer related to an aggregates advisor of $150. The development charge revenue is matched to expenditures to partially fund the Regional Official Plan and secondary plans and offsets the administration favourable forecast.

Transfer Between Funds - The unfavourable variance of $714 is due to $664 in 2019 encumbrances and transfers to reserve of $50 in unspent one time funding for Stormwater guidelines.

Community Impacts & Achievements

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

Project Updates/Accomplishments

- Regional Official Plan (ROP) is ongoing and progressing on track with attendance at all local councils and established frameworks, background studies and policy development. Public Information Centres (Open Houses), Public Meetings and social media input will be occurring in 2020 on key policy issues and draft policy.
- Supported full audit preparation for the grant and incentives review while continuing to deliver programs, future direction from Council will be required.

Other Initiatives

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

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

Growing Niagara

- District & Secondary Plans: Brock Plan implementation, Glendale Plan ongoing and Prudhommes Plan complete
- Providing assistance with development of the Master Community Plan for Smithville
- Supporting major development initiatives and alignment with growth infrastructure

Planning & Development - Continued

- Providing assistance for City of Welland for northwest urban boundary expansion.
- Substantive background work on the Region's new Official Plan, including separate background reports or studies on Employment, Housing, Climate Change, Aggregates, Agriculture, and Natural Environment.

Supporting Local Communities, Fostering Great Development

- 74% increase in development application revenues between 2015-2018
- 29% increase in pre-consultations between 2015-2018
- 95% of applications satisfied review timeline targets in 2018
- Leading Environmental Planning review function
- Developing stormwater and hydrogeology guidelines for the Niagara Region
- Developing and implementing wet weather management programs and education in partnership with the Local Area Municipalities and the Combined Sewer Overflow Program.
- Advancement of Master Plan/Site Plans for LTC builds at Linhaven in St. Catharines, and Gilmore Lodge in Fort Erie. The plans for these properties, and considerations for adjacent compatible uses are advancing to the initial planning approvals stage, concurrently with architectural designs for the LTC Homes themselves.
- Establishing a Joint Agency Review Team to guide a new quarry application in the City of Niagara Falls
- Working with the agricultural community to streamline provincial regulations related to on-farm uses.

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

- Regional facilities and streetscapes in core areas
- Providing assistance to several communities with urban design solutions
- Implementing the Transportation Master Plan
- Managed the successful construction of the International Plaza
- Revamped and launched the 2020 Niagara Biennial Urban Design Awards

Court Services Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$2,039	$1,615	$424	20.8%
Administrative	$1,834	$1,753	$81	4.4%
Operational & Supply	$929	$1,420	-$491	-52.9%
Equipment, Vehicles,Technology	$1	$8	-$8	-1566.8%
Financial Expenditures	$108	$241	-$133	-123.5%
Total Expenses	$4,910	$5,038	-$128	-2.6%
By-Law Charges & Sales	$0	$0	$0	0.0%
Other Revenue	-$6,740	-$7,240	$500	7.4%
Total Revenues	-$6,740	-$7,240	$500	7.4%
Intercompany Charges	-$9	-$5	-$4	-47.9%
Total Intercompany Charges	-$9	-$5	-$4	-47.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-$1,839	-$2,207	$368	20.0%
Transfers To Funds	$0	$0	$0	0.0%
Total Transfers	$0	$0	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	-$1,839	-$2,207	$368	20.0%
Indirect Allocations & Debt	$1,234	$1,158	$76	6.1%
Total Indirect Allocations & Debt	$1,234	$1,158	$76	6.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-$605	-$1,049	$444	73.5%

Court Services - Continued

Variance Analysis (in thousands of dollars)

Court Services operated at a surplus before indirect allocations of $368 due to the following factors:

Distribution to Local Area Municipalities - The total year distribution to local area municipalities and Region is $1,049 each, which reflects a favourable variance of $444 due in part to an increase in collection enforcement activity and fine payments received, as well as savings due to vacancy management.

Compensation - The favourable variance of $424 is due to vacancy management.

Administrative – The favourable variance of $81 is primarily due to lower than anticipated adjudication costs and reduced costs for enforcement investigation through increased use of collection agency services, offset by increased Victim Fine Surcharge costs paid to the Ministry of Attorney General as a result of increased fine payments received.

Operational & Supply - The unfavourable variance of $491 is mainly due to the increase in the fourth quarter net revenue distribution payment to the local area municipalities reflective of the overall net revenue for the year being more than budgeted.

Financial Expenditures – The unfavourable variance of $133 is a result of higher collection charges paid to third party collection agencies, which is offset by increased delinquent fine revenue recovered in the year.

Other Revenue - The favourable variance of $500 is due to an increase in collection enforcement activity and larger fine payments received in the year in the amount of $285, as well as net proceeds of $215 from the sale of surplus land.

Community Impacts & Achievements

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

- Court Services achieved full amalgamation of services in 2019 following the closure of the St. Catharines courthouse and the centralization of all staff at the new Welland courthouse. Court Services has benefited from a reduced reliance on the labour pool and not needing to operate out of multiple locations.
- Based on a redistribution of work following the centralization of staff, Court Services was able to streamline processes while simultaneously dealing with an increased volume of work, resulting in a reduction of 3 FTEs for the 2020 budget.
- Court Services Collections Team led an RFP, on behalf of the Niagara Region and a number of participating municipalities, to solicit proposals from Collection Agencies to collect outstanding POA fines. The RFP was completed ahead of schedule, and contracts were executed within 2019.
- Court Services collaborated with the Transportation, Business Licencing and Finance divisions to develop a business case that was approved with the 2020 budget to implement Vision Zero, a road safety initiative.
- On October 21, 2019, the surplus lands at the Welland courthouse were sold to Niagara Regional Housing for $220,000 ($215,000 net proceeds after accounting for appraisal and survey expenses).

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

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$5,105	$4,984	$121	2.4%
Administrative	$938	$644	$295	31.4%
Operational & Supply	$89	$83	$7	7.5%
Occupancy & Infrastructure	$14,613	$15,557	-$944	-6.5%
Equipment, Vehicles,Technology	$337	$296	$41	12.2%
Community Assistance	$32,617	$29,515	$3,103	9.5%
Financial Expenditures	$2,225	$2,195	$29	1.3%
Total Expenses	$55,924	$53,273	$2,651	4.7%
Federal & Provincial Grants	-$14,719	-$13,337	-$1,381	-9.4%
Other Revenue	-$15,324	-$16,005	$681	4.4%
Total Revenues	-$30,043	-$29,342	-$701	-2.3%
Intercompany Charges	$58	$64	-$7	-11.4%
Total Intercompany Charges	$58	$64	-$7	-11.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$25,939	$23,995	$1,944	7.5%
Transfers From Funds	-$1,306	-$1,282	-$24	-1.9%
Transfers To Funds	$3,156	$3,890	-$735	-23.3%
Total Transfers	$1,850	$2,608	-$759	-41.0%
Net Expenditure (Revenue) Before Indirect Allocations	$27,789	$26,604	$1,185	4.3%
Indirect Allocations & Debt	$7,616	$7,475	$141	1.9%
Total Indirect Allocations & Debt	$7,616	$7,475	$141	1.9%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$35,405	$34,079	$1,327	3.7%

Niagara Regional Housing - Continued

Variance Analysis (in thousands of dollars)

Niagara Regional Housing (NRH) operated a surplus before indirect allocations of $1,185. The surplus is due to the following factors:

Compensation – The favourable variance of $121 is due to actual health and dental claims experienced in the year being less than budgeted.

Administration - The favourable variance of $295 is due to the timing of executive-office initiatives and the designated substance survey reports for housing providers which was encumbered into the 2019 budget. The consultant did not complete all of the survey reports prior to yearend; as a result, a request has been made to re-encumber $109 into the 2020 budget.

Occupancy & Infrastructure - The unfavourable variance of $944 is primarily a result of an expanded preventative maintenance program and move-out costs ($660), higher than anticipated pest control costs ($301), and higher than budgeted snow removal costs in the first half of the year ($156); offset by lower than budgeted utility costs resulting from capital improvements and new heating control systems ($223).

Community Assistance - The favourable variance of $3,103 is primarily due to lower than budgeted subsidy payments to non-profit and co-op providers and rent supplements to landlords ($1,890), in addition to timing differences in Ministry-funded programs ($1,507). This favourable variance is partially offset by support provided to the Homelessness division in Community Services ($190). The Board provided direction in-year to assist in funding providers for heat control system upgrades to create future operating savings for those entities. Further correspondence with providers has indicated a less than anticipated take-up of this initiative. A request has been made to encumber $506 into the 2020 budget for this initiative. The favourable ministry-funded program variance is partially offset by the unfavourable variance in Federal & Provincial Grants, as revenue is deferred to align with timing of Ministry-funded programs and related administrative costs.

Federal & Provincial Grants - The unfavourable variance of $1,381 is due to timing of Ministry-funded programs and related administrative costs as revenue is recognized based on actual expenses incurred.

Other Revenue - The favourable variance of $681 is primarily due to higher than budgeted investment income from the timing of transfers between Region and NRH bank accounts ($184) and higher than anticipated rental revenues for NRH-owned units ($526).

Transfer to Funds – The unfavourable variance of $735 relates to the 2019 encumbrances.

Community Impacts & Achievements

Acting as Service Manager on behalf of Niagara Region, NRH is responsible for Community, Social, Public & Affordable Housing within the context of an ever-increasing wait list and clients struggling through negative effects of poverty. Accomplishments to date in 2019 include:

- *New Units:*
  - Completion and occupancy of the $15.8 million, 85-unit Carlton Street development, addressing the need for affordable rental units in St. Catharines
  - Completion and occupancy of the multi-residential intensification on Roach Avenue in Welland, adding 8 net new owned units
  - Purchased two buildings in Thorold for intensification increasing owned units by 6 with an additional 4-5 units currently under construction
  - Demolition of 12 NRH units began for the Hawkins Street multi-residential intensification that will add 61 net new owned units in Niagara Falls
- *Home Repairs* – NRH received $600,000 through the Investment in Affordable Housing-Extension (IAH-E) program for homeowner and secondary suite repairs and $311,015 for multi-unit repairs, totaling $911,015 for the 2019/2020 period. In addition, $176,370 was received from Ontario Priorities Housing Initiative (OPHI) and Canada-Ontario Community Housing Initiative (COCHI) for 2019. As of December 31, 2019, 58 homeowners had been approved for funding.

Niagara Regional Housing - Continued

- *Homeownership* – NRH received $180,000 through the Investment in Affordable Housing-Extension (IAH-E) and $200,000 from the Ontario Priorities Housing Initiative (OPHI) program for the 2019/2020 period. As of December 30, 2019, down payment assistance was provided to 17 households to help purchase their first home. Funds were also allocated to 5 Habitat for Humanity Niagara Homes.
- *Help For Survivors Of Domestic Violence* – Continue accepting applications for recommendation to the Province to provide Portable Rent Benefits and prevent at-risk households from unsafe situations or the move to shelters
- *Addressed Homeless* – Ongoing partnership with Community Services through the Housing First program to move those experiencing homelessness to their own homes with appropriate supports
- *Rent Supplement* - Advertisements for new rent supplement agreements in order to expand units available with subsidies in private buildings, piloted the Rent Supplement In-Situ program to help waitlist applicants by partnering with the landlord to provide RGI subsidy in the private unit where the applicant currently resides.
- *Housing Providers:*
  - Semiannual provider forums to ensure continued engagement of housing providers
  - Provider Advisory Committee gathers regularly for consultation
  - NRH is working with service managers across the province to advocate for a funding solution that will ensure providers remain viable due to end of mortgages
  - Introduced Pilot Community Programs Coordinator to assist Housing Providers with eviction prevention
- Improved Public Housing (NRH-owned) communities
  - Partner with more than 40 agencies across Niagara to link vulnerable tenants with appropriate supports and provide community programs to build better communities
  - Began a new Social Enterprise Pilot with Niagara Resource Service for Youth ("RAFT") to train at-risk youth to complete work needed for unit turnovers in NRH communities. This is the fourth NRH-RAFT partnership which employs tenants and RAFT youth in NRH communities
  - Engaged students from Niagara College's Recreation Therapy and Social Service Worker programs to support high needs tenants in maintaining their tenancies and living healthier lives

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

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$150,626	$150,263	$364	0.2%
Administrative	$3,860	$3,826	$34	0.9%
Operational & Supply	$2,251	$2,476	-$225	-10.0%
Occupancy & Infrastructure	$298	$311	-$13	-4.3%
Equipment, Vehicles,Technology	$6,414	$6,183	$231	3.6%
Financial Expenditures	$4	$6	-$3	-74.8%
Total Expenses	$163,453	$163,065	$388	0.2%
Federal & Provincial Grants	-$10,008	-$9,652	-$356	-3.6%
By-Law Charges & Sales	-$6,538	-$6,456	-$82	-1.3%
Other Revenue	-$2,046	-$2,329	$283	13.8%
Total Revenues	-$18,592	-$18,437	-$155	-0.8%
Intercompany Charges	-$1,297	-$1,406	$109	8.4%
Total Intercompany Charges	-$1,297	-$1,406	$109	8.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$143,564	$143,222	$342	0.2%
Transfers To Funds	$3,150	$3,150	$0	0.0%
Total Transfers	$3,150	$3,150	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$146,714	$146,372	$342	0.2%
Indirect Allocations & Debt	$14,814	$14,357	$457	3.1%
Total Indirect Allocations & Debt	$14,814	$14,357	$457	3.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$161,528	$160,729	$798	0.5%

Niagara Regional Police Services - Continued

Variance Analysis (in thousands of dollars)

For the period ending December 31 2019, the Service's financial result was a combined Net Expenditure before Indirect Allocations surplus of $342. The Service recommended a transfer of the surplus to reserves consistent with Region policy. The surplus consisted of a $204 surplus attributable to the Niagara Regional Police Service, a $90 surplus attributable to the Police Service Board, and a $48 surplus attributable to the Ontario Police Video Training Alliance (OPVTA), which will be transferred to their respective contingency reserves.

Compensation – At December 31, the Compensation expense was below the approved budget by $364. This favorable variance is primarily the result of lower than expected utilization of uniform staffing due to lags in hiring during periods of staff turnover and from relief coverage during periods of absenteeism. This resulted in both uniform salary and benefit savings. The surplus can also be attributed to an overall favourable health and dental benefit claims experience. Continued trends in civilian staffing due to pressures in operationally essential units such as Communications, Prisoner Management and Records and Information Management, as well as greater than expected sick leave payouts, all contributed unfavourably to the overall compensation surplus position.

Other Operational Expenditures - Other Operational Expenditures are comprised of all other operating expenditures excluding Compensation. At December 31, the Other Operational Expenditures were below the approved budget by $24. This is mainly due to savings in telecommunications, fuel rates and repairs and maintenance expenses for vehicles and equipment. These savings were partially offset by the purchase of uniform equipment, specifically protective body armour.

Recoveries & Revenues – At December 31, Gross Revenues and Recoveries were $155 below budget levels mainly due to a shortfall to Provincial grant funding partially offset by additional revenue from one-time cost recovery services.

Intercompany Charges – At December 31, Intercompany charges were favourable by $109. This is mainly due to savings in vehicle and equipment repairs and maintenance as well as recycling collection.

Conclusion

The detailed variance analysis has been prepared based on results of operations at December 31, 2019. The Service yearend surplus of $342 represents 0.2% of the total budget. The results include the actual expenditures incurred and provisions for all known liabilities and offsetting revenues at December 31, 2019.

NPCA Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Partnership, Rebate, Exemption	$5,484	$5,484	$0	0.0%
Total Expenses	$5,484	$5,484	$0	0.0%
Other Revenue	$0	$0	$0	0.0%
Total Revenues	$0	$0	$0	0.0%
Total Intercompany Charges			$0	0.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$5,484	$5,484	$0	0.0%
Transfers From Funds	-$1,284	-$1,284	$0	0.0%
Total Transfers	-$1,284	-$1,284	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$4,200	$4,200	$0	0.0%
Indirect Allocations & Debt	$6	$0	$6	100.0%
Total Indirect Allocations & Debt	$6	$0	$6	100.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$4,206	$4,200	$6	0.1%

Niagara Peninsula Conservation Authority - Continued

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

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

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$23,724	$23,397	$327	1.4%
Administrative	$2,017	$2,083	-$66	-3.3%
Operational & Supply	$12,709	$13,124	-$415	-3.3%
Occupancy & Infrastructure	$17,950	$18,316	-$365	-2.0%
Equipment, Vehicles,Technology	$6,143	$6,558	-$415	-6.8%
Community Assistance	$0	$0	$0	0.0%
Partnership, Rebate, Exemption	$18,227	$4,107	$14,120	77.5%
Financial Expenditures	$0	$85	-$85	0.0%
Total Expenses	$80,771	$67,670	$13,101	16.2%
Taxation	-$116,919	-$115,905	-$1,014	-0.9%
By-Law Charges & Sales	-$1,358	-$1,730	$372	27.4%
Other Revenue	-$7,034	-$1,575	-$5,459	-77.6%
Total Revenues	-$125,311	-$119,210	-$6,101	-4.9%
Intercompany Charges	$1,824	$1,661	$163	8.9%
Total Intercompany Charges	$1,824	$1,661	$163	8.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-$42,716	-$49,880	$7,163	16.8%
Transfers From Funds	-$9,659	-$2,998	-$6,661	-69.0%
Transfers To Funds	$37,038	$39,038	-$2,000	-5.4%
Total Transfers	$27,379	$36,039	-$8,661	-31.6%
Net Expenditure (Revenue) Before Indirect Allocations	-$15,338	-$13,840	-$1,497	-9.8%
Indirect Allocations & Debt	$15,338	$15,524	-$187	-1.2%
Total Indirect Allocations & Debt	$15,338	$15,524	-$187	-1.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$0	$1,684	-$1,684	0.0%

Water & Wastewater - Continued

Variance Analysis (in thousands of dollars)

Water & Wastewater services concluded 2019 with a $1,684 deficit consisting of unfavourable variances of $507 in Water and $1,177 in Wastewater. The following factors have contributed to these variances.

Compensation - The favourable variance of $327 is primarily due to staffing vacancies for a portion of the year. The favourable variance was partially offset by higher than expected lieu and overtime due to staff time required for emergency repairs ($128).

Administration - The unfavourable variance of $66 is primarily due to higher than anticipated external legal expenses ($210) and additional staff development ($64) in order to support training required to meet legislation. This was partially offset by unspent consulting budget of $320.

Operational & Supply - The unfavourable variance of $415 is primarily due chemical costs ($319) as a result of higher contract prices and increased usage. In addition, there were higher than budgeted lab costs ($290) due to additional testing required to support compliance. The unfavourable variance was partially offset by favourable sludge management costs ($392) due to multiple shutdowns of the centrifuge in order to support capital works and repairs.

Occupancy & Infrastructure - The unfavourable variance of $365 is due to higher than budgeted repair and maintenance costs for both grounds ($296) and buildings ($313), along with emergency sewer repairs for Dain City and other trunk sewer assessments ($1,239). These unfavourable variances were partially offset by lower than expected electricity costs of $1,447.

Equipment, Vehicles, Technology –The unfavourable year-to-date variance of $415 is primarily due higher than anticipated repairs and maintenance equipment costs of $452 due to aging infrastructure.

Partnership, Rebate, Exemption - The favourable year-to-date variance of $14,120 is due to CSO funds committed to local area municipalities but not yet paid of $14,093. All CSO funding not spent will be encumbered into future year budgets. This favourable variance is offset through unfavourable variances in unrecognized development charge revenue and reserve transfers further discussed below.

Taxation - The unfavourable variance of $1,014 is due to decreased water sales. This is as a result of wet weather in 2019 and an increased focus by LAMs on reducing leakage in the distribution system.

By-Law Charges & Sales Costs - The favourable variance of $372 is due to increased hauled sewage revenue of $261 as a result of increased volume and fees collected of $92.

Other Revenue - The unfavourable variance of $5,459 is mainly driven by the timing of development charge revenue recognition to fund the CSO program of $5,433.

Transfers - The unfavourable year-to-date variance of $8,661 is primarily due to CSO projects committed to local municipalities but not yet paid of $8,220 which have been encumbered into 2020. In addition, $441 in previsously encumbered CSO projects were closed as the funds were no longer required.

Community Impacts & Achievements

- The Water and Wastewater Operations Divisions treated 55.46 billion liters of water in 2019 through six water treatment plants and 316 km of watermains, as well as 76.14 billion liters of wastewater through eleven plants and one biosolids storage facility, with collection through 123 pump stations and 302 km of forcemains and gravity trunk sewers.
- The 16th Annual Children's Water Festival was a success in May of 2019, with over 3,600 students, 170 teachers and approximately 400 parents attending over 4 days. The previous 16 Niagara Children's Water Festival (NCWF) events were hosted at Ball's Falls Conservation Area. In 2020, the 17th NCWF will be hosted at Brock University as part of a new partnership where Brock will be providing the facilities for the festival as an in-kind sponsorship. Registration for the 2020 NCWF

opened on Nov. 18, 2019 and was fully subscribed by Nov. 19, 2019 with over 2,358 students set to participate for the transitional year.

- The new water wagon was unveiled in 2019 enhancing the existing wagon program and attended 55 events between May-October.
- Sponsoring partner of the OCWA "I Don't Flush" campaign; engaging the public on messages around "non-flushables" and their impact on wastewater systems. The 2019 "I Don't Flush" message reached over 700,000+ Facebook and Twitter users and made more than 24,759,784 media impressions over the campaign. This included hosting an information booth at regional HQ and handing out promotional material to residents and distributing to participating local municipalities.
- There were 14 community organizations/international delegations hosted for tours at our Water/Wastewater Treatment plants in 2019.

Staffing:

- Fully staffed all W/WW DLT vacancies including the hire to fill the new AD of Asset Management position.
- Increased the temporary PM compliment to help facilitate the delivery of the 2020 Capital Projects.
- The Asset Management Team is now formed and is currently reviewing current practices and processes.
- Hired an Energy Management Project Manager who will continue exploring energy rebates on capital projects and energy savings opportunities.

Capital Projects:

- Successfully tendered the 15 ML Grimsby Water Reservoir Project under the estimated budget.
- Held two successful PICs for the proposed new South Niagara Falls WWTP to engage the Public in the site selection process including two Facebook live broadcasts to extend the reach of information to the Public. This was the first attempt of its kind which proved to be very successful and well received.
- Completed the EA for the Bender Hill SPS. This is a critical station servicing one of the main tourist cores of Niagara Falls. Also successfully created a partnership with Niagara Parks Commission to combine the SPS project and Parkway realignment benefitting both parties by reducing the disruption to the locals and tourists, as well as realizing cost saving in this joint venture.
- Commenced the detailed design for the Welland WTP Phase II project. Made a presentation to City of Welland Senior Staff and Council to inform them of the project in greater detail then what was previously presented.
- Successfully constructed a temporary forcemain repair in Dain City averting further basement flooding while continually working on a permanent solution.
- Construction for the Rosehill Water Treatment Plant Upgrades is well underway and is anticipated to be completed by summer 2020. The work includes sustainability upgrades to each major plant process.
- Construction for the Niagara Falls Water Treatment Plant Phase II Upgrades has been awarded to Maple Reinders. This sustainability work includes filter rehabilitation and miscellaneous building repairs. The project is eligible for CWWF funding and is anticipated to be completed by summer 2020.
- The new NOTL WWTP is fully operational with substantial completion expected to be issued in Q1 of 2020. Final completion is expected by Q2 2020 subject to rectification of all outstanding work and deficiencies.
- Welland WWTP Upgrade project is expected to be complete by June 2020. On-going issues with general contractor resources and lack of payment to subcontractors has significantly impacted construction progress.

Asset Management:

- The locate team completed 9,645 locate requests.
- There were 50,200 meters of gravity pipe inspected and 10,000 meters cleaned.
- A new site facility virtual tours was launched along with the support of new facility scans.
- A Remotely Piloted Aircraft System (RPAS) program for Water & Wastewater was established.

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

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage
Compensation	$3,686	$3,512	$174	4.7%
Administrative	$1,994	$715	$1,279	64.1%
Operational & Supply	$40,864	$38,519	$2,345	5.7%
Occupancy & Infrastructure	$1,438	$1,425	$14	0.9%
Equipment, Vehicles,Technology	$1,053	$1,254	-$201	-19.1%
Partnership, Rebate, Exemption	$196	$196	$0	-0.1%
Financial Expenditures	$0	$36	-$36	0.0%
Total Expenses	$49,231	$45,656	$3,575	7.3%
Taxation	-$35,328	-$35,328	$0	0.0%
By-Law Charges & Sales	-$14,588	-$10,584	-$4,004	-27.4%
Other Revenue	-$4,431	-$4,493	$63	1.4%
Total Revenues	-$54,347	-$50,406	-$3,941	-7.3%
Intercompany Charges	$129	$133	-$4	-3.4%
Total Intercompany Charges	$129	$133	-$4	-3.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-$4,988	-$4,617	-$371	-7.4%
Transfers From Funds	-$1,511	-$1,511	$0	0.0%
Transfers To Funds	$4,136	$5,000	-$865	-20.9%
Total Transfers	$2,624	$3,489	-$865	-33.0%
Net Expenditure (Revenue) Before Indirect Allocations	-$2,364	-$1,128	-$1,236	-52.3%
Indirect Allocations & Debt	$2,363	$2,284	$79	3.4%
Total Indirect Allocations & Debt	$2,363	$2,284	$79	3.4%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$0	$1,156	-$1,156	0.0%

Variance Analysis (in thousands of dollars)

Waste Management Services operated at a deficit after indirect allocations of $1,156. The following factors contributed to this deficit:

Compensation – The favourable variance of $174 is due primarily to salary gapping and position vacancy management.

Administrative – The favourable variance of $1,279 is primarily due to the timing of $810 of consulting related to the Long-Term Strategic Plan (LTSP) Study, the Material Recovery Facility (MRF) Opportunity Review – Phase 4, and the service level change campaign, as well as reduced consulting expenditures of $197 for 2019. Promotional and educational costs were also lower than anticipated by $218, further contributing to the surplus, resulting from the utilization of existing communication pieces and Region services, as well as the reprioritization of planned promotion and education campaigns. $810 for the LTSP Study, the MRF Study, and the service level change campaign, was committed and is included in the 2019 encumbrance reported in Transfers to Funds.

Operational & Supply – The favourable variance of $2,345 is primarily due to lower than anticipated commodity prices for the purchase of recyclable materials under contracts with Waterloo, Haldimand and commercial businesses ($1,777) which is offset by related decreases to recycling processing revenues. A savings of $250 for lower than anticipated labour costs at the MRF in 2019 also contributed to the surplus. Liquidated damages in the amount of $360 were issued under contract 2009-RFP-44 for breaches of contractual performance standards.

Equipment, Vehicles, Technology – The unfavourable variance of $201 is due to higher than anticipated equipment repairs required at the various sites.

By-Law Charges & Sales – The unfavourable variance of $4,004 is primarily due to lower than anticipated and decreasing market revenues received from the sale of recyclable commodities (i.e. unfavourable variance for fibres, including boxboard, newsprint and cardboard, of $3,347, from containers such as PET plastic, aluminum, and steel of $688, and from other recyclables, such as bulky rigid plastics and fine paper, of $53). These decreases are offset by increased garbage tag sales of $74 and tipping fee revenues of $23 from the additional landfill tonnages received at the landfill sites.

Transfer to Funds – The unfavourable variance of $865 relates to the 2019 encumbrance of $810 and the transfer of proceeds from the sale of a loader at the MRF to the capital reserve

Community Impacts & Achievements

Waste Management Services (WMS) is responsible for the operation of various facilities, including landfill sites, HHW depots and the Recycling Centre (a net revenue generator). WMS is also responsible for the delivery of curbside waste, recycling and organics collection and diversion programs, the management of long-term organics processing and disposal contracts, the operations and maintenance contracts at open and closed landfill sites, the recycling processing contract, policy development, capital program delivery and supporting outreach and communications programs.

- Negotiated RFP for the next waste collection contract, which will begin on October 19, 2020, was awarded in November 2019. The successful proponents for Collection Area One and Two are GFL Environmental Inc. and Miller Waste Systems Inc., respectively.
- New base collection service level approved by Regional Council, effective October 19, 2020, includes:
    - Every-other-week (EOW) garbage collection for all residential properties and for Industrial, Commercial & Institutional (IC&I) and Mixed-Use (MU) properties located outside the Designated Business Areas (DBAs). Recycling and organics collection will continue on a weekly basis and the garbage container (bag/can) limits would double for affected sectors.

- Four (4) item limit per residential unit, per collection, for large item collection at Low-Density Residential properties and discontinuation of appliances and scrap metal curbside collection.
- Standardization of the weekly garbage container (bag/can) limits for IC&I and MU properties to four (4) containers per property.
- Additional collection of children's diapers and non-hazardous medical waste for approved properties, during the alternate weeks of EOW garbage collection on a year-round basis.

- On-going negotiations with Emterra Environmental to ensure performance and adherence to the terms and conditions of Contract 2009-RFP-44, which includes changes to collection days in Wainfleet effective November 4, 2019. This change will help optimize collection fleet on Mondays and reduce delays throughout the week.
- Continue to market recyclable materials despite restrictive global market conditions.
- MRF Opportunity Review Phase 4 is in progress:
    - Purpose is to Identify options for the MRF considering the transition of the residential Blue Box program to extended producer responsibility.
    - Fairness advisor and project consultant/ transaction advisor were retained and the project was initiated in November 2019.
- Continue to investigate, assess and mitigate any environmental impacts related to the two open and twelve closed landfill sites.
- Continued work on Waste Management's Condition Assessment and Asset Management project, which includes all 14 landfill sites. This work will help the Region plan for the funding necessary to maintain its capital assets, and allow for effective decision making and a proactive approach to managing the assets. The project was substantially completed by the end of December 2019.
- MECP approved the application in December 2019 for Phase 2 of the upgrades at the Humberstone Landfill, with construction scheduled to begin in 2020.
- In July 2019, introduced the mattress recycling program at the Region's three recycling depots. At the end of 2019, a total of 43 tonnes have been recycled or approximately 2,380 mattresses.
- During the course of 2019, work has been progressing to reduce the number of monitoring wells required at both open and closed landfills, resulting in fewer monitoring wells at the Humberstone Landfill.
- Phase 1 of the Humberstone Landfill expansion (gas and leachate collection systems) was completed in Q4 of 2019.

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

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

Original Budget Revenue & Expenditures	**973,894**	
Total Budget Amendment	**-**	
Corporate	19,494	To record the 2018 Encumbrance budget adjustment as detailed in the 2018 Year-End Results & Transfer report (CSD 21-2019).
Enterprise Resource Management Services	55	To record funding and related expenditures from the Province of Ontario related to the sustainability review
General Government	600	To utilize 2018 surplus to fund the Smarter Niagara Incentive Program per Committee (CSC 3-2019).
Community Services	317	To record revenue and related expenditures due to additional annual funding received from the pharmaceutical industry
Community Services	183	To record revenue and related expenditures from the Government of Canada's Reaching Home program (formerly Homelessness Partnering Strategy)
Community Services	83	To record revenue and related expenditures from the Local Health Integration Network (LHIN) for the Senior Services division
Community Services	550	To record revenue and related expenditures related to increased fee subsidy for Children's Services
Community Services	2,293	To record revenue and related expenditures related to in-year funding announcement from the Ministry of Education for Children's Services per report (COM 31-2019)
Planning and Development	480	To record the unused development charge funding and related expenditures for the Regional Official Plan in relation to the 2018 Year-End Results & Transfer report (CSD 21-2019)
Planning and Development	(38)	To record reduction in funding from the Ministry of Community and Social Services in relation to an employment survey
Planning and Development	150	To record funding and related expenditures in connection with hiring an aggregates advisor
Public Health and Emergency Services	106	To record revenue and related expenditures from the Local Health Integrated Network (LHIN) to support a Mental Health and Addictions Project Manager
Public Health and Emergency Services	239	To record revenue and related expenditures from the Local Health Integrated Network (LHIN) to support the Community Paramedicine Program
Public Health and Emergency Services	1,603	To record revenue and related expenditures related to the Ontario Seniors Dental Care program from the Ministry of Health and Long Term Care (PHD 16-2019)
Public Health and Emergency Services	613	To record revenue and related expenditures related to the Dedicated Offload Nursing program from the Ministry of Health and Long Term Care

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

Wastewater	4,553	To record unused development charge funding and related expenditures for the Combined Sewer Overflow program from 2018 in relation to the 2018 Year-End Results & Transfer report (CSD 21-2019).
Transportation	250	To record revenue and related expenditures for the annual Crack Sealing program as a result of moving from capital budget to operating budget
Niagara Regional Housing	1,224	To utilize 2018 Niagara Regional Housing surplus to fund 2019 housing programs per Committee (CSC 3-2019).
Niagara Regional Housing	55	To record revenue and related expenditures related on two newly purchased properties
Niagara Regional Housing	100	To record budgeted revenue and expenditures related to the Niagara Home Ownership program
Niagara Regional Housing	938	To record revenue and related expenditures related to the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) (NRH 8-2019)
Total Budget Adjustment	**33,848**	
December 31, 2019 Adjusted Budget	**1,007,742**	

Reserve Summary (in thousands of dollars)

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

At December 31, 2019 the Region's consolidated and uncommitted reserve balance (excluding commitments made with the 2020 approved budget) was $245,612 ($295,018 at December 31, 2018). The ratio of debt to reserves is an important marker of fiscal sustainability. A ratio of less that 1 shows that if revenues were to decline, the Region would have other resources to meet its obligations. Conversely, if the ratio is greater than 1, it can indicate vulnerability to economic downturns. The Region's debt to reserve ratio, including unissued debt is 2.75 (1.67 at December 31, 2018).

Description	Balances at December 31, 2018	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at December 31, 2019 before Transfers	Year-end Transfers*	Balances Available at December 31, 2019	Capital Commitments to Uninitiated Projects	Balances Available at December 31, 2019
Wastewater Capital	$43,246	$21,225	$0	-$24,443	$603	$40,631	$945	$41,576	-$6,660	$34,916
Water Capital	$88,488	$19,784	$0	-$31,828	$1,195	$77,640	$1,172	$78,811	-$6,660	$72,151
Waste Management	$16,903	$1,655	$0	-$4,115	$227	$14,670	$1,100	$15,770	-$9,002	$6,768
General Capital Levy	$26,221	$27,625	-$2,000	-$41,395	$0	$10,451	$5,229	$15,680	-$400	$15,280
Infrastructure Deficit	$241	$3,468	$0	-$3,709	$0	$0	$0	$0	$0	$0
Court Services Facility Renewal	$1,650	$0	$0	$1,226	$0	$2,876	$0	$2,876	$0	$2,876
Niagara Regional Housing	$6,040	$1,274	$0	$308	$0	$7,623	$605	$8,228	$0	$8,228
NRH Owned Units	$4,121	$1,881	$0	-$595	$0	$5,408	$580	$5,987	$0	$5,987
NRPS Long-Term Accommodation (LTA)	$52	$0	$0	$0	$0	$52	$0	$52	$0	$52
Ontario Police Video Training Alliance	$61	$0	$0	$0	$0	$61	$48	$109	$0	$109
Police Capital Levy	$719	$1,200	$0	-$1,358	$0	$561	$0	$561	$0	$561
Police Vehicle and Equipment Replacement	$224	$1,500	$0	-$1,700	$0	$24	$0	$24	$0	$24
Total Capital Reserves	**$187,967**	**$79,612**	**-$2,000**	**-$107,609**	**$2,025**	**$159,998**	**$9,679**	**$169,675**	**-$22,722**	**$146,951**
Wastewater Stabilization	$2,982	$0	$0	$0	$43	$3,026	-$1,177	$1,848	$0	$1,848
Water Stabilization	$3,442	$0	$0	$0	$50	$3,492	-$507	$2,985	$0	$2,985
Waste Management Stabilization	$7,427	$248	-$580	$0	$105	$7,200	-$1,156	$6,044	$0	$6,044
Encumbrance**	$21,318	$9,692	-$14,633	$0	$0	$16,377	$0	$16,377	$0	$16,377

Reserve Summary (in thousands of dollars) - continued

Description	Balances at December 31, 2018	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at December 31, 2019 before Transfers	Year-end Transfers*	Balances Available at December 31, 2019	Capital Commitments to Uninitiated Projects	Balances Available at December 31, 2019
Investment Income Stabilization	$19	$0	-$19	$0	$0	$0	$0	$0	$0	$0
Taxpayer Relief **	$24,714	$874	-$3,757	$0	$0	$21,831	$1,925	$23,756	$0	$23,756
NRH Rent Supplements	$278	$0	-$12	$0	$0	$266	$0	$266	$0	$266
Police Contingency	$0	$250	$0	$0	$0	$250	$204	$454	$0	$454
Police Services Board Contingency	$153	$0	$0	$0	$0	$153	$89	$242	$0	$242
Total Corporate Stabilization Reserves	**$60,334**	**$11,064**	**-$19,001**	**$0**	**$198**	**$52,594**	**-$622**	**$51,974**	**$0**	**$51,974**
Ambulance Communication	$37	$0	$0	$0	$0	$37	$0	$37	$0	$37
Circle Route Initiatives	$1,383	$0	$0	$0	$0	$1,383	$0	$1,383	$0	$1,383
Total Specified Contribution Reserves	**$1,419**	**$0**	**$0**	**$0**	**$0**	**$1,419**	**$0**	**$1,419**	**$0**	**$1,419**
Future Benefit Costs	$24,845	$0	-$150	$0	$0	$24,695	$0	$24,695	$0	$24,695
Self Insurance	$2,270	$0	$0	$0	$0	$2,270	$0	$2,270	$0	$2,270
Smart Growth	$201	$0	$0	$0	$0	$201	$0	$201	$0	$201
Landfill Liability	$8,288	$2,288	$0	-$2,490	$119	$8,205	$0	$8,205	$0	$8,205
NRH Employee future benefits	$793	$0	$0	$0	$0	$793	$0	$793	$0	$793
Police Accumulated Sick Leave	$1,680	$0	$0	$0	$0	$1,680	$0	$1,680	$0	$1,680
Police Future Benefit Cost	$4,152	$0	$0	$0	$0	$4,152	$0	$4,152	$0	$4,152
Police WSIB	$3,070	$200	$0	$0	$0	$3,270	$0	$3,270	$0	$3,270
Total Future Liability Reserves	**$45,298**	**$2,488**	**-$150**	**-$2,490**	**$119**	**$45,265**	**$0**	**$45,265**	**$0**	**$45,265**
Total (Excluding Deferred Revenues)	**$295,018**	**$93,164**	**-$21,151**	**-$110,099**	**$2,342**	**$259,277**	**$9,057**	**$268,334**	**-$22,722**	**$245,612**

* Subject to Council approval in CSD 15-2020.

** Opening balances have been reclassified due to rounding error from the prior year.

Deferred Revenue Summary (in thousands of dollars)

Description	Balances at December 31, 2018	Year to Date Transfers from Revenues (Collections)	Year to Date Transfers from Revenues (DC Grants)	Year to Date Transfers to Operating	Year to Date Transfers from/(to) Capital	Interest allocation	Balance at December 30, 2019	Capital Commitments *	**Balance Available at December 31, 2019**
Development Charges-General Government	$1,265	$477	$120	-$406	$0	$27	$1,483	$0	**$1,483**
Development Charges-Police Services	$1,884	$834	$209	$0	$4	$48	$2,980	-$43	**$2,937**
Development Charges-Roads	$50,883	$14,064	$3,435	$0	-$12,556	$1,067	$56,893	-$41,795	**$15,098**
Development Charges-Sewer	$43,822	$9,430	$2,425	-$1,120	-$3,313	$951	$52,193	-$9,333	**$42,860**
Development Charges-Water	$28,296	$6,587	$1,721	$0	-$2,203	$627	$35,029	-$26,257	**$8,772**
Development Charges-Emergency Medical	$1,140	$331	$48	$0	-$14	$26	$1,531	-$81	**$1,449**
Development Charges-LT Care	$3,076	$2,359	$205	$0	$0	$87	$5,727	$0	**$5,727**
Development Charges-POA	$181	$111	$19	$0	$0	$5	$315	-$331	**-$16**
Development Charges-Health	$415	$299	$43	$0	$0	$12	$768	$0	**$768**
Development Charges-Social Housing	$2,609	$1,872	$92	$0	-$272	$69	$4,370	-$1,889	**$2,481**
Development Charges-Waste Division	$959	$742	$57	$0	$66	$28	$1,852	-$408	**$1,444**
Subtotal Development Charges	**$134,530**	**$37,107**	**$8,372**	**-$1,526**	**-$18,288**	**$2,947**	**$163,141**	**-$80,137**	**$83,005**
Federal Gas Tax	$19,724	$27,582	$0	$0	-$13,499	$535	$34,343	-$32,304	**$2,039**
Provincial Gas Tax	$508	$761	$0	-$122	-$500	$12	$658	$0	**$658**
Subtotal Gas Tax	**$20,232**	**$28,343**	**$0**	**-$122**	**-$13,999**	**$547**	**$35,001**	**-$32,304**	**$2,697**
Total	**$154,762**	**$65,450**	**$8,372**	**-$1,648**	**-$32,287**	**$3,494**	**$198,142**	**-$112,441**	**$85,701**

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

Deferred Revenue Summary (in thousands of dollars) - continued

Summary of All Mandatory and Discretionary Grants, per Regional Development Charge Bylaw (2019)

Grant Category	Actuals			Total	Annual Budget 2019	Actual Variance 2019
	Q1-Q2	Q3	Q4			
Other Economic Incentives:						
50% Industrial - (M)	$164	$54	-$1	$218		
Phase in costs - (D)	$1,805	$866	$0	$2,672		
Brownfield - (D)*	$329	$502	$935	$1,766		
Smart Growth Niagara - (D)	$0	$0	$23	$23		
Long-Term Care Facility - (D)	$0	$0	$410	$410		
Board of Education - (D)	$0	$0	$0	$0		
NRH - (D)	$0	$0	$0	$0		
Parking garage - (D)	$0	$0	$0	$0		
Agriculture - (D)	$179	$0	$0	$179		
Place of Worship - (D)	$384	$0	$0	$384		
Intensification RDC Reductions - (M)	$12	$13	$14	$39		
Hotels/Motels - (D)	$0	$1,582	$0	$1,582		
Other (D)	$246	$0	-$77	$169		
Subtotal - Other Economic Incentives	**$3,118**	**$3,017**	**$1,305**	**$7,440**	**$4,089**	**-$3,351**
Non-Profit - (D) *	**$150**	**$0**	**$0**	**$150**	**$150**	**$0**
Industrial and Gateway - (D) *	**$508**	**$182**	**$92**	**$782**	**$1,050**	**$268**
Total	**$3,777**	**$3,199**	**$1,397**	**$8,372**	**$5,289**	**-$3,083**

Note: (D) – Discretionary, (M) – Mandatory
** Details on individual application can be found on the following page.*

Deferred Revenue Summary (in thousands of dollars) - continued

Details for Application Based Regional Development Charge Grants (2019)

2019 Brownfield RDC Reduction Program Applicants and Approved Amounts

Address	Application Date	Development Description	Municipality	Approved Eligible Costs	Grants Paid to Date	Grants Paid 2019
Grants Application Prior to 2019[1]				$28,394	$1,262	$939
2019 Applications:						
439 King St[2]	Mar 8, 2019	Retirement complex	Welland	$827	$827	$827
Total				**$29,221**	**$2,090**	**$1,766**

[1]Grants awarded in prior years may be paid in current or future periods depending on the timing of building permit issuance.
[2]Conditional grant awarded pending submission of final information from applicant.

2019 Non-Profit RDC Grant Applicants and Approved Amounts

Organization	Application Date	Development Description	Municipality	Grant Requested	Grants Paid 2019
Q1-Q3 Applications				$171	$150
Q4 Applications:					
Nil				$0	$0
Total				**$171**	**$150**

2019 Discretionary Industrial RDC Grant Applicants and Approved Amounts

Address	Application Date	Development Description	Municipality	Grant Requested	Grants Paid 2019
Q1-Q3 Applications				$690	$690
Q4 Applications:					
406 Lakeshore Road	Nov 5, 2019	Fermentation and Distilling	NOTL	$43	$43
7 Westwood Court	Dec 31, 2019	Industrial Warehousing	NOTL	$49	$49
Total				**$782**	**$782**

Operating Reserve Transfer Reconciliation

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

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
Council approved net operating transfers to reserves, including interest allocation to reserves	**- $64,051**	
Additional operating reserve transfers (to)/from reserves:		
All Rate Reserves	$142	Interest income allocation to reserve lower than budget (as per Reserve policy)
Taxpayer Relief	- $821	Transfer back to reserve for unused funds – delays in NRT Niagara West service expansions and delays in Sunday service expansions due to insufficient capital resources
Taxpayer Relief	- $50	Transfer back to reserve for unused funds – Planning guidelines project
Capital Levy	- $98	Transfer back to reserve for unused funds – Drainage Assessment Funding for LAMs
Capital Levy	-$150	Transfer back to reserve for unused funds - Active Transportation/Bike Lane Funding for LAMs
Capital Levy	- $284	Transfer to reserve for proceeds on sale of surplus properties (as per Procurement By-Law)
Capital Levy	$145	Reduced transfer to reserve (budgeted to fund associated capital project) as a result of provincial budget announcements no longer providing funding for the Peer Street Roof replacement
Capital Levy	- $9,180	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Water Capital	- $1,359	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Wastewater Capital	- $2,170	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Waste Management	- $55	Transfer to reserve for proceeds on sale of surplus assets (as per Procurement By-law)
NRH Owned Units	- $900	Transfer to reserve to be used for the proposed 2020 Niagara Falls Mutli-Residential Intensification Capital Project (NRH 19-183.31a)
2018 Encumbrance	$21,322	2018 Encumbrances (CSD 21-2019)
Taxpayer Relief	-$28	Correction or rounding error from 2018 year end between Taxpayer Relief and Encumbrance funds
2019 Encumbrance	- $16,377	2019 Encumbrances (CSD 15-2020)
Wastewater Capital	-$441	Underspent CSO projects closed during the year, transfer amount back to Wastewater Capital Reserve
Net operating transfers to reserves	**- $74,355**	

Capital Reserve Transfer Reconciliation (in thousands of dollars)

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

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
Council approved net capital transfers per 2019 Budget	**$133,887**	Reserve transfers to capital projects
Capital reserve transfer commitments from 2018 or prior Budget	**$3,480**	2018 or prior unitiated capital projects
Capital reserve transfer commitments from 2018 or prior Budget closed and never initiated	**- $1,910**	Project close out and reserve transfers not required
Capital reserve transfer commitments from unitiated capital projects	**- $22,722**	2019 Unitiated capital projects
Budget Adjustment	**- $145**	Reduced transfer from reserve as a result of provincial budget announcements no longer providing funding for the Peer Street Roof replacement. This amount to fund the project was drawn from the CVP
Q1 and Q2 additional capital reserve transfers:		
NRH Owned Units	**- $291**	Project close out, funds returned to reserve – Annual Emergency Capital Program – 2018
NRH Owned Units	**- $8**	Project close out, funds returned to reserve – Unit Capital - 2017
NRH Owned Units	**- $16**	Project close out, funds returned to reserve – Building Capital - 2016
Q3 additional capital reserve transfers:		
Police Capital Levy	**- $2**	Project close out, funds returned to reserve – Marine Zodiac
Police Capital Levy	**- $1**	Project close out, funds returned to reserve – Marine Sonar
Police Capital Levy	**- $27**	Project close out, funds returned to reserve – Communications Unit Equipment
Q4 additional capital reserve transfers:		
Court Services Facility Renewal	**- $331**	Transfer back to reserve as a result of project eligibility to use DC reserves as a funding source instead of reserves
Court Services Facility Renewal	**- $895**	Budget reduction on Court Facilities Renewal project

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

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
Niagara Regional Housing	**- $17**	Transfer back to reserve as a result of project eligibility for funding not included in the initial Council approved budget
Niagara Regional Housing	**- $701**	Budget reduction – NRH New Build, Carlton St., St. Catharines
NRH Owned Units	**- $200**	Project close out, funds returned to reserve – Annual Emergency Capital Program – 2019
NRH Owned Units	**- $2**	Project close out, funds returned to reserve – Grounds Capital 2018
Net capital transfers	**$110,099**	

Encumbrance Summary (in thousands of dollars)

Encumbrance accounting is a mechanism to facilitate the accounting of goods and services where an obligation to purchase has occurred but the goods or services had not been received by year end. Public sector accounting requires the Niagara Region to follow accrual based accounting. This creates a funding complication in that goods or services contracted before year end and received subsequent to year end would not be matched to their budgeted funding. Encumbrance accounting was introduced to effectively transfer the budgeted funding for goods and services where a purchase order, contract or other commitment exists, to an encumbrance reserve at year end. Below is a detailed summary of 2019 encumbrances by department.

Encumbrance History

	2019	2018	2017	2016	2015
Governance	$0	$0	$0	$35	$129
General Government	$4,463	$3,363	$2,278	$250	$0
Corporate Administration	$84	$135	$390	$249	$30
Corporate Services	$100	$198	$15	$290	$0
Enterprise Resource Management Services	$98	$581	$224	$99	$0
Community Services	$289	$36	$3	$0	$101
Planning & Development Services	$664	$1,881	$1,649	$3,254	$2,509
Public Health	$65	$1,318	$79	$275	$35
Economic Development	$0	$285	$678	$95	$126
Niagara Regional Housing	$735	$371	$501	$223	$34
Public Works - Transportation	$849	$735	$1,544	$2,104	$269
Public Works - Waste Management	$810	$932	$522	$204	$244
Public Works - Water/ Wastewater *	$8,220	$9,659	$9,495	$7,989	$7,195
Council Direction (CSD 21-2019)	$0	$1,828	$0	$0	$0
TOTAL	**$16,377**	**$21,322**	**$17,378**	**$15,067**	**$10,671**

* The Public Works - Water/Wastewater 2019 Encumbrance includes $13,506 ($8,220 funded from reserves, $5,286 funded from development charges) related to the Combined Sewer Overflow (CSO) program. Managing this program through the operating budget rather than capital budget began in 2015. $2,573 ($1,930 funded from reserves, $643 funded from development charges) remains in capital projects related to the CSO program from 2008 through 2014.

Notes:

- $12,683 of the total encumbrances in 2019 (2018 - $14,342) relate to incentive and grant programs.

Encumbrance Detail (in thousands of dollars)

Description		Amount
General Government		
Public Realm Investment Program		
East Fonthil Seating RR20 & Rice Road	$12	
Parkette Queenston St*	$100	
Prince Charles Dr*	$13	
RR18 (Ontario St.), RR81 (King St.)*	$10	
Civic Square Revitalization*	$30	
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)*	$100	
Smithville Public Square*	$100	
RR54 Pelham Port Robinson Rice Rd Parkette	$30	
RR20 West Lincoln Smithville Streetscaping Upgrades	$100	
RR20 West Lincoln Smith Street Lighting Upgrades	$100	
RR27 Welland Parkette Hellems/East Main St	$20	$615
Gateway - Tax Increment Grant		
287 Silverthorne/Buchner		$1,613
Waterfront Improvement Program		
Millennium Recreation Trail*	$400	
Town of Lincoln Museum and Cultural Centre*	$250	$650
Smarter Niagara Incentive Program		
Building and Facade Improvement Grant/Loan Program	$360	
CIP/MasterPlans/Official Plans Grant Program	$410	
ESA Phase II (Risk Assessment Plan)	$36	
Heritage Restoration and Improvement Grant	$50	
Public Realm Grant Program	$130	
Residential Grant/Loan Program	$599	$1,585
Total Encumbrances for General Government		**$4,463**
Corporate Administration		
Advertising Partnership with City of St. Catharines*		$13
Economic Development - Study and Lead Generation		$71
Total Encumbrance for Corporate Administration		**$84**
Corporate Services		
Business Licensing		$100
Total Encumbrance for Corporate Services		**$100**
Enterprise Resource Management Services		
Sustainability Review*		$85
Advertising Partnership with City of St. Catharines*		$13
Total Encumbrance for Enterprise Resource Management Services		**$98**
Community Services		
Gateway Residential Community Support		$289
Total Encumbrance for Community Services		**$289**
Planning & Development		
New Regional Official Plan*		$391
Municipal Comprehensive Review*		$61
Environmental Planning Review*		$53
Highly Vulnerable Aquifer Reviews*		$18
Ontario Tender Fruit Irrigation Ambassador		$16
Stormwater Management Guidelines		$125
Total Encumbrance for Planning and Development		**$664**

Encumbrance Detail (in thousands of dollars) - Continued

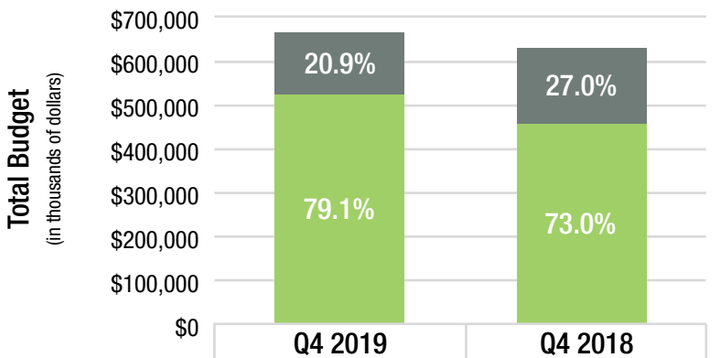
Description	Amount
Public Health	
EMS System Redesign*	$65
Total Encumbrance for Public Health	**$65**
Niagara Regional Housing	
Integrated Housing Solution Software*	$31
Designated Substance Survey*	$110
Masonry Wall Investigation	$87
K3D Thermostat Technology	$507
Total Encumbrance for Niagara Regional Housing	**$735**
Public Works - Transportation	
Emerald Ash Bore*	$178
Spring Tree Planting	$64
Complete Streets Design Manual	$400
Niagara Transit Governance Study	$207
Total Encumbrance for Public Works - Transportation	**$849**
Public Works - Waste Management	
Fairness Advisor for MRF Opportunity Review*	$25
MRF Opportunity Review*	$345
Long-Term Waste Management Strategic Plan*	$400
Service level change campaign	$40
Total Encumbrance for Public Works - Waste Management	**$810**
Public Works - Water/Wastewater	
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*	$1,229
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*	$2,083
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*	$1,089
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)*	$1,851
Unused Combined Sewer Overflow Funding - 2019 Program (at 50%)	$1,968
Total Encumbrance for Public Works - Water/Wastewater	**$8,220**
Total 2019 Encumbrance	**$16,377**

* Encumbrance balance carried over from 2018

LEVY

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

Total projects with budgets greater than $1M.



	Q4 2019	Q4 2018
Uncommitted	$137,298	$168,734
Spent & Committed	$521,166	$456,438

CAPITIAL VARIANCE PROJECT TRANSFERS AT QUARTER END

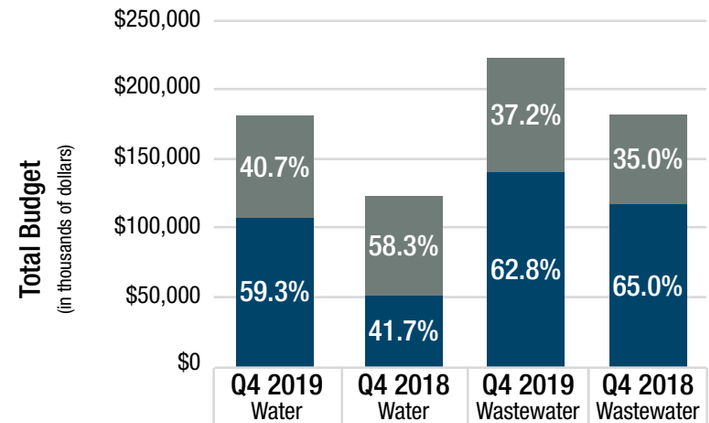
INCOMING — Q4 2019 $8.80M → CAPITIAL VARIANCE PROJECT → OUTGOING — Q4 2019 $7.01M

INCOMING — Q4 2018 $17.66M → CAPITIAL VARIANCE PROJECT → OUTGOING — Q4 2018 $3.18M

WATER & WASTEWATER

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

Total projects with budgets greater than $1M.



	Q4 2019 Water	Q4 2018 Water	Q4 2019 Wastewater	Q4 2018 Wastewater
Uncommitted	$72,867	$70,995	$82,296	$63,326
Spent & Committed	$106,324	$50,828	$138,807	$117,587

CAPITIAL VARIANCE PROJECT TRANSFERS AT QUARTER END

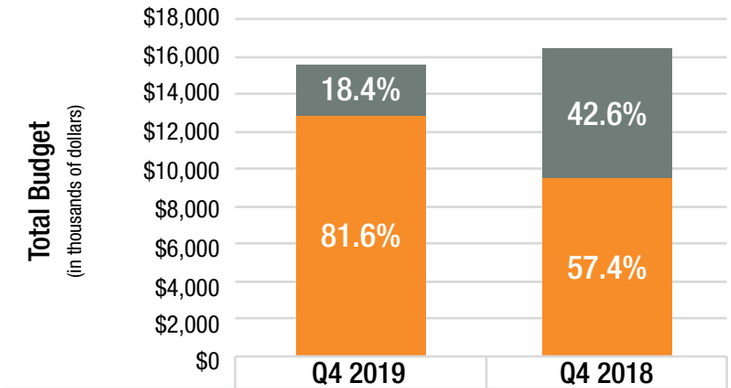
INCOMING — Q4 2019 $6.09M → CAPITIAL VARIANCE PROJECT → OUTGOING — Q4 2019 $5.05M

INCOMING — Q4 2018 $7.95M → CAPITIAL VARIANCE PROJECT → OUTGOING — Q4 2018 $5.56M

WASTE MANAGEMENT

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

Total projects with budgets greater than $1M.



	Q4 2019	Q4 2018
Uncommitted	$2,885	$7,026
Spent & Committed	$12,781	$9,459

CAPITIAL VARIANCE PROJECT TRANSFERS AT QUARTER END

INCOMING — Q4 2019 $831K → CAPITIAL VARIANCE PROJECT → OUTGOING — Q4 2019 $571K

INCOMING — Q4 2018 $722K → CAPITIAL VARIANCE PROJECT → OUTGOING — Q4 2018 $300K

Capital Summary (in thousands of dollars)

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

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

Capital Budget Reconciliation

The capital budget managed by Niagara Region has decreased by $1,402 since Q3 2019. The reasons for the decrease from Q3 2019 are broken down in the table belw.

Nine capital projects of the 524 capital sub-projects, with budgets totalling approximately $38,343 (levy $37,198 / rate $1,145) remain uninitiated at December 31, 2019. A summary of the levy and rate impact of Niagara Regions total capital budget during the year is presented below:

Capital Budget Reconciliation	Levy Programs	Rate Programs	Adjusted Budget
2018 Total Adjusted Budget at December 31, 2018 (excluding Capital Variance Projects)	**$682,337**	**$362,614**	**$1,044,952**
Council Approved 2019 Budget	$151,936	$122,348	**$274,284**
Gross Budget Adjustment (including transfers from operating)	$2,394	$559	**$2,953**
Transfer from Capital Variance	$5,326	$2,632	**$7,957**
Budget Reductions on Active Capital Projects *	- $7,309	- $407	**- $7,716**
Projects Closed	- $53,064	- $12,562	**- $65,626**
Closed projects reactivated	$0	$200	**$200**
2019 Total Adjusted Budget at July 24, 2019 (excluding Capital Variance Projects)	**$781,620**	**$475,384**	**$1,257,004**
Gross Budget Adjustment (including transfers from operating)	$4,070	- $46	**$4,024**
Transfer from Capital Variance	$1,385	$2,929	**$4,314**
Budget Reductions on Active Capital Projects *	- $1,701	- $575	**- $2,276**
Projects Closed	- $27,052	- $5,549	**- $32,601**
Transfer between Levy/Rate Programs	$195	- $195	**$0**
Closed projects excluded in project summary reporting	- $7,298	$0	**- $7,298**
2019 Total Adjusted Budget at October 23, 2019 (excluding Capital Variance Projects)	**$751,219**	**$471,948**	**$1,223,168**
Gross Budget Adjustment (including transfers from operating)	$20,799	$208	**$21,008**
Transfer from Capital Variance	$409	$62	**$471**
Budget Reductions on Active Capital Projects *	- $5,330	- $128	**- $5,459**
Projects Closed	- $12,294	- $5,127	**- $17,422**
2019 Total Adjusted Budget at December 31, 2019 (excluding Capital Variance Projects)	**$754,803**	**$466,963**	**$1,221,766**

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

Capital Budget Adjustments (in thousands of dollars)

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

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Corporate Services	Canada Summer Games	$9,700	$13,687				$23,387
Corporate Services	Health Facilities - Niagara Falls	$7,019			- $950	Debt	$6,069
Corporate Services	Court Facilities Renewal *	$12,908	$331		- $1,231	CVP Levy - $4, Court Services Facility Renewal Reserve - $1,226	$12,008
Niagara Regional Housing	New Build, Carlton Street, St. Catharines	$15,771			-$701	NRH Reserve	$15,070
Niagara Regional Housing	Intensification, Hawkins Street, Niagara Falls *	$810	$106		- $106	DC NRH - $88, NRH Reserve - $17	$810
Niagara Regional Police Services	Capital Assets - 2016	$222			- $42	Police Capital Levy (POCL) Reserve	$180
Niagara Regional Police Services	Vehicles - 2018	$1,454			- $68	Police Capital Levy (POCL) Reserve	$1,386
Niagara Regional Police Services	Vehicles - 2019	$1,414	$39				$1,454
Niagara Regional Police Services	Mobile Data Terminal Replacements	$800	$70				$870
Public Works - Levy	Signals - RR12 Grimsby Rd @ RR20	$240			- $43	CVP Levy	$197
Public Works - Levy	Signals - RR12 Chris/Mntn @ RR81 Main	$180	$2	$18			$200
Public Works - Levy	Intersection Improvement - RR50 Glenridge @John MacDonnell	$230		$25			$255

Capital Budget Adjustments (in thousands of dollars) – Continued

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Public Works - Levy	Intersection Improvement - RR89 Jacobsen/Burleigh	$5,500			- $500	CVP Levy - $343, DC Roads - $156	$5,000
Public Works - Levy	Intersection Improvement - RR46 Geneva/St. Paul	$4,300			- $750	CVP Levy - $414, DC Roads - $336	$3,550
Public Works - Levy	Capacity Improvements - Reconstruct RR49 McLeod, Montrose to Stanley	$7,838	$374	$66			$8,278
Public Works - Levy	Replacement of Burgoyne Bridge	$93,344	$6,190				$99,534
Public Works - Levy	Capacity Improvements - RR54 Hwy 20/Merritt	$8,350			- $500	CVP Levy - $75, DC Roads - $425	$7,850
Public Works - Levy	Capacity Improvements - RR98 Charnwood McLeod	$4,950			- $90	CVP Levy - $14, DC Roads - $76	$4,860
Public Works - Levy	Roads Rehabilitation RR49 McLeod	$1,050			- $350	CVP Levy - $53, DC Roads - $297	$700
Public Works - Levy	Highway 20 Bridge - Emergency Repair	$0		$300			$300
All Levy Departments		**$176,080**	**$20,799**	**$409**	**- $5,330**		**$191,958**
Waste Management	Loader Replacement - 2017	$281		$1			$282
Water	Virgil Elevated Tank *	$524	$128		- $128	CVP - Water	$524
Water	DeCew High Lift Pump Sizing	$90		$41			$131
Wastewater	Bridgeport Sewage Pump Station	$150	$80	$20			$250
All Rate Departments		**$1,045**	**$208**	**$62**	**- $128**		**$1,187**
All Departments Total		**$177,125**	**$21,008**	**$471**	**- $5,459**		**$193,145**

* Project received external funding or became eligible for development charge (DC) funding and therefore a budget adjustment was processed to recognize the new funding source in alignment with a budget reduction to return Regional funding sources to reserves or DC's.

Capital Project Closures (in thousands of dollars)

Projects are closed throughout the year. When projects are closed, surplus funds are transferred to Capital Variance Projects that have been set up in various functional areas (levy supported and water / wastewater / waste management capital projects). For projects that are not funded from the general capital levy or rate reserves, any surpluses identified through the closeout report would be returned to the specific source reserve for future use, and reported as part of year-end transfer report. The following 37 projects were closed during October 24 to December 31, 2019. Closed projects may be required to be opened to complete subsequent transactions received for invoices or accounting adjustments.

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Community Services	Annual - Long Term Care Bed Replacement - 2019	$75	$66	$9	$1	CVP Levy	1
Corporate Services	AED Defibrillators - 2017	$58	$41	$17	$17	CVP Levy	3
Corporate Services	Information Technology Server Building	$3,903	$3,851	$51	$51	CVP Levy	8
Corporate Services	Emergency Medical Services - Generators Part 2	$479	$440	$39	$39	CVP Levy	2
Niagara Regional Housing	Annual - Emergency Capital Program - 2019	$200	$0	$200	$200	NRH Owned Units	1
Niagara Regional Housing	Grounds Capital - 2018	$727	$725	$2	$2	NRH Owned Units	2
Niagara Regional Housing	East Main Street Land	$220	$220	$0	$0	NRH Owned Units	1
Niagara Regional Police Services Board	Service Equipment - Video Cameras	$250	$0	$250	$250	Unitiated and Closed	4
Public Health	Ambulance & Equipment - 2017	$1,812	$1,801	$11	$11	CVP Levy	3
Public Works - Levy	Roads Reconstruction - RR50 Thorold/Riverbank	$2,400	$2,238	$162	$162	CVP Levy	4
Public Works - Levy	Annual - Storm Sewer & Culvert Program - 2016	$639	$635	$4	$4	CVP Levy	4
Public Works - Levy	Vehicle Extended Cab Pickup 4X4 Unit #193	$35	$35	$0	$0	CVP Levy	1
Public Works - Levy	Vehicle Extended Cargo Van 8600 Unit #587	$50	$50	$0	$0	CVP Levy	2
Public Works - Levy	Vehicle Extended Cargo Van 8600 Unit #588	$57	$54	$3	$3	CVP Levy	2
Public Works - Levy	Vehicle Extended Cargo Van 8600 Unit #586	$50	$48	$2	$2	CVP Levy	2
Public Works - Levy	Inter-Municipal Transit Capital Acquisition - 2015	$1,340	$1,120	$220	$130	CVP Levy	4
Total Levy Reporting Projects Closed and Removed from Project Listing		**$12,294**	**$11,325**	**$969**	**$871**		
Waste Management	Annual Recycling Centre Building & Equipment - 2016	$290	$290	$0	$0	CVP WMT	4
Waste Management	Recycling Centre - Loader Replacement	$282	$282	$0	$0	CVP WMT	3
Total Waste Management Projects Closed and Removed from Project Listing		**$572**	**$572**	**$0**	**$0**		

Capital Project Closures (in thousands of dollars) - Continued

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Wastewater	Combined Sewer Overflow - Plymouth Ave Sewer Separation	$400	$289	$111	$111	CVP SEW	7
Wastewater	Combined Sewer Overflow - Burger Area Sewer Separation	$650	$548	$102	$102	CVP SEW	7
Wastewater	Combined Sewer Overflow - Riverview Creek Source Reduction	$238	$178	$59	$59	CVP SEW	7
Wastewater	Combined Sewer Overflow - Old Orchard Storm Pumping Station Storage	$175	$128	$47	$47	CVP SEW	6
Wastewater	Combined Sewer Overflow - River Road	$300	$43	$257	$43	CVP SEW	6
Wastewater	Combined Sewer Overflow - Empire Street	$275	$190	$85	$77	CVP SEW	6
Wastewater	Combined Sewer Overflow - Level Avenue	$126	$0	$126	$126	CVP SEW	5
Wastewater	Combined Sewer Overflow - Lakeshore Road	$132	$85	$47	$47	CVP SEW	5
Wastewater	Combined Sewer Overflow - Buckland Storm Sewer	$325	$204	$121	$121	CVP SEW	5
Wastewater	Combined Sewer Overflow - Flow Monitoring - Hydraulic Model Enhancement	$50	$38	$12	$12	CVP SEW	5
Wastewater	Combined Sewer Overflow - Lincoln & Coventry	$25	$19	$6	$6	CVP SEW	5
Wastewater	Combined Sewer Overflow - Empress Avenue Sanitary Drain	$38	$37	$0	$0	CVP SEW	5
Wastewater	Combined Sewer Overflow - Fitch Street Pump Station Drainage Area	$38	$23	$14	$14	CVP SEW	5
Wastewater	Digester & Sludge Program - 2017	$250	$234	$16	$16	CVP SEW	3
Total Wastewater Projects Closed and Removed from Project Listing		**$3,020**	**$2,016**	**$1,004**	**$782**		
Water Works	Optimize Maintenance System	$340	$0	$340	$340	CVP WAT	1
Water Works	Decew Cottage Decommision	$60	$47	$13	$13	CVP WAT	1
Water Works	Miscellaneous Program - Pressure Booster	$1,050	$991	$59	$59	CVP WAT	4
Water Works	Vale Replacement Program - 2018	$85	$17	$68	$68	CVP WAT	2
Total Water Projects Closed and Removed from Project Listing		**$1,535**	**$1,056**	**$479**	**$479**		
Total Rate Projects Closed and Removed from Project Listing		**$5,127**	**$3,644**	**$1,484**	**$1,262**		
Total Projects Closed		**$17,422**	**$14,969**	**$2,453**	**$2,133**		

Capital Project Closed by Adjustment (in thousands of dollars)

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

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Wastewater	Combined Sewer Overflow - River Road Sewer Separation	$1,350	$1,074	$276	$21	CV SEW	9
Closed Capital Project Adjustments		**$1,350**	**$1,074**	**$276**	**$21**		

Capital Project Summary (in thousands of dollars)

Once a project is initiated, multiple projects may be set-up to manage the overall project. Illustrated below is the $1,221,766 capital budget managed by Niagara Region, representing 524 sub-projects, total capital spending including commtiments to date of $841,201 and budget remaining of $380,564, after commitments.

This chart represents (in aggregate), currently active and uninitiated projects managed by Niagara Region. Capital project detail for 155 projects with budgets greater than $1 million are discussed on subsequent pages.

Departments and Boards with projects with budgets greater than $1 million	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed
Community Services	$1,026	$508	$517	49.6%
Corporate Services	$146,841	$130,574	$16,267	88.9%
Enterprise Resource Management Services	$25,137	$13,687	$11,450	54.4%
Niagara Regional Housing	$39,829	$36,384	$3,445	91.4%
Niagara Regional Police Services Board	$28,385	$26,195	$2,190	92.3%
Planning	$3,294	$3,291	$3	99.9%
Public Health	$4,796	$4,349	$447	90.7%
Public Works - Levy	$409,157	$306,178	$102,979	74.8%
Waste Management	$15,666	$12,781	$2,885	81.6%
Wastewater	$221,104	$138,807	$82,296	62.8%
Water Works	$179,191	$106,324	$72,867	59.3%
Active projects with budgets greater than $1 million	$1,074,425	$779,079	$295,346	72.5%
Uninitiated projects with budgets greater than $1 million	$36,869	$0	$36,869	0.0%
Total projects with budgets greater than $1 million	$1,111,294	$779,079	$332,215	70.1%
Active projects with budgets less than $1 million	$108,997	$62,122	$46,875	57.0%
Uninitiated projects with budgets less than $1 million	$1,474	$0	$1,474	0.0%
Total Capital Projects	**$1,221,766**	**$841,201**	**$380,564**	**68.9%**

Capital Project Forecast (in thousands of dollars)

A detailed analysis of capital sub-projects with budgets greater than $1 million is presented below. There are a total of 155 projects totaling $1,111,294 of adjusted capital budget. Project spending to date including commitments on these sub-projects amounts to $779,079, representing 70.1 per cent of the adjusted capital budget on these active and uninitiated sub-projects.

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

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Annual - Capital Improvement - 2018		$1,026	$508	$517	49.6%	$236	$308	$0	$0	2021
Total Community Services		**$1,026**	**$508**	**$517**	**49.6%**	**$236**	**$308**	**$0**	**$0**	
Asset Replacement - 2018		$3,147	$2,668	$478	84.8%	$517	$0	$0	$0	2021
Asset Replacement - 2019		$2,288	$1,610	$678	70.4%	$1,602	$0	$0	$0	2022
St. Catharines Child Care Addition		$1,675	$1,571	$104	93.8%	$1,061	$0	$0	$0	2022
Court Facilities Welland *		$12,490	$12,336	$154	98.8%	$200	$0	$0	$288	2020
Customer Service Strategic Priority		$1,685	$152	$1,533	9.0%	$1,150	$383	$0	$0	2026
Emergency Medical Services Central Hub	Uninitiated	$3,895	$0	$3,895	0.0%	$0	$3,895	$0	$0	2021
Emergency Medical Services Facility Welland		$1,100	$298	$802	27.1%	$11	$802	$0	$0	2021
Environmental Centre Expansion		$2,000	$144	$1,856	7.2%	$0	$6,124	$0	$0	2022
Environmental Centre Expansion	Uninitiated	$21,177	$0	$21,177	0.0%	$2,000	$14,929	$0	$0	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Financial Management System *		$12,640	$12,464	$176	98.6%	$42	$0	$0	$169	2020
Health Facilities - Niagara Falls *		$6,069	$5,523	$546	91.0%	$140	$0	$0	$481	2020
Long-term Accommodations - NRPS D1		$20,116	$19,519	$596	97.0%	$12,094	$0	$0	$0	2021
Long-term Accommodations - NRPS Headquarters D2		$66,007	$65,440	$567	99.1%	$741	$0	$0	$0	2020
Long-term Care Home Redevelopment - 2015		$15,635	$7,237	$8,398	46.3%	$7,142	$1,000	$1,011	$0	2028
Regional Headquarters Generator Replacement		$1,990	$1,609	$381	80.9%	$1,927	$0	$0	$0	2021
Total Corporate Services		**$171,913**	**$130,574**	**$41,339**	**76.0%**	**$28,628**	**$27,133**	**$1,011**	**$939**	
2021 Canada Summer Games		$23,387	$13,687	$9,700	58.5%	$5,350	$4,350	$0	$0	2021
Expansion of Social Housing Units (Alternative Service Delivery Model)		$1,750	$0	$1,750	0.0%	$1,750	$0	$0	$0	2021
Total Enterprise Resource Management Services		**$25,137**	**$13,687**	**$11,450**	**54.4%**	**$7,100**	**$4,350**	**$0**	**$0**	
Building Capital - 2018		$4,673	$4,577	$96	97.9%	$475	$0	$0	$0	2020
Building Capital - 2019		$5,536	$4,969	$567	89.8%	$2,661	$0	$0	$0	2020
Expansion, Roach Avenue, Welland		$2,758	$2,689	$69	97.5%	$113	$0	$0	$0	2020
Expansion, Thorold		$1,101	$989	$112	89.8%	$112	$0	$0	$0	2020

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Grounds Capital - 2017		$1,053	$1,047	$6	99.4%	$6	$0	$0	$0	2020
New Build, Carlton Street, St. Catharines		$15,070	$14,957	$113	99.3%	$113	$0	$0	$0	2020
Social Housing Assistance Improvement Program - 2018		$2,683	$2,537	$147	94.5%	$193	$0	$0	$0	2020
Unit Capital - 2018		$1,600	$1,257	$343	78.6%	$355	$0	$0	$0	2020
Unit Capital - 2019		$5,355	$3,363	$1,992	62.8%	$2,731	$0	$0	$0	2020
Total Niagara Regional Housing		**$39,829**	**$36,384**	**$3,445**	**91.4%**	**$6,757**	**$0**	**$0**	**$0**	
Communications Unit Back-up		$1,000	$0	$1,000	0.0%	$0	$1,000	$0	$0	2022
Communications Unit Back-up	Uninitiated	$1,250	$0	$1,250	0.0%	$0	$1,250	$0	$0	2022
Information Technology & Equipment Replacement		$1,100	$865	$235	78.6%	$371	$0	$0	$0	2021
Information Technology Continuity Plan		$1,500	$1,003	$497	66.9%	$811	$0	$0	$0	2020
S.P.I.R.I.T. (Supporting Police in Records Information Technology)		$8,630	$8,431	$199	97.7%	$199	$0	$0	$0	2020
Vehicles - 2018		$1,386	$1,386	$0	100.0%	$0	$0	$0	$0	2021
Vehicles - 2019		$1,454	$1,352	$101	93.0%	$335	$0	$0	$0	2022
Voice Radio System		$13,315	$13,158	$157	98.8%	$74	$100	$0	$0	2021
Total Niagara Regional Police Services Board		**$29,635**	**$26,195**	**$3,440**	**88.4%**	**$1,790**	**$2,350**	**$0**	**$0**	
Regional Headquarters Landscape Master Plan		$3,294	$3,291	$3	99.9%	$68	$0	$0	$0	2020
Total Planning		**$3,294**	**$3,291**	**$3**	**99.9%**	**$68**	**$0**	**$0**	**$0**	

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Ambulance & Equipment - 2018		$2,595	$2,279	$316	87.8%	$614	$0	$0	$0	2020
Ambulance & Equipment - 2019		$2,201	$2,070	$132	94.0%	$2,093	$0	$0	$0	2020
Total Public Health		**$4,796**	**$4,349**	**$447**	**90.7%**	**$2,706**	**$0**	**$0**	**$0**	
Annual - Storm Sewer & Culvert Program - 2017		$1,750	$1,750	$0	100.0%	$320	$0	$0	$0	2020
Annual - Storm Sewer & Culvert Program - 2019		$1,000	$323	$677	32.3%	$975	$0	$0	$0	2021
Capacity Improvements - Charnwood/McLeod		$7,110	$6,684	$426	94.0%	$1,600	$341	$0	$0	2021
Capacity Improvements - New Escarpment Crossing		$2,200	$691	$1,509	31.4%	$500	$1,009	$0	$0	2024
Capacity Improvements - New Escarpment Crossing	Uninitiated	$1,000	$0	$1,000	0.0%	$1,000	$0	$0	$0	2024
Capacity Improvements - Reconstruct Hwy 406 @ Third Interchange		$1,460	$727	$733	49.8%	$300	$400	$33	$0	2025
Capacity Improvements - Reconstruct QEW @ Glendale Ave Interchange		$7,000	$83	$6,917	1.2%	$300	$150	$6,506	$0	2023
Capacity Improvements - Reconstruct RR49 Concession 6/Eastwest Line		$4,591	$2,753	$1,839	60.0%	$0	$500	$1,452	$0	2022
Capacity Improvements - Reconstruct RR49		$8,278	$7,654	$624	92.5%	$641	$0	$0	$0	2020

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
McLeod, Montrose to Stanley										
Capacity Improvements - RR10 Livingston/QEW-GR		$11,750	$1,334	$10,416	11.4%	$10,471	$0	$0	$0	2023
Capacity Improvements - RR54 Hwy 20/Merritt		$7,850	$6,865	$985	87.4%	$1,689	$0	$0	$0	2020
Interchange Sir Isaac Brock Way @ 406 Hwy		$4,271	$4,271	$0	100.0%	$0	$0	$0	$0	2020
Intersection - RR20 Industrial Park/South Grimsby Road 6		$2,898	$2,759	$139	95.2%	$190	$0	$0	$0	2022
Intersection - RR20 Industrial Park toTownline Phase 2		$3,231	$2,666	$564	82.5%	$3,183	$0	$0	$0	2021
Intersection - RR20 Roundabout at S Grimsby Rd		$5,712	$5,031	$681	88.1%	$5,148	$0	$0	$0	2020
Intersection Improvement - RR46 Geneva/St. Paul		$5,750	$5,257	$493	91.4%	$1,845	$0	$0	$0	2020
Intersection - RR89 Jacobsen/Burleigh		$6,256	$5,492	$764	87.8%	$980	$0	$0	$0	2020
Replacement of Burgoyne Bridge****		$99,534	$98,517	$1,018	99.0%	$146	$0	$0	$879	2020
Roads Facility Program - Patrol Yard Improvement - 2018		$1,000	$0	$1,000	0.0%	$1,000	$0	$0	$0	2021
Roads Facility Program - Patrol Yard Improvement - 2019		$1,000	$11	$989	1.1%	$1,000	$0	$0	$0	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Roads Reconstruction - RR20 Station/Rice		$3,793	$3,477	$316	91.7%	$25	$80	$211	$0	2023
Roads Reconstruction - RR38 QEW/Fourth		$23,156	$18,778	$4,378	81.1%	$7,500	$2,180	$0	$0	2021
Roads Reconstruction - St Davids Road East		$6,934	$569	$6,365	8.2%	$5,900	$500	$132	$0	2022
Roads Rehabilitation - RR27 Prince Charles Dr to Lincoln St		$5,750	$4,938	$812	85.9%	$5,287	$0	$0	$0	2021
Roads Rehabilitation - RR63 Baldwin/Coffee Bridge		$3,035	$2,830	$205	93.3%	$2,500	$238	$0	$0	2021
Roads Rehabilitation - RR69 Wessel/Centre Phase 3		$1,000	$174	$826	17.4%	$350	$486	$0	$0	2021
Roads Rehabilitation - RR1 Albert/Lakeshore		$2,165	$575	$1,590	26.6%	$50	$1,547	$0	$0	2021
Roads Rehabilitation - RR1 Dominion Road, Burleigh/Buffalo		$12,070	$11,866	$204	98.3%	$577	$204	$0	$0	2021
Roads Rehabilitation - RR45 RR4/RR63		$1,775	$404	$1,371	22.8%	$800	$647	$0	$0	2021
Roads Rehabilitation - RR56 Glendale to St Davids		$2,000	$1,309	$691	65.4%	$1,819	$0	$0	$0	2021
Roads Rehabilitation - RR57 Thorold Stone Road Extension		$19,300	$9,199	$10,101	47.7%	$5,000	$2,000	$3,600	$0	2023

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Roads Rehabilitation - RR69 Effingham/Wessel Phase 2		$9,118	$9,059	$59	99.4%	$7,537	$0	$0	$0	2020
Roads Rehabilitation - RR87 Third/Seventh		$1,500	$1,486	$14	99.1%	$370	$0	$0	$0	2021
Roads Rehabilitation - RR87 Townline/Four Mile Creek		$8,500	$5,232	$3,268	61.6%	$250	$2,782	$500	$0	2022
Roads Resurfacing - 2013		$4,933	$4,191	$742	85.0%	$720	$22	$0	$0	2021
Roads Resurfacing - 2016 **		$7,541	$7,261	$280	96.3%	$0	$0	$0	$282	2020
Roads Resurfacing - 2018		$9,510	$9,438	$71	99.3%	$100	$27	$0	$0	2021
Roads Resurfacing - 2019		$8,844	$8,419	$425	95.2%	$4,410	$100	$0	$0	2022
Stabilization RR14 Canboro Rd at Warner		$5,539	$5,395	$144	97.4%	$160	$0	$0	$0	2020
Structural Rehabilitation - 2016 Program		$3,700	$1,493	$2,207	40.3%	$1,800	$692	$0	$0	2021
Structural Rehabilitation - 2019 Program		$1,000	$0	$1,000	0.0%	$900	$100	$0	$0	2022
Structural Rehabilitation - Main Street Bridge		$4,703	$4,516	$187	96.0%	$50	$200	$19	$0	2022
Structural Rehabilitation - Mewburn @ CNR Tracks		$2,500	$0	$2,500	0.0%	$2,500	$0	$0	$0	2021
Structural Rehabilitation - Ontario Power Generation Bridges over Gibson Lake		$8,100	$8,006	$94	98.8%	$75	$36	$0	$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Structural Rehabilitation - Reece Bridge		$9,983	$9,828	$155	98.5%	$815	$0	$0	$0	2020
Structural Rehabilitation - RR81 St Paul West CNR Bridge		$2,250	$410	$1,840	18.2%	$1,600	$316	$0	$0	2021
Structural Replacement - RR81 20 Mile Arch Bridge		$5,020	$422	$4,598	8.4%	$367	$4,400	$198	$0	2022
Transportation Infrastructure Means Protection		$4,000	$3,944	$56	98.6%	$3,900	$0	$0	$0	2022
Public Works - Roads & Fleet		**$361,359**	**$286,087**	**$75,272**	**79.2%**	**$86,649**	**$18,956**	**$12,651**	**$1,161**	
GO Transit		$31,598	$6,052	$25,546	19.2%	$5,800	$19,847	$0	$0	2023
GO Transit	Uninitiated	$8,402	$0	$8,402	0.0%	$0	$4,153	$4,249	$0	2023
Total GO Transit		**$40,000**	**$6,052**	**$33,948**	**15.1%**	**$5,800**	**$24,000**	**$4,249**	**$0**	
Inter-Municipal Transit Capital Acquisition - 2017		$17,200	$14,039	$3,161	81.6%	$11,996	$3,161	$0	$0	2021
Total IMT Transit		**$17,200**	**$14,039**	**$3,161**	**81.6%**	**$11,996**	**$3,161**	**$0**	**$0**	
Total Public Works - Levy		**$418,559**	**$306,178**	**$112,381**	**73.2%**	**$104,446**	**$46,117**	**$16,900**	**$1,161**	
Bridge St - Public Drop Off Depot Improvement	Uninitiated	$1,145	$0	$1,145	0.0%	$0	$1,050	$95	$0	2022
Glenridge - Leachate Collection System		$1,210	$99	$1,111	8.2%	$234	$50	$861	$0	2023
Humberstone - Infrastructure Upgrades		$6,306	$6,258	$48	99.2%	$800	$165	$0	$0	2022
Line 5 - Lechate Collection System**		$1,020	$2	$1,018	0.2%	$0	$0	$0	$1,018	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Niagara Road 12 - Cell 4 Construction & ManHole Rehabilitation *		$3,930	$3,795	$135	96.6%	$440	$0	$0	$135	2020
Niagara Road 12 & Park Road - Pump Station Upgrades *		$2,077	$1,611	$466	77.6%	$825	$85	$0	$483	2021
Recycling Centre - Facility Improvements Groundwater		$1,123	$1,015	$109	90.3%	$50	$72	$0	$0	2021
Total Waste Management		**$16,811**	**$12,781**	**$4,030**	**76.0%**	**$2,349**	**$1,421**	**$956**	**$1,635**	
Combined Sewer Overflow - Grimsby		$1,725	$222	$1,503	12.9%	$0	$500	$1,003	$0	2022
Decommissioning Wastewater Treatment Plant - Niagara-on-the-Lake		$12,700	$337	$12,363	2.7%	$300	$1,500	$10,563	$0	2023
Lagoon Upgrade program - Stevensville/Douglastown		$4,100	$439	$3,661	10.7%	$1,000	$3,046	$0	$0	2021
Miscellaneous Program - Centrifuge Components *		$1,560	$1,123	$437	72.0%	$1,189	$0	$0	$371	2020
Miscellaneous Program - Chemical System Upgrades - 2017		$1,400	$93	$1,307	6.7%	$500	$877	$0	$0	2021
Miscellaneous Program - Garner Road		$5,242	$4,733	$509	90.3%	$817	$0	$0	$0	2020
Miscellaneous Program - Motor Control Centres		$2,000	$178	$1,822	8.9%	$1,930	$0	$0	$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Pump Station Capacity Expansion Program - Odour Control - Smithville		$1,500	$884	$616	59.0%	$250	$422	$0	$0	2021
Pump Station Improvement Program - Design ***		$5,470	$5,382	$88	98.4%	$378	$0	$0	- $240	2020
Pump Station Improvement Program - Haulage Road		$2,150	$2,045	$105	95.1%	$1,866	$0	$0	$0	2020
Pump Station Improvement Program - Lakeside		$2,500	$2,155	$345	86.2%	$2,000	$336	$0	$0	2021
Pump Station Improvement Program - NOTL, Garrison Rd, William St		$3,285	$3,140	$145	95.6%	$145	$0	$0	$0	2020
Pump Station Improvement Program - Park Lane		$1,400	$1,012	$388	72.3%	$1,304	$0	$0	$0	2022
Pump Station Improvement Program - Riverview SPS		$1,305	$881	$424	67.5%	$900	$280	$0	$0	2021
Pump Station Improvement Program - South Side High Lift		$6,651	$6,370	$281	95.8%	$281	$0	$0	$0	2020
Pump Station Improvement Program - Wellandvale		$2,146	$2,068	$78	96.4%	$783	$0	$0	$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Pump Station Improvement Program - Woodsview		$5,420	$478	$4,942	8.8%	$100	$67	$4,942	$0	2022
Sewer & Forcemain Program - Dain City		$6,025	$1,974	$4,051	32.8%	$4,732	$0	$0	$0	2022
Sewer & Forcemain Program - Highway 406 Trunk		$1,274	$1,273	$1	100.0%	$1	$0	$0	$0	2020
Sewer & Forcemain Program - Oaks Park Trunk *		$2,145	$2,121	$24	98.9%	$50	$0	$0	$165	2020
Sewer & Forcemain Program - Stamford Centre		$10,562	$10,021	$541	94.9%	$5,364	$0	$0	$0	2020
Sewer & Forcemain Program - Tupper Dr Trunk		$2,910	$143	$2,767	4.9%	$80	$2,717	$0	$0	2021
Sewer Relining Program*		$1,453	$1,336	$118	91.9%	$0	$0	$0	$120	2020
Wastewater Treatment Plant Capacity Expansion - Niagara-on-the-Lake		$47,895	$47,493	$402	99.2%	$542	$0	$0	$0	2021
Wastewater Treatment Plant Capacity Expansion - South Niagara Falls		$4,900	$2,144	$2,756	43.7%	$1,283	$2,756	$0	$0	2021
Wastewater Treatment Plant Digester/Sludge Management - 2013 Program *		$1,000	$932	$68	93.2%	$0	$0	$0	$68	2020
Digester & Sludge Program - 2018		$2,550	$1,068	$1,482	41.9%	$1,500	$778	$0	$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Wastewater Treatment Plant Upgrade - Garner Road		$4,500	$3,976	$524	88.4%	$2,500	$948	$0	$0	2022
Wastewater Treatment Plant Upgrade - Niagara Falls		$2,100	$1,639	$461	78.1%	$1,023	$0	$0	$0	2020
Wastewater Treatment Plant Upgrade - Port Weller *		$9,900	$2,930	$6,970	29.6%	$2,300	$3,000	$66	$4,000	2022
Wastewater Treatment Plant Upgrade - Port Weller 2017		$1,310	$1,286	$24	98.2%	$148	$0	$0	$0	2020
Wastewater Treatment Plant Upgrade - Welland		$21,821	$21,623	$198	99.1%	$4,137	$0	$0	$0	2020
Wastewater Treatment Plant Upgrade - Welland Phase 2		$2,400	$0	$2,400	0.0%	$1,400	$1,000	$0	$0	2022
Wastewater Treatment Plant Upgrade - Aeration - Seaway		$1,236	$1,221	$14	98.9%	$69	$0	$0	$0	2020
Wastewater Treatment Plant Upgrade - Bar Screen - Port Weller		$1,230	$219	$1,011	17.8%	$800	$252	$0	$0	2021
Wastewater Treatment Plant Upgrade - Fine Bubble Aeration - Port Dalhousie		$29,500	$1,309	$28,191	4.4%	$8,000	$10,238	$10,000	$0	2023
Wastewater Treatment Plant Upgrade - Grit System - Grimsby		$1,725	$1,607	$118	93.1%	$215	$0	$0	$0	2020

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Wastewater Treatment Plant Upgrade - Primary Digester #2 - Niagara Falls		$1,000	$24	$976	2.4%	$992	$0	$0	$0	2021
Wastewater Treatment Plant Upgrade - Secondary Clarifier - Seaway		$3,115	$2,928	$187	94.0%	$2,143	$0	$0	$0	2020
Total Wastewater		**$221,104**	**$138,807**	**$82,296**	**62.8%**	**$51,022**	**$28,720**	**$26,574**	**$4,485**	
Elevated Tank - New - Pelham		$1,620	$214	$1,406	13.2%	$215	$1,321	$0	$0	2021
Elevated Tank Rehabilitation - Thorold South		$2,992	$2,733	$259	91.4%	$374	$364	$0	$0	2021
Meter Replacement Program		$3,550	$2,012	$1,538	56.7%	$2,000	$474	$0	$0	2021
Miscellaneous Program - Evalution & Replacement		$1,100	$1,093	$7	99.4%	$37	$0	$0	$0	2020
Miscellaneous Program - Granular Activated Carbon Replacement		$2,260	$1,929	$331	85.3%	$1,011	$0	$0	$0	2021
Miscellaneous Program - System Storage - Grimsby*		$26,889	$23,887	$3,002	88.8%	$12,167	$10,000	$0	$3,975	2021
Miscellaneous Program - System Storage - Port Colborne		$11,850	$11,790	$60	99.5%	$204	$0	$0	$0	2020
Transmission Main over Welland River		$4,080	$6	$4,074	0.1%	$2,000	$2,074	$0	$0	2020

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Water Treatment Plant Raw Water Intake - Niagara Falls		$15,550	$263	$15,287	1.7%	$2,500	$12,793	$0	$0	2021
Water Treatment Plant Roadway & Parking Lot - Grimsby		$1,180	$156	$1,024	13.2%	$1,037	$0	$0	$0	2020
Water Treatment Plant Upgrade - Decew Falls - 2016		$22,250	$994	$21,256	4.5%	$5,000	$10,000	$6,557	$0	2022
Water Treatment Plant Upgrade - Niagara Falls - 2015		$3,495	$3,039	$456	87.0%	$2,900	$338	$0	$0	2021
Water Treatment Plant Upgrade - Niagara Falls - 2017		$12,752	$11,815	$937	92.7%	$10,422	$0	$0	$0	2020
Water Treatment Plant Upgrade - Port Colborne		$8,600	$812	$7,788	9.4%	$3,926	$4,000	$0	$0	2022
Water Treatment Plant Upgrade - Rosehill		$15,000	$14,493	$507	96.6%	$4,911	$0	$0	$0	2021
Water Treatment Plant Upgrade - Rosehill - 2017		$1,886	$295	$1,591	15.6%	$154	$1,591	$0	$0	2021
Water Treatment Plant Upgrade - Welland - 2017		$5,000	$1,681	$3,319	33.6%	$2,589	$2,000	$0	$0	2021
Watermain Program - Along CNR Grimsby		$12,825	$11,981	$844	93.4%	$10,000	$1,401	$844	$0	2022
Watermain Program - Barrick Road		$1,965	$1	$1,964	0.0%	$0	$0	$1,964	$0	2022
Watermain Program - Fort Erie Dominion Road*		$10,615	$10,426	$189	98.2%	$100	$100	$0	$377	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Watermain Program - Hwy406 Cross Trans		$1,911	$1,905	$6	99.7%	$6	$0	$0	$0	2020
Watermain Program - Lundy's Lane		$1,000	$0	$1,000	0.0%	$500	$400	$100	$0	2022
Watermain Program - Welland Canal Extension		$4,620	$0	$4,620	0.0%	$4,620	$0	$0	$0	2023
Watermain Program - Welland East and West		$6,200	$4,798	$1,402	77.4%	$1,871	$0	$0	$0	2020
Total Water Works		**$179,191**	**$106,324**	**$72,867**	**59.3%**	**$68,543**	**$46,857**	**$9,464**	**$4,352**	
Total Projects with budgets greater than $1 million		**$1,111,294**	**$779,079**	**$332,215**	**70.1%**	**$273,646**	**$157,255**	**$54,905**	**$12,571**	

* At the time of report preparation, the surplus either has been returned or is anticipated to be returned to respective reserves or CVP in 2020

** Project close form has been received subsequent to date that report was prepared. Project to be closed and surplus transferred back to CVP in Q1 2020.

*** Request for additional funding from CVP has been made.

**** Gross expenditure surplus on this project will be used to offset external revenue shortfall.

Capital Variance Project Summary (in thousands of dollars)

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

Transfers to the CVP do not require approval. Requests less than $250, one-time or cumulative on a project, may be approved by the departmental Commissioner or Director, in combination with the Commissioner of Corporate Services. Requests in excess of $250, one-time or cumulative on a project, require Council approval. Throughout the year, the balance of CVPs are monitored and, if significant excess exists, would be adjusted by transferring the excess to the respective capital reserve in accordance with the Capital Asset Management Policy C-F003.

At the end of the year some of the funds in the CV project have been identified as a funding source for the 2020 capital budget. The excess will be transferred to the respective capital reserves for use in the long-term capital affordability strategy.

Capital Variance Project Reconciliation	Levy Programs	Waste Management	Wastewater	Water	Total Programs
Balance at December 31, 2018 *	**$4,435**	**$1,421**	**$2,078**	**$1,000**	**$8,935**
Transfer to Active Capital Projects	- $5,326	- $570	- $1,215	- $847	- $7,957
Budget Reductions on Active Capital Projects	$1,970		$283	$124	$2,377
Transfers (to)/from Closed Capital Projects	$3,712	$485	$306	$3,007	$7,511
Adjustments to Previously Closed Projects	- $1				- $1
Balance at July 24, 2019	**$4,791**	**$1,336**	**$1,453**	**$3,284**	**$10,865**
Transfer to Active Capital Projects	- $1,385		- $292	- $2,637	- $4,314
Budget Reductions on Active Capital Projects	$1,023			$575	$1,598
Transfers (to)/from Closed Capital Projects	$843	$346		$384	$1,573
Balance at October 23, 2019	**$5,272**	**$1,683**	**$1,161**	**$1,606**	**$9,721**
Transfer to Active Capital Projects	- $300	- $1	- $20	- $41	- $362
Budget Reductions on Active Capital Projects	$837			$128	$966
Transfers (to)/from Closed Capital Projects	$420	$0	$803	$479	$1,702
Balance at December 31, 2019	**$6,229**	**$1,682**	**$1,945**	**$2,172**	**$12,028**
Committed to approved 2020 capital budget	- $4,000	- $1,100			- $5,100
Transfer to reserve per Captial Asset Management Policy	- $1,229		- $945	- $1,172	- $3,346
Uncommitted Balance at December 31, 2019 **	**$1,000**	**$582**	**$1,000**	**$1,000**	**$3,582**

* At December 31, 2018 the amount in the CVP was not reduced to $1,000 as there were known CVP request outstanding that could not be processed until the new Council was in place in early 2019 to approve.

** Due to limited funding available in waste management capital reserve for the 2020 budget, funds were commited from the CVP drawing it below $1,000. It is expected that project closures in early 2020 will replenish this reserve.

Investment Report (in thousands of dollars)

Investment income during Q4 on the primary portfolio amounted to $5,680, which comprises investment portfolio income and interest on cash balances.

Investment Performance

Investment Income Before Transfers to Reserves:

Unfavorable investment income of $81, is a result of the declining bond yield environment and the Region choosing to maintain higher cash balances in high-interest savings accounts as a mitigating strategy. Investment income before transfers for 2019 is unfavourable when compared to budget by $235.

Budget vs Actual before Reserve Transfers	Actuals				**Total**
	Q1	Q2	Q3	Q4	
Budget	$4,557	$5,072	$5,566	$5,761	**$20,956**
Actual	$4,835	$4,726	$5,481	$5,680	**$20,722**
Variance	$278	$-347	$-86	$-81	**$-235**

Year to date portfolio return:

Q1	Q2	Q3	Q4
2.88%	2.85%	2.95%	2.89%

Investment Income After Transfers to Reserves:

Investment income after transfers is in line with the budgeted amount.

Budget vs Actual after Reserve Transfers	Actuals				**Total**
	Q1	Q2	Q3	Q4	
Budget	$4,557	$5,072	$5,566	$5,761	**$20,956**
Net Budget Transfers	$-1,408	$-1,408	$-1,408	$-1,408	**$-5,630**
Budget (Net)	$3,150	$3,665	$4,159	$4,353	**$15,326**
Actual	$4,835	$4,726	$5,481	$5,680	**$20,722**
Net Actual Transfers	$-1,050	$-1,784	$-1,733	$-828	**$-5,395**
Actual (Net)	$3,785	$2,942	$3,748	$4,852	**$15,326**
Variance	$635	$-723	$-411	$499	**$-0**

Note: Staff monitor foreign exchange rates during the year to take advantage of favourable opportunities, unrealized exchange losses of $10 are included in Q4 investment income. Amounts reflected in this report for investment performance above do not include the NRH investment portfolio since these are managed separately.

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

Investment Term Holdings

Funds	Book Value	Weight
Cash Equivalents < 1 Year	$28,475	3.7%
2 Year	$41,698	5.4%
3 Year	$25,555	3.3%
4 Year	$22,954	3.0%
5+ Year	$510,516	65.8%
NRH Investments	$6,399	0.8%
Subtotal	$635,597	82.0%
Cash	$124,520	16.0%
Sinking Fund (Incl. Cash)	$16,169	2.0%
Total Portfolio	**$776,286**	**100.0%**

Investment Detail (in thousands of dollars)

Institution	Type of Investment	Balance of Investment by Institution	Percentage Holdings *	Policy Percentage Limits
Bank of Montreal	Corporate	$70,200	10.88%	15.00%
Bank of Nova Scotia	Corporate	$76,500	11.86%	15.00%
Canadian Imperial Bank of Commerce	Corporate	$50,000	7.75%	15.00%
HSBC Bank Canada	Corporate	$0	0.00%	15.00%
National Bank of Canada	Corporate	$51,500	7.98%	15.00%
Royal Bank of Canada	Corporate	$48,500	7.52%	15.00%
Total	**Corporate**	**$296,700**	**45.99%**	**50.00%**
City of Hamilton	Municipal	$5,722	0.89%	5.00%
City of London	Municipal	$0	0.00%	5.00%
City of Montreal	Municipal	$3,052	0.47%	5.00%
City of Ottawa	Municipal	$5,341	0.83%	5.00%
City of Quebec	Municipal	$2,298	0.36%	5.00%
City of Saskatoon	Municipal	$3,332	0.52%	5.00%
City of Toronto	Municipal	$8,549	1.33%	5.00%
County of Wellington	Municipal	$852	0.13%	5.00%
District of Mun of Muskoka	Municipal	$0	0.00%	5.00%
Municipal Finance Authority of BC	Municipal	$5,025	0.78%	5.00%
New Brunswick Municipal Finance Authority	Municipal	$5,506	0.85%	5.00%
Region of Halton	Municipal	$1,519	0.24%	5.00%
Region of Peel	Municipal	$3,517	0.55%	5.00%
Region of Waterloo	Municipal	$13,091	2.03%	5.00%
Region of York	Municipal	$9,679	1.50%	5.00%
York Region District School Board	Municipal	$4,259	0.66%	5.00%
York Sinking Fund Debenture	Municipal	$1,796	0.28%	5.00%
Total	**Municipal**	**$73,537**	**11.40%**	**25.00%**
Newfoundland and Labrador Hydro	Provincial	$732	0.11%	25.00%
Ontario Hydro	Provincial	$21,890	3.39%	25.00%
Province of Alberta	Provincial	$1,321	0.20%	25.00%
Province of British Columbia	Provincial	$7,045	1.09%	25.00%
Province of Manitoba	Provincial	$35,797	5.55%	25.00%
Province of New Brunswick	Provincial	$1,841	0.29%	25.00%
Province of Newfoundland	Provincial	$52,247	8.10%	25.00%
Province of Nova Scotia	Provincial	$17,017	2.64%	25.00%
Province of Ontario	Provincial	$45,807	7.10%	25.00%
Province of Prince Edward Island	Provincial	$2,778	0.43%	25.00%
Province of Quebec	Provincial	$64,347	9.97%	25.00%
Province of Saskatchewan	Provincial	$5,201	0.81%	25.00%
Quebec Hydro	Provincial	$14,032	2.18%	25.00%
Total	**Provincial**	**$270,055**	**41.86%**	**75.00%**
Region of Niagara Debentures	**Municipal**	**$4,846**	**0.75%**	**100.00%**
NRH Investments		**$6,399**		
Total excluding Cash	**All**	**$651,537**	**100.00%**	**100.00%**
General Chequing **	Cash	$39,657		
Savings	Cash	$84,863		
Sinking Fund	Cash	$229		
Total		$124,749		
Total including Cash		**$776,286**		

* Note: Holdings by security percentages exclude cash balances.

**Cash balances shown are the amounts held by the financial institution at the end of the quarter and do not include adjustments for outstanding payments or deposits. Balances include USD funds converted at quarter-end spot rate of 1.2988.

Debt Report (in thousands of dollars)

S&P (Standard & Poor's) has had Niagara rated AA with stable outlook since April 5, 2001 when S&P and CBRS (Canadian Bond Rating Service) merged their ratings. S&P affirmed Niagara's AA rating with stable outlook on October 8, 2019. The ratings reflect S&P's opinion of Niagara's exceptional liquidity and budgetary performance, strong financial management, and moderate debt burden. The stable outlook reflects S&P's expectations that Niagara will increase its capital spending, which will cause its after-capital surpluses posted in 2017 and 2018 to weaken to a near-balanced position, on average, in the next two years. Niagara continually strives to improve our credit rating, as it sends a strong, positive message to investors, and directly impacts our cost of borrowing in the capital markets.

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

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

Department	Total Debt as at December 31, 2018 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at December 31, 2019 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt As at December 31, 2019	Annual Repayment Limits**
General Government	$23,098	$458	$-2,378	$-55	$21,122	$6,350	$27,472	
Police	$82,982	$9,375	$-4,661	$-207	$87,489	$2,314	$89,803	
Transportation	$121,568	$26,060	$-15,804	$-239	$131,585	$46,820	$178,405	
Public Health	$14,318	$2,640	$-2,301	$0	$14,657	$3,037	$17,694	
Community Services	$22,049	$0	$-2,511	$0	$19,538	$15,335	$34,873	
NRH	$24,205	$15,171	$-3,019	$0	$36,357	$0	$36,357	
Planning	$63	$0	$-31	$0	$32	$0	$32	
Total Levy	**$288,283**	**$53,703**	**$-30,706**	**$-501**	**$310,779**	**$73,856**	**$384,635**	
Wastewater	$55,898	$4,080	$-2,121	$-1,059	$56,797	$32,296	$89,093	
Water	$11,245	$480	$-347	$-264	$11,114	$22,249	$33,363	
Waste Management	$1,558	$4,560	$-763	$0	$795	$0	$795	
Total Rate	**$68,700**	**$4,560**	**$-3,231**	**$-1,323**	**$68,706**	**$54,545**	**$123,251**	
Total Niagara Region	**$356,983**	**$58,263**	**$-33,936**	**$-1,824**	**$379,485**	**$128,401**	**$507,886**	**7.09%**

Debt Report (in thousands of dollars) - Continued

Department	Total Debt as at December 31, 2018 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at December 31, 2019 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt As at December 31, 2019	Annual Repayment Limits**
Fort Erie	$7,383	$0	$-1,049	$0	$6,333	$0	$6,333	2.52%
Grimsby***	$3,485	$0	$-345	$0	$3,140	$0	$3,140	1.69%
Lincoln	$4,485	$2,661	$-470	$0	$6,676	$0	$6,676	2.54%
NOTL	$2,225	$1,805	$-421	$0	$3,609	$0	$3,609	1.51%
Niagara Falls***	$48,219	$4,100	$-3,758	$0	$48,560	$0	$48,560	3.02%
Pelham	$30,089	$4,018	$-1,855	$0	$32,252	$0	$32,252	13.40%
Port Colborne***	$28,749	$0	$-1,504	$0	$27,246	$0	$27,246	7.56%
St. Catharines	$113,948	$16,144	$-11,802	$-257	$118,033	$0	$118,033	7.72%
Thorold	$1,065	$0	$-115	$0	$950	$0	$950	0.55%
Wainfleet***	$266	$1,496	$-53	$0	$1,708	$0	$1,708	0.81%
Welland	$50,046	$5,188	$-6,034	$0	$49,199	$0	$49,199	8.71%
West Lincoln	$15,025	$4,000	$-529	$0	$18,496	$0	$18,496	7.63%
NPCA	$700	$0	$-484	$0	$216	$0	$216	
Separate School Board	$0	$0	$0	$0	$0	$0	$0	
Debt Assumed for Others (External)	**$305,684**	**$39,412**	**$-28,420**	**$-257**	**$316,419**	**$0**	**$316,419**	
Total Niagara Region & External	**$662,667**	**$97,675**	**$-62,357**	**$-2,081**	**$695,904**	**$128,401**	**$824,305**	

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

Calculated with 2018 FIR data (*2017 used where 2018 not available) and 2019 debt servicing charges.

2019 Debt Issuances

- By-law 2019-59: Capital Markets $63,392, 10 years, 2.371% for Niagara Region and municipalities of Niagara Falls, Welland, St. Catharines, Pelham, and Wainfleet
- By-law 2019-82: Infrastructure Ontario $2,661, 20 years, 2.80% for Lincoln
- By-law 2019-83: Infrastructure Ontario $1,805, 15 years, 2.69% for Niagara-on-the-Lake
- By-law 2019-84: Infrastructure Ontario $25,817, 30 years, 2.91% for Niagara Region
- By-law 2019-101: Infrastructure Ontario $4,000, 30 years, 2.80% for West Lincoln

Accounts Receivable Aging Report (in thousands of dollars)

The accounts receivable aging report reflects all unpaid accounts greater than 120 days and greater than $25. Listing does not include outstanding invoices at quarter-end where payments have been received prior to finalization of the Q3 Financial Update.

Customer Name	Over 120	Explanation of Account	Status
Canada Border Service Agency – FCMB	$31	Multiple invoices issued on behalf of NRPS for vehicle purchases; payment will be issued for all invoices in one lump sum and should be received in Q1 2020.	Collection to continue
City of Niagara Falls	$73	2018 RDC invoice in dispute with developer ($60), applied for NFP grant, which was denied. Collection to continue which may include collecting through property tax. 2019 RDC's ($13) for one multiple permit and City will advise once collected from the permit holder.	Collection to continue
City of Port Colborne	$35	2019 RDC balances due to permit information being sent monthly and payment being remitted quarterly. $16 to be included with Q4 payment, which should be received in Q1 2020. $19 for one Single Family Dwelling and one multiple permit and City will advise once collected from the permit holder.	Collection to continue
Merritton Mills Redevelopment Corp	$386	Receivable of 2007 tipping fees for the last of four redeveloped brownfield sites. Niagara Region will offset the tipping fees against the Tax Increment Grant (TIG) being paid on the development, which was initiated in 2019 and is expected to be fully recovered by 2024. In the interim, the Niagara Region is holding a Letter of Credit (LOC) as security for the full amount of the receivable.	2019 TIG agreements Collection to continue
Seniors Resident 12006	$28	Resident passed away November 30, 2019. Report going to CSC in Q1 2020 for write-off approval.	Write-off imminent
Seniors Resident 11338	$63	Resident still active. Many attempts have been made to the family to collect and on-going efforts continue to mitigate risk.	Collection to continue

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

Customer Name	Over 120	Explanation of Account	Status
Town of Fort Erie	$56	2019 RDC's to be included with Q4 payment, which should be received in Q1 2020.	Collection to continue
Town of Grimsby	$845	2018 RDC invoice in dispute with developer ($843), Grimsby to collect additional amounts outstanding through property tax (with Grimsby legal). 2019 RDC's ($2) to be included with Q4 payment, which should be received in Q1 2020.	Collection to continue
Town of Lincoln	$85	2018 RDC building permits on hold as a result of archeological findings on-site. Collection to be made once site has been released from the archeological hold.	Collection to continue
Town of NOTL	$313	2019 RDC balances due to permit information being sent monthly and payment being remitted quarterly. Amounts will be included with Q4 payment, which should be received in Q1 2020.	Collection to continue
TOTAL	**$1,915**	$385 of the outstanding RDCs relate to timing differences between billing and collection as result of revised Regional processes for collection and accounting for RDCs. Region to review for further enhancements.	

Consolidated Statement of Financial Position (in thousands of dollars)

The consolidated statement of financial position is prepared in accordance with Canadian public sector accounting standards ("PSAS") and includes all unfunded liabilities, impacts of amortization and capital fund activity. This report is unaudited and prepared with information as at February 28, 2020. Small changes will occur between this version and the final audited financial statements published in May 2020 as final adjustments relating to capital accounting are processed in March.

	Dec. 31, 2019	Dec. 31, 2018
FINANCIAL ASSETS		
Cash	**$ 135,681**	$ 106,902
Investments	**635,596**	585,420
Accounts receivable	**80,139**	80,713
Other current assets	**418**	329
Tangible capital assets held for sale	**756**	756
Debt Recoverable from others	**316,419**	305,684
	1,169,009	1,079,804
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	**129,653**	114,195
Employee future benefits and post-employment liabilities	**109,462**	104,421
Deferred revenue	**219,750**	178,320
Landfill closure and post-closure liability	**61,277**	61,397
Long-term liabilities	**700,256**	662,658
	1,220,398	1,120,991
Net debt	**(51,389)**	(41,187)
NON-FINANCIAL ASSETS		
Tangible capital assets	**1,830,021**	1,755,117
Inventory	**7,498**	7,360
Prepaid expenses	**18,610**	20,836
	1,856,129	1,783,313
Accumulated surplus	**$ 1,804,740**	$ 1,742,126

Accumulated surplus reconciliation:

	Dec. 31, 2019	Dec. 31, 2018
Invested in tangible capital assets	**$ 1,446,184**	$ 1,398,144
Capital fund – unexpended capital financing	**271,536**	226,159
Operating fund	**(11,890)**	(12,686)
Unfunded landfill closure & post-closure liability	**(61,277)**	(61,397)
Unfunded employee future benefits & post-employment liabilities	**(108,148)**	(103,112)
Total surplus	**1,546,405**	1,447,108
Total reserves and reserves funds (page 53)	**268,335**	295,018
Total accumulated surplus	**$ 1,804,740**	$ 1,742,126

Explanation of Statement of Operations

The statements of operations provided in the preceding pages summarize the Niagara Region's financial activity as of December 31, 2019. These statements have been compiled by Corporate Services and the departments have validated the information and provided commentary.

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

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

Definition of Column Headings

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

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

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

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

Annual Forecast - the year to date actual plus the year to go forecast for October to December. It is intended to project expected organization results at the end of the current year based on information available at September 30, 2019. As noted, actual operating results may vary from the forecasted information presented.

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

Definition of Report Rows – Expenditures

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

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

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

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

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

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

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

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

Explanation of Statement of Operations - Continued

Definition of Report Rows – Revenues

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

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

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

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

Definition of Report Rows – Intercompany Charges

Intercompany Charges - direct rate-based costs that are allocated to the beneficial recipient by the department providing the service or goods and calculated based on a pre-established rate (i.e. fleet, fuel, photocopiers, and print shop). The pre-established rate is intended to recover the costs incurred by the service providing department (time and material).

Definition of Report Rows – Transfers

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

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

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

Definition of Report Rows – Indirect Allocation & Debt

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

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

Q4 FINANCIAL UPDATE | DECEMBER 2019

Niagara Region

1815 SIR ISAAC BROCK WAY THOROLD, ON L2V 4T7

FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

Niagara R

Date Prepared:		2018 Households:	201,063	Median Household Income:	66,137
MSO Office:	Central	2018 Population	472,448	Taxable Residential Assessment as a	
Prepared By:		2019 MFCI Index	n/a	% of Total Taxable Assessment:	72.2%
Tier	UT			Own Purpose Taxation:	354,302,331

SUSTAINABILITY INDICATORS

Indicator	Ranges		Actuals	South - UT - Regions		Level of Risk
				Median	Average	
Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied	Low: < 10% Mod: 10% to 15% High: > 15%	2014	0.0%	0.0%	0.0%	LOW
		2015	0.0%	0.0%	0.0%	LOW
		2016	0.0%	0.0%	0.0%	LOW
		2017	0.0%	0.0%	0.0%	LOW
		2018	0.0%	0.0%	0.0%	LOW
Net Financial Assets or Net Debt as % of Own Source Revenues	Low: > -50% Mod: -50% to -100% High: < -100%	2014	-5.1%	-6.0%	7.7%	LOW
		2015	-11.9%	-4.1%	15.7%	LOW
		2016	-17.1%	7.7%	20.5%	LOW
		2017	-14.2%	18.3%	28.4%	LOW
		2018	-6.7%	30.3%	42.0%	LOW
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Low: > 20% Mod: 10% to 20% High: < 10%	2014	34.4%	83.3%	72.0%	LOW
		2015	34.0%	87.2%	81.0%	LOW
		2016	32.4%	89.3%	85.3%	LOW
		2017	32.3%	93.2%	87.5%	LOW
		2018	32.5%	94.4%	91.8%	LOW
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	Low: > 0.5:1 Mod: 0.5:1 to 0.25:1 High: < 0.25:1	2014	1.15:1	0.93:1	1.58:1	LOW
		2015	1.26:1	0.96:1	1.59:1	LOW
		2016	0.82:1	0.78:1	1.43:1	LOW
		2017	1.18:1	0.75:1	1.38:1	LOW
		2018	0.94:1	0.84:1	1.63:1	LOW

FLEXIBILITY INDICATORS

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	2014	4.2%	5.4%	5.4%	LOW
		2015	4.2%	5.2%	5.1%	LOW
		2016	4.3%	4.7%	5.3%	LOW
		2017	4.6%	4.6%	6.0%	LOW
		2018	4.2%	4.3%	4.3%	LOW
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	2014	42.7%	33.6%	34.9%	LOW
		2015	43.2%	34.1%	34.7%	LOW
		2016	41.6%	34.5%	35.0%	LOW
		2017	42.5%	34.2%	34.7%	LOW
		2018	43.9%	34.6%	35.6%	LOW
Annual Surplus / (Deficit) as a % of Own Source Revenues	Low: > -1% Mod: -1% to -30% High: < -30%	2014	9.0%	17.0%	19.9%	LOW
		2015	15.0%	23.4%	28.5%	LOW
		2016	12.4%	22.8%	26.9%	LOW
		2017	7.8%	25.9%	23.6%	LOW
		2018	11.1%	23.6%	25.1%	LOW

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

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FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

Niagara R

NOTES

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

Supplementary Indicators of Sustainability and Flexibility

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

- A government (including a municipality) may choose to report supplementary information on financial condition, to expand on and help explain the government's financial statements.
- Supplementary assessment of a government's financial condition needs to consider the elements of sustainability and flexibility.
- Sustainability in this context may be seen as the degree to which a municipality can maintain its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others without inappropriately increasing the debt or tax burden relative to the economy within which it operates.
- Sustainability is an important element to include in an assessment of financial condition because it may help to describe a government's ability to manage its financial and service commitments and debt burden. It may also help to describe the impact that the level of debt could have on service provision.
- Flexibility is the degree to which a government can change its debt or tax level on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.
- Flexibility provides insights into how a government manages its finances. Increasing taxation or user fees may reduce a municipality's flexibility to respond when adverse circumstances develop if the municipality approaches the limit that citizens and businesses are willing to bear.

  A municipality may temporarily use current borrowing, subject to the requirements set out in the Municipal Act to meet expenses and certain other amounts required in the year, until taxes are collected and other revenues are received. Municipal current borrowing cannot be carried over the long term or converted to long term borrowing except in very limited circumstances.
- For each element of financial condition, the report on indicators of financial condition should include municipality-specific indicators and municipality-related indicators. It may be useful to also include economy-wide information when discussing financial condition.

Additional Notes on what Financial Indicators may indicate:

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

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

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

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

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

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

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

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

FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

Niagara R

CALCULATIONS

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

2.

NIAGARA REGIONAL POLICE SERVICE
Police Services Board Report

PUBLIC AGENDA

Subject: Niagara Regional Service and Board Financial Variance Overview for the Year Ending December 31, 2019

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

Report Date: 2020-02-05

RECEIVED
FEB 10 2020
FOS

Recommendation(s)

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

1. **Transfer to the Police Service Board (Board) Contingency Reserve of $89,411 to offset the costs related to upcoming contract negotiations that will commence in 2020 and to cover a significant matter in accordance with the Board's legal indemnification responsibilities as required by the Collective Agreement.**

2. **Transfer of $204,332 to the Niagara Regional Police Service (Service) Contingency Reserve to use for significant unforeseen issues in future years.**

Key Facts

- The purpose of the report is to provide an analysis of the 2019 year-end financial results of the Service and Board as per the Financial Reporting, Control and Procurement of Goods and Services By-Law 384-2019.

- The Niagara Region requires that all Operating Departments and Agencies, Boards and Commissions (ABCs) report on variances between actual operating results and approved budgets as part of the Year End Results and Transfer Report to Council.

- For the year ending December 31, 2019, the Service and Board have a combined net expenditure before indirect allocations surplus of $341,918 or 0.2% below the 2019 approved budget.

Financial Considerations

Approval of the recommendations would provide for the transfer of surplus funds to Service and Board reserves to offset future budget shortfalls.

Analysis

The year-end variance summary (Appendix 1) provides a synopsis of the combined financial operations for the Police Service and the Board for the year ended December 31, 2019. The variance compares the result for 2019 to the budget approved by the Police Service Board and Regional Council.

For the year ended December 31, 2019, the Service and Board have a combined Net Expenditure before Indirect Allocations surplus of $341,918. The Service is recommending a transfer to reserves as detailed in the table below.

Ontario Police Video Training Alliance (OPVTA)	48,175
Police Service Board	89,411
Niagara Regional Police Service	204,332
Surplus–Net Expenditure before Indirect Allocations	**$341,918**

A detailed discussion of the actual performance to budget by major expense category for Police Operations follows:

Personnel Costs:

The actual performance when compared to budget resulted in a favorable variance of $330,907 or 0.2% of the total Personnel budget. This positive spending pattern is mainly the result of lower than expected utilization of uniform staffing due to lags in hiring during periods of staff turnover and from relief coverage during periods of absenteeism. This resulted in both uniform salary and benefit savings. The surplus can also be contributed to an overall favorable health and dental benefit claims experience.

Continued trends in civilian staffing due to pressures in operationally essential units such as Communications, Prisoner Management and Records and Information Management, as well as greater than expected sick leave payouts, all contributed unfavorably to the overall personnel surplus position.

Other Operational Expenditures:

Other Operational Expenditures are comprised of all other operating expenditures excluding Personnel Costs, Financial Expenditures and Interfunctional Transfer. For

the year ending December 31, 2019, the Other Operational Expenditures resulted in a net deficit of $203,923. There are a number of supply accounts contributing to this deficit; however, the main variance is due to the purchase of uniform equipment, specifically protective body armor.

The other operational expenditures for 2019 include all known potential liabilities resulting from Service operations.

Recoveries & Revenues:

For the year ending December 31 2019, Gross Revenues and Recoveries were $116,192 below budget due to a shortfall to Provincial grant funding offset by additional revenue from one-time cost recovery services.

Early this year, the Ministry of Community Safety and Correctional Services announced the end of the PEM grant program as of March 31, 2019. The introduction of the new Community Safety and Policing (CSP) Grant for the years 2019/20, 2020/21 and 2021/22 resulted in overall lower funding allocation for police services. Despite the success of the Service's applications under the CSP program, when compared to other police services, we realized a funding shortfall of $356,639 for the 2019 fiscal year.

Transfers to/from Reserves:

Appendix 2 summarizes the Service's year-end reserve funds as at December 31, 2019. The schedule includes only those transfers to and from the Reserve Funds approved during the 2019 Budget. The Service recommends the surplus balance, before indirect allocation of $341,918, be transferred as follows:

	Amount
OPVTA Reserve	48,175
PSB Contingency Reserve	89,411
Service Contingency Reserve	204,332
Total	$ 341,918

The OPVTA reserve transfer of $48,175 includes a surplus of $33,175 from the reconciliation of the 2019 OPVTA financial results and all expenses associated with the 2019 Annual General Meeting and Annual Executive Board Meeting. The balance of $15,000 is the result of funding for a video production made for the Canadian National Railway.

The Police Services Board ended the 2019 year with a surplus balance of $89,411 from the lower than expected usage of legal services. A recommendation to transfer these

funds to the PSB Contingency Reserve to offset the costs related to upcoming contract negotiations that will commence in 2020, and to cover a significant matter in accordance with the Board's legal indemnification responsibilities as required by the Collective Agreement.

In alignment with Regional policy, Service staff recommends the transfer of the Service's portion of the surplus, $204,332 to the contingency reserve to address significant unforeseen cost pressures not addressed in the approved budget.

Conclusion:

The detailed variance analysis has been prepared based on results of operations at December 31, 2019. The Service year end surplus of $341,918 represents 0.2% of the total budget. The results include the actual expenditures incurred and provisions for all known liabilities and offsetting revenues at December 31, 2019.

Alternatives Reviewed

The alternative, not recommended by the Service, is to report the year end result without any transfers to reserves.

Relationship to Police Service/Board Strategic Priorities

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

Relevant Policy Considerations

- Section 289 of the Municipal Act requires municipalities to prepare a balanced budget that includes all of the expenditures and revenues for the taxation year.

- C-F-022 Operating Surplus/Deficit Policy (Region Policy) states year end surpluses will allocate to those areas identified as underfunded per the Reserve and Reserve Fund Policy C-F-013 and/or one time funding needs as recommended by Council.

Other Pertinent Reports

- Minute No.117.2019 NRPS Financial Variance Overview and Year-End Forecast for the period ending March 31 2019.
- Minute No.159.2019 NRPS Financial Variance Overview and Year-End Forecast for the period ending June 30 2019.

- Minute No.198.2019 NRPS Financial Variance Overview and Year-End Forecast for the period ending September 30, 2019.

This report was prepared by Laura Rullo, Manager, Finance, and reviewed by Lisa DiDonato-DeChellis, Director, Business Services and Acting Deputy Chief David Meade, Support Services.

Bill Fordy

for

Submitted by:
Bryan MacCulloch, M.O.M. #5835
Chief of Police

Appendices

Appendix 1 Niagara Regional Police Service and Board Year End Variance Summary
Appendix 2 Niagara Regional Police Service and Board 2019 Year End Reserves Schedule

Appendix 1
Niagara Regional Police Service and Board
December, 2019 Variance Summary

Police Service	2018 Actual	2019 Budget	YTD Dec 2018 Actual	YTD Dec 2019 Budget	YTD Dec 2019 Actual	% Budget Spent	Act vs. Budget Surplus/(Deficit)
Uniform Salaries	75,262,841	79,725,832	75,262,841	79,725,832	77,091,676	97%	2,634,156
Uniform Overtime	5,286,873	3,807,696	5,286,873	3,807,696	5,932,873	156%	(2,125,177)
Total Uniform	**80,549,714**	**83,533,528**	**80,549,714**	**83,533,528**	**83,024,549**	**99%**	**508,979**
Civilian Salaries and Wages	27,663,056	28,950,213	27,663,056	28,950,213	28,939,606	100%	10,607
Civilian Overtime	728,689	525,272	728,689	525,272	1,147,548	218%	(622,276)
Total Civilian	**28,391,745**	**29,475,485**	**28,391,745**	**29,475,485**	**30,087,154**	**102%**	**(611,669)**
Other Salaries and Wages	2,579,443	2,428,680	2,579,443	2,428,680	2,431,858	100%	(3,178)
Total Salaries and Wages	**111,520,902**	**115,437,693**	**111,520,902**	**115,437,693**	**115,543,561**	**100%**	**(105,868)**
Employee Benefits	27,681,502	29,636,706	27,681,502	29,636,706	28,675,253	97%	961,453
WSIB	1,420,366	1,775,000	1,420,366	1,775,000	1,754,524	99%	20,476
Sick Leave Payouts	1,048,773	450,000	1,048,773	450,000	1,206,490	268%	(756,490)
Specialty Allowance	1,683,686	1,859,916	1,683,686	1,859,916	1,691,779	91%	168,137
Other Allowances and Benefits	682,178	778,535	682,178	778,535	735,335	94%	43,200
Total Benefits and Allowances	**32,516,505**	**34,500,157**	**32,516,505**	**34,500,157**	**34,063,382**	**99%**	**436,775**
Total Personnel Costs	**144,037,406**	**149,937,850**	**144,037,406**	**149,937,850**	**149,606,943**	**100%**	**330,907**
Telephone & Communications	931,156	978,908	931,156	978,908	882,143	90%	96,765
Other Administrative Expenses	2,833,575	2,880,680	2,833,575	2,880,680	2,943,530	102%	(62,849)
Total Administrative Expenses	**3,764,731**	**3,859,588**	**3,764,731**	**3,859,588**	**3,825,672**	**99%**	**33,916**
Total Operational & Supply	**2,388,453**	**2,251,400**	**2,388,453**	**2,251,400**	**2,476,288**	**110%**	**(224,888)**
Total Occupancy & Infrastructure	**191,461**	**298,197**	**191,461**	**298,197**	**311,149**	**104%**	**(12,952)**
Fuel	1,498,751	1,472,420	1,498,751	1,472,420	1,380,156	94%	92,264
Maintenance Contracts	2,613,582	3,065,667	2,613,582	3,065,667	3,014,733	98%	50,934
Other Equipment, Vehicles and Technology	1,615,053	1,898,497	1,615,053	1,898,497	1,804,598	95%	93,899
Total Equipment, Vehicles and Technology	**5,727,385**	**6,436,584**	**5,727,385**	**6,436,584**	**6,199,488**	**96%**	**237,096**
Transfer to Capital Levy Reserve	-	1,200,000	-	1,200,000	1,200,000	100%	-
Transfer to Benefits Liabilities Reserve	-	-	-	-	-	0%	-
Transfer to Vehicle & Eq'm Repl. Reserve	1,400,000	1,500,000	1,400,000	1,500,000	1,500,000	100%	-
Transfer to Contingency Reserve	-	250,000	-	250,000	484,494	194%	(234,494)
Transfer to WSIB Reserve	200,000	200,000	200,000	200,000	200,000	100%	-
Transfer to OPTVA Reserve	-		-	-	18,013		(18,013)
Transfer to PSB Reserve	-			-	89,411	0%	(89,411)
Transfer to Long Term Accomodation Reserve	5,123,092	-	5,123,092	-	-	0%	-
Total - Transfers to Reserve Fund	**6,723,092**	**3,150,000**	**6,723,092**	**3,150,000**	**3,491,918**	**111%**	**(341,918)**

Appendix 1
Niagara Regional Police Service and Board
December, 2019 Variance Summary

Police Service	2018 Actual	2019 Budget	YTD Dec 2018 Actual	YTD Dec 2019 Budget	YTD Dec 2019 Actual	% Budget Spent	Act vs. Budget Surplus/(Deficit)
Financial Expenditures	10,090	3,500	10,090	3,500	6,118	175%	(2,618)
Intercompany Chargebacks	134,106	242,554	134,106	242,554	145,905	60%	96,649
Total - Financial Expenditures and Chargebacks	**144,197**	**246,054**	**144,197**	**246,054**	**152,024**	**62%**	**94,031**
Total Gross Expenditures	**162,976,725**	**166,179,674**	**162,976,725**	**166,179,674**	**166,063,481**	**100%**	**116,193**
Total Recoveries	**(1,516,172)**	**(1,562,311)**	**(1,516,172)**	**(1,562,311)**	**(1,568,469)**	**100%**	**6,158**
Grants	(10,037,218)	(10,007,795)	(10,037,218)	(10,007,795)	(9,651,756)	96%	(356,039)
Fees	(6,261,747)	(5,849,431)	(6,261,747)	(5,849,431)	(5,800,277)	99%	(49,154)
Other Revenues	(1,992,437)	(2,045,923)	(1,992,437)	(2,045,923)	(2,328,766)	114%	282,843
Transfer From OPTVA Reserve	-	-	-	-	-	0%	-
Transfer From PSB Contingency Reserve	-	-	-		-	0%	-
Transfer From Contingency Reserve	-	-	-	-	-	0%	-
Transfer From Capital Levy Reserve	-	-	-	-	-	0%	-
Transfer From Employee Future Benefits Reserve	-	-	-	-	-	0%	-
Transfer From Accum. Sick Lv. Res. Fund.	-	-	-	-	-	0%	-
Total Revenues	**(18,291,403)**	**(17,903,149)**	**(18,291,403)**	**(17,903,149)**	**(17,780,799)**	**99%**	**(122,350)**
Net Exp. before Indirect Allocations	**143,169,150**	**146,714,214**	**143,169,150**	**146,714,214**	**146,714,213**	**100%**	**0**

Appendix 2:
Niagara Regional Police Service and Board
2019 Year End Reserve Schedule

Description	Fund 20550	Balance at 31-Dec-2018	Trf. From Current RR1	Trf. To Current RE1	Trf. To Capital RE2	Transfers from/to Region	Close Out Report & YE	Balance at 12/31/2019
Accumulated Sick Leave	562	1,679,575	-	-	-	-	-	1,679,575
Vehicles and Equipment Replacement	506	224,044	1,500,000	-	(1,700,000)	-		24,044
Benefits Liabiities	563	4,152,398	-	-	-	-	-	4,152,398
WSIB	564	3,069,590	200,000	-	-	-	-	3,269,590
Contingency Reserve	534	-	250,000	-	-	-	-	250,000
Capital Levy	507	719,208	1,200,000	-	(1,388,500)		30,456	561,163
PSB Contingency	535	152,708	-	-	-	-	-	152,708
OPTVA Reserve	505	61,122	-	-	-	-	-	61,122
TOTAL		**10,058,645**	**3,150,000**	**-**	**(3,088,500)**	**-**	**30,456**	**10,150,601**

1.

NIAGARA REGIONAL POLICE SERVICE
Police Services Board Report

PUBLIC AGENDA

Subject: Transfer of Funds to the Ontario Police Video Training Alliance Reserve Fund.

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

Report Date: 2020-02-06

RECEIVED
FEB 10 2020
POS. MR.

Recommendation(s)

That the Niagara Police Services Board Finance Committee approves the transfer of funds to the Ontario Police Video Training Alliance (OPVTA) Reserve Account in the amount of $48,175.00

Key Facts

- The purpose of this report is to seek the Board's approval to transfer funds in the amount of $48,175.00 to the OPVTA Reserve Account.
- OPVTA operates on a non-profit, cost recovery basis achieved through the collection of membership fees.
- During 2019, an unplanned retirement within the Video Unit created a gap in staffing which resulted in a surplus in salaries and several expense lines.
- The OPVTA received revenue in the amount of $15,000.00 for a project funded first through membership and subsequently through cost recovery from the requesting agency, CN Rail. These excess revenues are intended to be held in trust in the Reserve Account on behalf of member agencies.
- $48,175.00 represents the OPVTA share of surplus in the Video Unit's 2019 Operating Budget in the amount of $33,175.00 as well as $15,000.00 in cost recovery for a production on behalf of CN Rail.

Financial Considerations

The funds recommended for deposit to the OPVTA Reserve Account represent a reconciliation of the Video Unit's 2019 Operating Budget, revenue generated through an externally funded project and non-production related expenses for OPVTA. There are no financial implications for the Service.

Analysis

The OPVTA was formed in 1996 as a cost-effective means of providing high quality video-based programs to Ontario's policing community. Through its leadership role in the OPVTA, and in conjunction with the Ontario Police College, the Service's Video Unit produces and distributes training videos, e-learning courses and support materials to a police audience of more than 26,000 officers representing 86 member agencies.

A seven-member Executive comprised of training specialists from OPVTA member agencies represents the interests of the membership, while the Niagara Regional Police Service provides a Senior Officer in the role of Executive Director to OPVTA and a Video Unit Coordinator who together liaise with the OPVTA Board of Directors and serve as points of contact regarding OPVTA video productions.

All costs associated with the OPVTA are recovered through membership fees. A detailed Business Plan confirming OPVTA costs, projected revenues, recommended deliverables and fee schedules, is submitted annually to the Police Services Board.

While both the Board and the Service reasonably expect all OPVTA-related costs to be offset by revenues, the Service has also been firm in its commitment to member services that the OPVTA operate on a non-profit basis. In 2002, the Police Services Board authorized the creation of an OPVTA Reserve Account in order to accommodate unanticipated revenues from projects that were effectively "double-funded" (first through membership dues and subsequently through grant/cost recovery initiatives). This reserve account provides an appropriate place for the Police Services Board to hold "in-trust" any excess/redundant revenues on behalf of OPVTA member services.

At its Annual Executive Meeting in October of 2015, the OPVTA Executive approved a motion clarifying which OPVTA-related expenses should be subject to reimbursement to the Service from the OPVTA reserve. Specifically, the Executive agreed that any OPVTA expenses not related to the day-to-day deliverables (videos and e-courses) should be reimbursed through the reserve account. These would include expenses related to the OPVTA Annual General Meeting, conferences, Executive Meetings (hotels, meals) and promotional materials. It was further agreed that the OPVTA Executive would review eligible expenses on an annual, item-by-item basis and would recommend reimbursement to the Service accordingly. Deposits into, and transfers from this account, are subject to approval by the Police Services Board on a case-by-case basis.

In May of 2019, a Video Producer retired from the Niagara Regional Police Service creating an unexpected gap in staffing. The position remained vacant for the remainder of the year while the Video Unit Coordinator worked with Human Resources to search first within the organization and then externally to identify and hire a replacement. The impact of this vacancy for a period of seven months led to a surplus in budgeted salaries. When combined with other significant reductions in OPVTA expenses such as

the sharing of training materials in digital format, (which led to a marked reduction in costs associated to hard copy DVDs); and savings in web hosting, led to an operating surplus of $33,175.00 (refer to Appendix 1). This scenario was accounted for in the 2019 OPVTA Business Plan, which was approved by the Police Services Board at its Public Meeting held on November 22, 2018. To that point, the Business Plan stated; "In the event that revenue is found to exceed actual costs attributed to Service involvement in the OPVTA, an application will be made to have the resulting variance deposited in the OPVTA reserve account."

As in prior years, the OPVTA incurred non-production expenses incurred though their Annual General Meeting held at the Ontario Police College on May 1, 2019, and the Annual Executive Meeting that was hosted at Niagara Regional Police Headquarters on November 7, 2019. These expenses in the amount of $5,809.01 cover travel, lodging, meals and speaker gifts and appreciations. These non-production expenses are found in Appendix 2 and were vetted and approved by the OPVTA Executive Board. They are borne entirely by OPVTA and are accounted for (net of any HST rebate) in Appendix 1 in the overall calculation of the 2019 surplus.

Pending Board approval, $48,175.00 will be deposited to the OPVTA Reserve Account. This deposit represents a reconciliation of $15,000 paid to the OPVTA through CN Police for funding of the production entitled *Railway Investigation*, plus $33,175.00 in operating surplus which factors in expenses attributed to non-production related expenses of the OPVTA Executive.

Alternatives Reviewed

Reject the recommendation. This is not recommended. Since its creation, the OPVTA has requested two Board-approved deposits and four Board-approved withdrawals. The reserve provides a buffer to allow OPVTA to maintain fairly consistent membership rates year over year, manage ebbs and flows in membership, as well as unanticipated expenses.

Relationship to Police Service/Board Strategic Priorities

Not applicable.

Relevant Policy Considerations

Not applicable.

Other Pertinent Reports

251.2017 OPVTA Reserve Fund Transfer Request.

This report was prepared by Acting Deputy Chief David Meade, Support Services, in consultation with Finance Manager, Ms. Laura Rullo, and with the assistance of Financial Analyst, Mr. Curtis Custer.

Submitted by:
Bryan MacCulloch, M.O.M. #5835
Chief of Police

Appendices

Appendix 1 OPVTA Financial Variance Overview for the year ending December 31, 2019

Appendix 2 Reconciliation of Non-Production Expenses Subject to Reimbursement to the Service

Appendix 1
OPVTA Financial Variance Overview
for the year ending December 31, 2019

	Budget	Actual	Variance
Revenues	318,192	318,900	(708)
Expenses			
Compensation	237,609	222,699	(14,910)
Consulting Services	30,000	22,603	(7,397)
Administrative	12,380	5,763	(6,617)
Operational & Supply	5,400	6,917	1,517
Equipment & Technology	12,500	8,481	(4,019)
	297,889	266,463	(31,426)
Allocated Costs	20,224	19,262	(962)
Total Expenses	318,113	285,725	(32,388)
(Surplus) / Deficit	(79)	(33,175)	(33,096)

Appendix 2
Reconciliation of Non-Production Expenses
Subject to Reimbursement to the Service
(December 3, 2019)

Invoice Date	Amount	Payable to	Account	Details
May 2, 2019	$1027.15	Delta Airlines	43121-44160	Flight (Thompson)
May 14,2019	$1682.50	William G. Thompson/LESPS	43121-41013	AGM Keynote speaker
May 2, 2019	$144.48	Hertz Rental Car	43121-52022	Transportation (Thompson)
May 2, 2019	$350.20	Courtyard Toronto Airport	43121-44160	Accommodation (Thompson)
Nov 6, 2019	$960.12	Napoli Ristorante	43121-41527	OPVTA Executive Dinner (x16)
Nov 7, 2019	$233.51	Courtyard Niagara Falls	43121-44160	Accommodation (O'Brien)
Nov 7, 2019	$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (deHaas)
Nov 7, 2019	$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (Morphet)
Nov 7, 2019	$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (Bradley)
Nov 7, 2019	$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (Novacich)
Nov 7, 2019	$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (Foreman)
Nov 7, 2019	$72.52	Tim Hortons #1922	43121-41527	OPVTA Meeting Refreshments (x11)
Nov 7, 2019	$203.22	Pasta Fresca	43121-41527	OPVTA Executive Lunch
Dec 3, 2019	$391.21	Strathcraft Awards	43121-44160	Plaques for former members: Nick Novacich, George Bench, Geoffrey Holmes
TOTAL	$5809.01			

Niagara Regional Housing

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

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

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

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

February 14, 2020

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

Dear Ms. Norio,

At their February 14, 2020 meeting, the Niagara Regional Housing Board of Directors, passed the following motion as recommended in attached report NRH 2-2020:

1. That the unaudited summarized results for Niagara Regional Housing as detailed in Appendix 1, **BE RECEIVED**.

2. That the following 2019 year-end operating surplus transfers of $1,185,178 **BE APPROVED** as follows:

    a) $580,000 transfer to the NRH Owned Units Reserve to fund heat control system upgrades in owned units to be completed in 2020
    b) $250,000 transfer to the Niagara Regional Housing Reserve to fund the Affordable Housing Master Plan to be completed in 2020
    c) $355,178 remaining surplus to be transferred to the Niagara Regional Housing Reserve to be utilized for new capital development opportunities to reduce the housing wait list

3. That this report be **REFERRED** to the March 11, 2020 Corporate Services Committee (CSC) meeting.

Your assistance is requested in moving report NRH 2-2020 through proper channels for approval.

Sincerely,

Mayor Walter Sendzik
Chair

Niagara Regional Housing

REPORT TO: **Board of Directors of Niagara Regional Housing**

SUBJECT: **2019 Year-End Transfer Report**

RECOMMENDATIONS

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

1. That the unaudited summarized results for Niagara Regional Housing as detailed in Appendix 1, **BE RECEIVED**.

2. That the following 2019 year-end operating surplus transfers of $1,185,178 **BE APPROVED** as follows:

   a) $580,000 transfer to the NRH Owned Units Reserve to fund heat control system upgrades in owned units to be completed in 2020
   b) $250,000 transfer to the Niagara Regional Housing Reserve to fund the Affordable Housing Master Plan to be completed in 2020
   c) $355,178 remaining surplus to be transferred to the Niagara Regional Housing Reserve to be utilized for new capital development opportunities to reduce the housing wait list

3. That this report be **REFERRED** to the March 11, 2020 Corporate Services Committee (CSC) meeting.

KEY FACTS

- As of December 31, 2019, the operating statements for Niagara Regional Housing (NRH) indicate a 2019 budget surplus before indirect allocations of $1,185,178 or 4.3 percent of NRH's overall net budget

- The purpose of this report is to obtain approval from the NRH Board to transfer the year-end surplus to the NRH Owned Units Reserve, the NRH Reserve and to the Niagara Region (Recommendation #1)

- The transfer to the NRH Owned Units Reserve (Recommendation #1a) is recommended to fund heat control system upgrades in owned units which will realize immediate savings on energy costs. This will be allocated via budget adjustment to NRH's 2020 budget to execute the project.

- The transfer to the NRH Reserve (Recommendation #1b) is recommended to fund the Affordable Housing Master Plan. This will be allocated via budget adjustment to NRH's 2020 budget to execute the project.

- The transfer to the Niagara Region (Recommendation #1c) is recommended to allow Council to consider the full impact of all consolidated levy results and direct any remaining surplus/deficit in accordance with the Niagara Region's Operating Surplus/Deficit Policy C-F-022.

CONSIDERATIONS

Financial

Allocations of 2019 Surplus:

- **Heat Control System Upgrades**
  During the year, the Niagara Regional Housing Board of Directors approved a $1.2 million allocation of 2019 surplus resulting from lower than budgeted subsidy payments to non-profit, co-op and federal housing providers to fund heat control system upgrades (K3D) for the providers to create future operating savings for those entities. Further correspondence with the providers has indicated a less than anticipated take-up of this initiative during 2019, with only $506 thousand committed to providers.

  It is recommended that a transfer to the NRH Owned Units Reserve (Recommendation #1a) from 2019 surplus be used to fund the installation of K3D upgrades in NRH owned units. A total of 10 NRH owned unit properties have been identified (333 units) for a total estimated cost of $580 thousand (including non-refundable portion of HST) to install the K3D upgrades.

  An examination of the Niagara Regional Housing building on Buckley Ave in Niagara Falls since the conversion to K3D limiting thermostats has yielded approximately $147/ unit in savings annually. (Based on the current rates provided by the Ontario Energy Board). The K3D technology provides a savings of 1,100 kWh (kilowatt hour) annually per unit. On a 60 unit building an energy savings of 66,000 kWh would be realized annually for a total of nearly $9,000/ year.

  These figures are based on electric heat only and not overall electricity savings for the unit.

- **Affordable Housing Master Plan**
  The Board of Directors requested a feasibility study on the owned units to explore regeneration/intensification opportunities as approved in the Business Plan for 2019-2020. This scope of the plan has expanded from the feasibility study to a 25 year Affordable Housing Master Plan. NRH has been engaging with a consultant to put together a draft scope of work for the project. The recommended funding allocation of $250 thousand to the Niagara Regional Housing Reserve would be used to fund the plan as the expanded scope was not considered in the 2020 budget.

The Master Plan will direct NRH and the Region to present a vision and a strategy to revitalize community housing through redevelopment and growth as well as maintain the current housing stock in Niagara.

The Master Plan will explore how and when potential divestment strategies to either replace existing units or generate revenue to increase the supply of affordable housing in Niagara.

- **Transfer to Niagara Region**
  At the time of writing this report, the Niagara Region is consolidating its overall levy results and expects any consolidated levy surplus/deficit after specific transfers recommended for strategic one-time initiatives (like the heat control system upgrades and the affordable housing master plan) to be nominal. In accordance with the Niagara Region's Operating Surplus/Deficit Policy C-F-022, the Niagara Region would like to recommend any unused surplus be allocated to areas identified as underfunded per the Reserve and Reserve Fund Policy C-F-013.

  In the Q3 2019 consolidated financial update, it was identified that the Niagara Region's corporate stabilization reserves that support all levy programs including Niagara Regional Housing are well below recommended targets and should be considered in the yearend transfer recommendation.

Main Drivers of 2019 Surplus:

- $121 thousand surplus is due to actual health and dental claims experienced in the year being less than budgeted.

- $295 thousand surplus is due to the timing of executive-office initiatives and the designated substance survey reports for housing providers. The consultant did not complete all of the survey reports prior to yearend; as a result, a request has been made to encumber $109 thousand into the 2020 budget.

- $944 thousand deficit is a result of an expanded preventative maintenance program and move-out costs ($660 thousand), higher than anticipated pest control costs ($301 thousand), and higher than budgeted snow removal costs in the first half of the year ($156 thousand); offset by lower than budgeted utility costs resulting from capital improvements and new heating control systems ($223 thousand).

- $3.1 million surplus in budgeted subsidy payments to non-profit, co-op and federal providers, in addition to the timing of take-up for Ministry-funded programs expected to be utilized in 2020. This variance is partially offset by the $1.4 million unfavourable variance in Federal & Provincial Grants as revenue is deferred to align with timing of program spending and related administrative costs.

- $681 thousand surplus in Other Revenue mainly due to higher than anticipated rental revenues for NRH-owned units ($526 thousand) and a favourable variance in investment income ($184 thousand)

- The overall 2019 surplus is partially offset by $735 thousand encumbrance to the 2020 budget for ongoing strategic initiatives. These initiatives include ongoing costs relating to heat control system upgrades for providers as mentioned previously ($506 thousand); the designated substance surveys initiative ($110 thousand); masonry wall investigations at various housing providers ($87 thousand); and ongoing housing provider system software development ($32 thousand). No further initiatives are being recommended to be encumbered to the 2020 budget.

The NRH 2020 operating budget, approved at the end of 2019, considered the main drivers of the current surplus and was adjusted accordingly to reflect anticipated spending in 2020.

See attached Appendix 1: 2019 Year-End Summary

Corporate

The Corporate Year-End Results and Transfer Report will be considered at CSC on March 11, 2020 and will include a recommendation to refer the requested year-end transfers to the Regional Council meeting on March 26, 2020.

Other Pertinent Reports

- 19-184-3.2 – Housing Programs Variance Spent Report

Submitted by:

Donna Woiceshyn
Chief Executive Officer

Approved by:

Walter Sendzik
Chair

This report was prepared by Donovan D'Amboise, Program Financial Specialist, in consultation with Dan Ane, Manager Program Financial Support, Cameron Banach, Manager Housing Operations and Donna Woiceshyn, CEO.

Appendix 1: Year-End Summary

2019 NRH Variance Summary	Budget to Actual Variance $ Surplus (Deficit)	Comments
Expenditures		
Compensation	121,466	(+) Less than budgeted utilization of employee benefits
Administration	294,609	(+) Timing of executive office initiatives & the designated substance survey reports for housing providers
Operational & Supply	6,732	
Property Taxes & Rent	(50,274)	(-) Unfavourable property tax billings compared to budget estimate (on total budget of $4.9 million)
Property Infrastructure & Maintenance	(961,100)	(-) Unfavourable driven by expanded preventative maintenance program, move-out costs & higher than expected costs related to pest control
Grounds	(155,973)	(-) Higher than expected grounds costs driven by higher than budgeted snow removal costs in the first half of the year
Utilities	222,954	(+) Favourable utilities due to savings in electricity costs due to capital improvements and new heating control systems
Occupancy & Infrastructure	(944,393)	
Equipment, Vehicles, Technology	41,004	(+) Timing of Integrated Housing Provider solution software
Community Assistance	3,102,730	(+) Timing of Ministry funded programs: SIF, IAH-E, OPHI, COCHI (+) Lower than budgeted subsidy payments to non-profit and co-op providers and rent supplement to landlords (-) Support to Community Services Homelessness division
Financial Expenditures	29,294	
Total Variance - Expenditures	**2,651,441**	
Revenue		
Federal & Provincial Grants	(1,381,483)	(-) Deferred recognition based on timing of Ministry funded programs & related administrative costs: SIF, IAH-E, OPHI, COCHI
Other Revenue	680,598	(+) Higher NRH-owned units rental revenue (+) Investment income
Total Variance - Revenue	**(700,885)**	
Total Intercompany Charges	**(6,546)**	
Total Transfers	**(758,833)**	(-) 2019 Year-end Encumbrances including Designated Substance Surveys, Completion of Integrated Housing Provider software implementation to support housing providers and capital asset management; Heat control system upgrades for providers
Total Surplus After Transfers & Before Indirect Allocations	**1,185,178**	

Subject: Chief Administrative Officer (CAO) Recruitment – Regional Councillor Appointments to the CAO Recruitment Committee

Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

1. That a Chief Administrative Officer (CAO) Recruitment Committee **BE FORMED**;

2. That four (4) Regional Councillors **BE APPOINTED** to the CAO Recruitment Committee;

3. That the process for appointing members of Regional Council to serve on the CAO Recruitment Committee **BE CONDUCTED** at the Regional Council meeting being held on March 26, 2020.

Key Facts

- The purpose of this report is to obtain Council's approval of the appointment of four (4) members of Regional Council to serve on the CAO Recruitment Committee along with the Regional Chair.
- On February 20, 2020, Council approved C-HR-026 – CAO Recruitment Selection Offer and Performance Management Policy (the "Policy") and the corresponding C-HR-026-001 – CAO Recruitment Selection Offer of Employment Procedure (the "Procedure").
- The Policy outlines the roles and responsibilities of those in the recruitment process, and the Procedure further details the recruitment process for the position of CAO through the Terms of Reference therein.
- The Terms of Reference includes the formation of a CAO Recruitment Committee that will be comprised of the Regional Chair, who will serve as Committee Chair, and four (4) members of Regional Council to be appointed by Regional Council.
- Members who are appointed to the CAO Recruitment Committee must be able to commit to full and active participation over the course of the CAO recruitment, including mandatory attendance at all meetings, interviews, etc. as noted herein.

Financial Considerations

There are no financial implications associated with this report concerning the appointment of Regional Councillors to the CAO Recruitment Committee, save and except staff time to undertake the work, members of Council time to sit on the Committee.

Any costs related to CAO recruitment activities in 2020 will be funded through the existing, and Council approved, 2020 budget.

Analysis

On February 20, 2020, Regional Council approved Report HR 1-2020 *REVISED* – Chief Administrative Officer (CAO) Recruitment, Selection, Offer of Employment and Performance Management Policy and Procedures which included Policy C-HR-026 – CAO Recruitment Selection Offer and Performance Management (the "Policy") and the corresponding C-HR-026-001 – CAO Recruitment Selection Offer of Employment Procedure (the "Procedure").

The Policy and Procedure outline the recruitment process for the position of CAO through the associated Terms of Reference included in the Procedure. The Terms of Reference includes the formation of a CAO Recruitment Committee that will be comprised of the Regional Chair, who will serve as Committee Chair, and four (4) members of Regional Council to be appointed by Regional Council. The process for appointing members of Regional Council to serve on the CAO Recruitment Committee will take place at the Regional Council meeting on March 26, 2020.

Members of Council who are appointed to the CAO Recruitment Committee must be able to commit to full and active participation over the course of the CAO recruitment, including mandatory attendance at all meetings, interviews, etc. The Procedure outlines the following as it pertains to attendance:

…It is mandatory that members of the CAO Recruitment Committee actively participate in all stages of the CAO recruitment process, with specific attention paid to attending all CAO candidate interviews, at any/all steps of the process, specifically as follows:

(1) CAO Recruitment Committee member attendance at all candidate interview(s) is mandatory. A member of the Recruitment Committee who is absent for any candidate interview shall be deemed to have resigned from the committee and Regional Council will be notified.

(2) A member of the CAO Recruitment Committee who is absent for two (2) consecutive non-interview meetings shall be deemed to have resigned from the committee and Regional Council will be notified.

Upon notification of a vacancy on the Committee as a result of the above, Council may consider the appointment of a new member to the Committee or not replacing the member, depending on the stage the recruitment process has reached. The aforementioned does not preclude Council from re-appointing the Committee member in question.

Furthermore, there are a number of commitments expected by member of Council who are appointed to the Recruitment Committee; in addition to attending meetings, it is expected that members of the Recruitment Committee will, with the support of Region staff:

- Be orientated to By-laws, Policies, and Procedures relevant to the recruitment of a CAO.
- Be educated on the roles, responsibilities and accountabilities of their role including confidentiality and ethics based expectations.
- Hold in strict confidence all confidential information concerning matters dealt with by the Committee; members will be required to execute a confidentiality acknowledgement (attached as Appendix 3) at the outset of the recruitment and selection process.
- Determine the scope of work and select the External Executive Search Firm (ESF) to work with the Recruitment Committee on the recruitment and selection process.
- Engage in a thorough and comprehensive analysis of the position requirements of Senior Leader competencies, skills, experience, knowledge and qualifications of the role of CAO.
- Engage in consultation with the Corporate Leadership Team, other relevant staff, including community stakeholders that may be initiated and incorporated into the recruitment and selection process.
- Support the ESF in providing detailed updates to Council concerning the recruitment and selection process, along with responding to any inquiries made by members of Council.
- Determine the recruitment methodology inclusive of any testing and/or evaluations.
- Review short list of candidates recommended to the Recruitment Committee by the ESF.
- Interview and assess selected candidates with the intent to identify preferred candidate(s).
- Make a recommendation on preferred candidate(s) to Regional Council for consideration.

Upon completion of the appointment of four (4) members of Regional Council to the CAO Recruitment Committee, in consultation with the Chair of the CAO Recruitment Committee (the Regional Chair) an initial CAO Recruitment Committee meeting will be scheduled in early April 2020. In consultation with the Director, Human Resources, and the support of Regional staff, in accordance with the Policy and Procedure, the CAO Recruitment Committee will proceed to determine the scope of work and commence the process to select an ESF.

Additionally, in accordance with the Procedure, regular, detailed written updates will be provided to Regional Council throughout the CAO recruitment and selection process up to and including particulars of preferred candidate(s) being presented to Regional Council for approval, which will include participation of the ESF representative.

Alternatives Reviewed

No alternatives were reviewed as this report is as a result of Regional Council approval of Report HR 01-2020 *REVISED* – Chief Administrative Officer (CAO) Recruitment, Selection, Offer of Employment and Performance Management Policy. This report included the approval of C-HR-026 - CAO Recruitment Selection Offer and Performance Management Policy and corresponding procedure which outlines the formation of a CAO Recruitment Committee.

Relationship to Council Strategic Priorities

Regional Council's prior approval of Report HR 01-2020 *REVISED* – Chief Administrative Officer (CAO) Recruitment, Selection, Offer of Employment and Performance Management Policy and corresponding Procedure aligns with Council's Strategic Priority of Sustainable and Engaging Government.

Other Pertinent Reports

- HR 01-2020 *REVISED* – Chief Administrative Officer (CAO) Recruitment, Selection, Offer of Employment and Performance Management Policy and Procedures

_____

Prepared and Recommended by:
Franco Meffe
Director, Human Resources

_____

Submitted by:
Ron Tripp, P.Eng.
Acting, Chief Administrative Officer
This report was prepared in consultation with Ann-Marie Norio, Regional Clerk.

Appendices

Appendix 1 – C-HR-026 CAO Recruitment Selection Offer and Performance Management Policy

Appendix 2 – C-HR-026-001 CAO Recruitment Selection Offer of Employment Procedure

Appendix 3 – Recruitment Process Confidentiality Acknowledgment – Non-Employee

Policy Category	*Name of Policy*
Human Resources	*Chief Administrative Officer – Recruitment, Selection, Offer of Employment, and Performance Management*

Policy Owner	Corporate Administration, Human Resources, Director Human Resources
Approval Body	Regional Council
Approval Date	February 20, 2020
Effective Date	February 25, 2020
Review by Date	February 2022

1. Policy

Regional Council is committed to engaging in good governance through approved policy and procedures for both the recruitment (attraction, selection and offer of employment) and performance management (performance appraisal, objective setting and development plan) for the position of Chief Administrative Officer (CAO).

2. Purpose

The CAO is the senior appointed official of the Regional Municipality and provides leadership in all operational areas, policy, government affairs, business/service delivery, and implementation of Council's strategic priorities. Ensuring the CAO is qualified for the role; that the terms and conditions of their employment are appropriate; that their annual performance is properly aligned to key priorities; and that the incumbent is functioning at an appropriate level, is a key accountability of Council.

3. Scope

This policy applies to the role of the CAO, Council, and key designated external vendors and staff roles accountable for execution of the policy.

There are to be no acts of favouritism or discrimination in the CAO recruitment process. Members of Council, staff, external vendors, and anyone else approved to be part of the recruitment process shall not attempt to influence the hiring of any applicant in a manner that is inconsistent with this policy. This includes that no one shall engage in any behaviour that provides an unfair advantage to a candidate during the CAO recruitment process to assist any candidates by providing inside information, such as but not necessarily limited to, interview questions and suggested answers, presentation materials, information about other candidates, or any information gathered in meetings, conversations, email or any other form of communication or discussion.

3.1. Roles and Responsibilities

3.1.1. CAO New Hire Recruitment, Selection and Offer of Employment

- Regional Chair: Serves as Chair of the Recruitment Committee and oversees performance management process; ensures the requirements of C-HR-026 Policy is fulfilled. Includes establishing Council approved Recruitment Committee membership, working with any external Executive Search Firm (ESF), enforcement of roles and responsibilities, provide regular detailed updates in writing to Council concerning the recruitment and selection process including particulars of preferred candidate(s), along with integrity and confidentiality requirements. Oversees hiring process through Recruitment Committee and ESF selection, to Council approval of candidate offer of employment.
- Recruitment Committee Member: Acts on behalf of members of Council in the recruitment and selection process. Engages in all procedural elements as outlined in respective C-HR-026-001 Procedure. Includes mandatory attendance at all meetings and interviews, engaging in the development of selection criteria and position profile development as required, collaborating with the Chair and ESF on providing regular detailed updates in writing to Council concerning the recruitment and selection process including particulars of preferred candidate(s). Requires alignment to all integrity and confidentiality requirements.
- Director, Human Resources: Facilitates the recruitment process on behalf of the Regional Chair and Recruitment Committee, and the performance management process. Serves as primary contact point for any ESF; provides guidance and advice to the Chair and Recruitment Committee members ensuring best practices and legal interests of the corporation are upheld, supports the Chair and Recruitment Committee in the preparation of regular detailed written update(s) to Council, leads the procurement of an ESF, facilitates Legal consultation and candidate offer of employment and/or offer letter creation, and any amendment to the employment contract; is required to attend all meetings with the Recruitment Committee and with Council, and any other meetings upon request of the Chair.
- Executive Search Firm (ESF): An external firm or specialized consultant who works with the Chair and Recruitment Committee to confirm the CAO profile, position competencies, and search, selection and offer strategy. ESF accountabilities will align with the defined scope of work, which may include but not necessarily limited to – attraction, screening of prospective candidates, development of short list of candidates to be interviewed by the Committee, including they may support the interview, reference checking and offer of employment process as required. Required to attend meeting(s) of Council to provide detailed updates to members of Council concerning the recruitment and selection process, be prepared to present to Council on its processes to short list candidates, provide candid feedback on the recruitment process, provide observation(s) on any short listed candidates, along with responding to any inquiries made by members of Council.

- Acting/Interim CAO: A member of the Region's Corporate Leadership Team or an external person appointed by Council to fulfil the duties of the CAO on an acting or temporary basis. The appointment of the Acting CAO does not preclude their candidacy in the selection process for a permanent CAO. If they are not a candidate for the permanent role, they may participate as a member of the Recruitment Committee if approved by the Chair and Recruitment Committee. However, if they are a candidate for the position as permanent CAO, they are not permitted to participate or influence the recruitment process and must excuse themselves from all business associated with same.
- Regional Clerk: Ensures required governance related supports and advice to ensure effective completion of the process; provides agenda and meeting management functions; is required to attend all meetings with the Recruitment Committee and with Council, and any other meetings upon request of the Chair.
- Regional Council: Responsible for the hiring of the CAO and all associated approvals noted within this Policy and its Procedures. Attendance at any meeting of Council where matters pertaining to the CAO recruitment, selection, and offer of employment are being discussed.

3.1.2. Performance Management

- Regional Chair: Ensures the mandate of the C-HR-026-001 Procedure is fulfilled annually. Includes development and execution of annual performance management schedule, providing feedback to CAO; enforcement of roles and responsibilities, annual rating selection, report creation to Council, annual objective and development plan setting with the CAO as well as integrity and confidentiality requirements.
- Chief Administrative Officer: Completing annual assessment; engaging in all aspects of the process as laid out in this C-HR-026 policy and the procedure document. Engaging in the performance appraisal process, and development of annual objectives and development plan.
- Director, Human Resources: Initiates and facilitates the performance appraisal process and creation of annual objective and development plan on behalf of the Regional Chair in accordance with the Region's Non-Union Performance Management Program. Sources and serves as primary point of contact for additional resources or supports such as Legal or Consultants. Provides guidance and advice to the Chair as required, is required to attend all meetings with Council, and any other meetings upon request of the Chair.
- Regional Clerk: Ensures required governance related supports and advice to ensure effective completion of the process; provides agenda and meeting management functions; is required to attend all meetings with Council, and any other meetings upon request of the Chair.
- Regional Council: Responsible for the evaluation of the performance of the CAO and all associated approvals noted within this Policy and Procedures. Attendance at any

meeting of Council where matters pertaining to CAO performance management are being discussed.

4. References and Related Documents.

List related legislation, directives, By-laws and associated procedures

4.1. Legislation, By-Laws and/or Directives

- Municipal Act, 2001
- Employment Standards Act, 2000
- CAO By-law 2020-09

4.2. Procedures

- C-HR-026-001 – Chief Administrative Officer Recruitment, Selection, Offer of Employment
- C-HR-026-002 – Chief Administrative Officer Performance Management

5. Related Policies

- Non-Union Compensation C-HR-001
- Employment and Staffing C-HR-010

6. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date
Regional Council	**February 20, 2020**	**February 25, 2020**

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

Procedure Category	*Name of Procedure*
Human Resources	*Chief Administrative Officer – Recruitment, Selection, and Offer of Employment*

Procedure Owner	Corporate Administration, Human Resources, Director Human Resources
Parent Policy	C-HR-026 – Chief Administrative Officer Recruitment, Selection, Offer of Employment, and Performance Management
Approval Body	Regional Council
Approval Date	February 20, 2020
Effective Date	February 25, 2020
Review by Date	February 2020

The following procedure outlines the Chief Administrative Officer (CAO) Recruitment, Selection, and Offer of Employment.

When a permanent vacancy for CAO occurs, the Regional Chair (Chair) notifies the Director, Human Resources (HR) to initiate the recruitment process to fill the permanent CAO vacancy in accordance with the C-HR-026 Policy and C-HR-026-001 Procedure.

The Director HR, in consultation with the Chair, will initiate the CAO selection process in accordance with the CAO Recruitment Committee Terms of Reference as follows:

Chief Administrative Officer Recruitment Committee Terms of Reference

Mandate / Scope

The mandate of the Chief Administrative Officer (CAO) Recruitment Committee is to facilitate the recruitment process for the CAO and recommend to Regional Council a preferred candidate for the role of CAO.

Goals / Purpose

1. **Formation of a CAO Recruitment Committee**

a. The Committee will be comprised of the Regional Chair, who will serve as Committee Chair, and four (4) members of Regional Council to be appointed by Regional Council. Members must be able to commit to full and active participation over the course of the CAO recruitment, including mandatory attendance at all meetings, interviews, etc. as noted herein.

b. CAO Recruitment Committee will be governed by the Region's Procedural By-law.

2. Engagement of an External Executive Search Firm (ESF)

a. CAO Recruitment Committee, in consultation with Director Human Resources, to determine scope of work and select ESF, as per the Niagara Region Procurement By-law.

b. ESF to develop the key CAO character traits and competencies required, in consultation with the CAO Recruitment Committee, to drive results forward in Niagara.

c. ESF to undertake CAO candidate search, with active engagement of the CAO Recruitment Committee.

d. ESF, in consultation with the Recruitment Committee, to provide detailed updates to Council concerning the recruitment and selection process, be prepared to present to Council on its processes to short list candidates, provide candid feedback on the recruitment process, observation(s) on any short listed candidates, along with responding to any inquiries made by members of Council.

3. CAO Recruitment Process

a. CAO Recruitment Committee members actively participate in a transparent, competitive, and comprehensive recruitment process, while holding in strict confidence all confidential information concerning matters dealt with by the Committee.

b. CAO Recruitment Committee, with ESF, to provide detailed updates to members of Council concerning the recruitment and selection process.

c. Upon completion of the recruitment process, the CAO Recruitment Committee to present up to three (3) preferred candidate(s) to Regional Council for approval of a preferred candidate and approval on presented associated terms and conditions of employment.

d. Upon Regional Council's approval of the preferred candidate, Council authorizes the Director, HR, to extend the approved terms of employment to the preferred candidate, in a form satisfactory to the Director Legal and Court Services, in consultation with any external legal counsel as required, ensuring all legal requirements are met.

4. Recruitment Committee Membership

The membership structure of the CAO Recruitment Committee will be comprised of not more than five (5) members of Regional Council, including the Regional Chair, who will serve as Committee Chair. All members of the Recruitment Committee, including the Regional Chair, shall have the right to vote.

5. Privacy Considerations

The CAO Recruitment Committee will comply with all open meeting provisions. Information provided to the CAO Recruitment Committee, specifically pertaining to applicants for the position of the CAO, will be held in strict confidence and managed in accordance with the principles of protection of personal information as defined by the *Municipal Freedom of Information and Protection of Personal Privacy Act* (MFIPPA).

The CAO Recruitment Committee shall hold in strict confidence all confidential information concerning matters dealt with by the Committee, members of the Recruitment Committee, and any approved staff who support the recruitment process, will be required to execute a confidentiality agreement at the outset of the recruitment and selection process.

6. Attendance

A recruitment best practice is that all candidates are interviewed by a consistent interview panel, in support of a fair, transparent, and comprehensive recruitment process. It is mandatory that members of the CAO Recruitment Committee actively participate in all stages of the CAO recruitment process, with specific attention paid to attending all CAO candidate interviews, at any/all steps of the process, specifically as follows:

(1) CAO Recruitment Committee member attendance at all candidate interview(s) is mandatory. A member of the Recruitment Committee who is absent for any candidate interview shall be deemed to have resigned from the committee and Regional Council will be notified.

(2) A member of the CAO Recruitment Committee who is absent for two (2) non-interview meetings shall be deemed to have resigned from the committee and Regional Council will be notified.

Upon notification of a vacancy on the Committee as a result of the above, Council may consider the appointment of a new member to the Committee or not replacing the member, depending on the stage the recruitment process has reached. The aforementioned does not preclude Council from re-appointing the Committee member in question.

7. Staff Support to Committee

The Director, HR, Director, Legal and Court Services, and the Regional Clerk, or their respective designates, will function in an advisory capacity to the CAO Recruitment Committee, and the selected ESF. Involvement of any staff not noted herein will require Recruitment Committee approval prior to being engaged to provide any support to the Committee or be in attendance at meetings. In any event, any staff engaged to support the Recruitment Committee shall hold in strict confidence all confidential information concerning matters dealt with by the Committee, including all such staff will be required to execute a confidentiality agreement prior to engaging in support of the Committee. The Director HR, and the Regional Clerk, or their respective designates, are required to attend all Recruitment Committee and Council meetings.

8. Financial Resources

The CAO Recruitment Committee will consult with the Director, HR, to secure the required financial resources to fulfill the direction of the committee to facilitate the CAO recruitment.

9. Frequency of Reporting

Regular, detailed written updates will be provided to Regional Council throughout the CAO recruitment and selection process up to and including particulars of preferred candidate(s) being presented to Regional Council. This will include participation of ESF representative, as defined in C-HR-026 Policy.

10. Termination of CAO Recruitment Committee

The CAO Recruitment Committee shall cease at the conclusion of a successful recruitment of a new CAO.

11. Meetings

Meetings shall be governed by Niagara Region's Procedural By-law as may be amended from time to time.

The following is intended to provide further clarity concerning the above Terms of Reference in support of the CAO recruitment process:

1. The Recruitment Committee will be orientated to By-laws, Policies, and Procedures relevant to the recruitment of a CAO. They will be educated on the roles, responsibilities and accountabilities of their role including confidentiality and ethics based expectations, along

with executing a confidentiality agreement at the outset of the recruitment and selection process.

2. The Recruitment Committee, with the support of the Director HR and ESF, will engage in a thorough and comprehensive analysis of the position requirements of Senior Leader Competencies, skills, experience, knowledge and qualifications of the role. Due to the importance of this position, consultation with the Corporate Leadership Team, other relevant staff, and community stakeholders may be initiated and incorporated into the recruitment and selection process.

3. The recruitment methodology inclusive of any testing and/or evaluations will be determined by the Recruitment Committee through consultation with the ESF and Director HR, and will be aligned to Regional Policy. The position will be advertised both internally and externally.

4. In consultation with the Recruitment Committee and Director HR, the ESF will undertake CAO recruitment activities within the approved scope of work, which may include but not be limited to: posting the vacant position through appropriate channels, targeted recruitment, review of all applicant resumes and follow up to clarify applicant experience for short listing purposes, screen prospective candidates and develop a formal short list of candidates to be recommended to the Recruitment Committee, leadership assessment, reference checking, and preparation of a written summary of a specific number of candidates as agreed to with the Recruitment Committee for consideration for short listing.

5. The Recruitment Committee and the ESF will interview and assess selected candidates with the intent to identify preferred candidates.

6. Based on the results of interview(s), any testing, evaluation, or assessment, reference checking, etc., the Recruitment Committee will make a recommendation on preferred candidate(s) in a report to Regional Council for consideration.

7. The Director, HR will be responsible for the preparation of the Council approved terms of the offer of employment to the preferred candidate, including the responsibility to engage the Director Legal and Court Services, and any external Legal Counsel when preparing the offer of employment, and negotiation with the preferred candidate, if any. The Offer of Employment documentation will align to corporate practice and meet all legal requirements, including ensuring compensation is aligned to the Non-Union Compensation Policy and Salary Administration Procedures.

8. Any report to Council as noted above will include a detailed summary of the recruitment and selection process undertaken by the Recruitment Committee.

Definitions

Regional Chair: Serves as Chair of the Recruitment Committee; ensures the requirements of C-HR-026 Policy is fulfilled. Includes establishing Council approved committee membership, working with Director HR and the ESF, enforcement of roles and responsibilities, provides regular detailed updates in writing to Council during the recruitment and selection process including particulars of preferred candidate(s), along with integrity and confidentiality requirements. Oversees hiring process through Recruitment Committee and ESF selection, to Council approval of preferred candidate offer of employment.

Recruitment Committee Member: Acts on behalf of members of Council in the recruitment and selection process. Engages in all procedural elements as outlined in C-HR-026-001 Procedure. Includes mandatory attendance at all meetings and interviews, engaging in the development of selection criteria and position profile development as required, collaborating with the Chair and ESF on providing regular detailed updates in writing to Council concerning the recruitment and selection process including particulars of preferred candidate(s). Requires alignment to all integrity and confidentiality requirements.

Director, Human Resources: Facilitates the recruitment process on behalf of the Regional Chair and Recruitment Committee. Serves as primary contact point for any ESF; provides guidance and advice to the Chair and Recruitment Committee members ensuring best practices and legal interests of the corporation are upheld, supports the Chair and Recruitment Committee in the preparation of regular detailed written update(s) to Council, leads the procurement of an ESF, facilitates Legal consultation and candidate offer of employment and/or offer letter creation, and any amendment to the employment contract; is required to attend all meetings with the Recruitment Committee and with Council, and any other meetings upon request of the Chair.

Executive Search Firm (ESF): An external firm or specialized consultant who works with the Chair and Recruitment Committee to confirm the CAO profile, position competencies, and search, selection and offer strategy. ESF accountabilities will align with the defined scope of work, which may include but not necessarily limited to – attraction, screening of prospective candidates, development of short list of candidates to be interviewed by the Committee, including they may support the interview, reference checking and offer of employment process as required. Required to attend meeting(s) of Council to provide detailed updates to members of Council concerning the recruitment and selection process, be prepared to present to Council on its processes to short list candidates, provide candid feedback on the recruitment process, provide observation(s) on any short listed candidates, along with responding to any inquiries made by members of Council.

Regional Clerk: Ensures required governance related supports and advice to ensure effective completion of the process and provides agenda and meeting management functions; is required

to attend all meetings with the Recruitment Committee and with Council, and any other meetings upon request of the Chair.

Regional Council: Responsible for the hiring of the CAO and all associated approvals noted within this Policy and its Procedures. Attendance at any meeting of Council where matters pertaining to the CAO recruitment, selection, and offer of employment are being discussed.

Competencies: In addition to high character traits, are the attitudes and behaviours required at a high level of performance for an individual to be successful in a role.

Appendices

None

Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date
Regional Council	**February 20, 2020**	**February 25, 2020**

Revision History

Revision No.	Date	Summary of Change(s)	Changed by
.	.	.	.

RECRUITMENT PROCESS CONFIDENTIALITY ACKNOWLEDGMENT

WHEREAS Niagara Region has commenced a recruitment process for the position of _____, which requires the involvement of _____ (the "Participant);

AND WHEREAS, during the recruitment process the Participant may be exposed to Confidential Information, as defined below;

AND WHEREAS Niagara Region is committed to maintaining the confidentiality of such Confidential Information to protect individual privacy and preserve the fairness and integrity of the recruitment process;

NOW THEREFORE the Participant agrees as follows:

1. "Confidential Information" shall mean all information related to the recruitment process that is not generally ascertainable from public or published information, including, but not limited to, candidate information, employee information, job requirements, interview questions, information disclosed through the job interview process, and information relating to the business, operations, and assets of Niagara Region that it treats as confidential or proprietary, such as location and analysis data, environmental data, production data, personal (health) information, technology (including information technology), research, and strategies.

   "Confidential Information" shall not include information which:

   (i) was already known to the Participant prior to the date of disclosure by Niagara Region as having been publicly available;

   (ii) at the time of disclosure or thereafter becomes public knowledge through no fault or omission of the Participant; or

   (iii) is required to be disclosed by law, or order of any court, administrative tribunal or governmental authority having jurisdiction over the Participant.

2. The Participant shall keep all Confidential Information in strict confidence, and shall not use or disclose, or permit the use or disclosure, of any Confidential Information other than for the purpose of facilitating the recruitment process as directed by Niagara Region.

3. The Participant shall not transfer any Confidential Information to, or store any Confidential Information in, any repository, electronic database, or network not authorized by Niagara Region for such a purpose without Niagara Region's prior written permission.

4. The Participant acknowledges that all Confidential Information shall at all times be the property of Niagara Region, and, upon completion of the recruitment process or at such other

time as Niagara Region may request, the Participant shall promptly return to Niagara Region all hard copy Confidential Information, whether it be in the form of blueprints, documents, or otherwise, and any and all electronic copies of data such as blueprints or documents.

5. The Participant acknowledges that Niagara Region and/or individual candidates for employment or advancement could be irreparably injured by a breach of confidentiality.
6. The Participant has read, understands, and accepts the above terms.

DATED this _____ day of _____, _____.

Participant Signature: _____

Subject: Policy Update – Whistleblower Policy, Code of Ethics/Conflict of Interest Policy and Recruitment and Selection Policy

Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

1. That the Whistleblower Policy (Appendix 1 to Report CLK 4-2020) **BE APPROVED**;

2. That the updated Policy C-A-007 Code of Ethics - Conflict of Interest (Appendix 2 to Report CLK 4-2020), **BE APPROVED**; and

3. That the updated Policy C-HR-010 Recruitment and Selection (formerly Employment and Staffing) (Appendix 3 to Report CLK 4-2020) **BE APPROVED**.

Key Facts

- The purpose of this report is to seek Council's approval of a Whistleblower Policy and to update the policies respecting Code of Ethics – Conflict of Interest and Employment and Staffing in accordance with the direction provided by the Ontario Ombudsman in his report "Inside Job".
- At its meeting held on December 12, 2019, Regional Council directed staff to prepare a draft whistleblower policy for Council consideration.
- Report CAO 17-2019 provided staff with direction to review and update policies respecting Code of Ethics – Conflict of Interest and Employment and Staffing.

Financial Considerations

There are no financial implications associated with this report.

Analysis

At its special meeting held on December 5, 2019, Regional Council approved Report CAO 17-2019 that directed staff to begin to undertake work associated with implementing the recommendations of Ontario Ombudsman Report "Inside Job". Recommendation 1 of the Ombudsman Report was as follows:

The Regional Municipality of Niagara should ensure it has an employee code of conduct or ethics that provides for the protection of confidential information.

The Code of Ethics – Conflict of Interest policy has been updated to include provisions related to disclosure of confidential or personal information. The provision provides that employees may not use or disclose confidential, privileged, or personal information belonging to or in the custody or control of the Region except as necessary to perform their duties in accordance with the Region's policies and procedures. Further, any release of information must be done in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act* and *Personal Health Information Protection Act* or as otherwise required by law.

Although not within the scope of any Recommendation arising from the Ombudsman Report, the policy was updated with enhanced clarification concerning employees of the Region shall not use their position within the Region to gain any particular personal, business, educational, financial or political advantage; this includes a prohibition that employees not use any Region property, assets, resources, tools, materials, staff, etc… for personal matters.

Recommendation 6 of the Ombudsman Report is as follows:

The Regional Municipality of Niagara should adopt a policy clarifying that employees should not engage in any behaviour that provides an unfair advantage to a candidate during a hiring process, including assisting candidates by providing inside information such as interview questions and suggested answers.

The Employee and Staffing Policy has been updated to include provisions related to favoritism and/or discrimination in any recruitment process. In addition, the policy includes that all persons involved in the recruitment and selection process shall keep confidential all related information, including a Confidentiality Acknowledgement or Commitment, where applicable, or as otherwise required by law.

The policy is applicable to Members of Council, staff, external vendors and anyone else approved to be part of the recruitment process. The policy provides that no one shall engage in any behavior that provides an unfair advantage to a candidate during a recruitment process to assist any candidates by providing inside information, such as but not necessarily limited to, interview questions and suggested answers, presentation materials, information about other candidates, or any information gathered in meetings, conversations, email or any other form of communication or discussion. These updates satisfy the concerns that the Ombudsman raised in his report "Inside Job".

At its meeting held on December 12, 2019, Council passed a resolution directing staff to prepare a draft whistleblower policy for consideration by the Corporate Services Committee and Council.

To create the policy, a scan of comparable policies from various municipalities was completed which provided an overview of best practices for inclusion in the policy. The final draft has been reviewed by Legal and Human Resources as well as the Corporate Leadership Team (CLT).

The draft Whistleblower Policy attached as Appendix 1 is a result of examining various policies that are currently in place in other municipalities and make sense to implement here at Niagara Region. Once the policy is approved, staff will begin work on implementing a procedure with respect to the policy.

Alternatives Reviewed

No alternatives were reviewed as the policy updates were a result of the recommendations of the Ombudsman Report. Direction was provided by Council to bring forward a Whistleblower Policy.

Relationship to Council Strategic Priorities

This report is based on the recommendations of the Ontario Ombudsman and at the direction of Council. The implementation of policies aligns with Council's Strategic Priority of Sustainable and Engaging Government.

Other Pertinent Reports

CAO 17-2019 Recommendations from the Ontario Ombudsman Report "Inside Job" November 2019

Prepared and Recommended by:
Ann-Marie Norio
Regional Clerk

Prepared and Recommended by:
Franco Meffe
Director, Human Resources

Submitted by:
Ron Tripp, P.Eng.
Acting Chief Administrative Officer

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

Appendices

Appendix 1	Draft Whistleblower Policy	<page>
Appendix 2	Updated Policy C-A-007 Code of Ethics - Conflict of Interest	
Appendix 3	Updated Policy C-HR-010 Recruitment and Selection	

Niagara Region

Corporate Policy | **C-XXX-000**

Policy Category	*Name of Policy*
Administrative	*Whistleblower Policy*

Policy Owner	Enter Department, Division, Job title
Approval Body	Council
Approval Date	
Effective Date	
Review by Date	Every two years

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1. Policy

The Regional Municipality of Niagara ("Niagara Region") is committed to accountability, transparency, integrity and maintaining high ethical standards in the workplace.

To maintain an organizational culture that is ethical, transparent and accountable, it is important to provide a process for employees to report any allegations of wrongdoing, in good faith and without fear of reprisal.

This policy recognizes that it is in the public interest to maintain and enhance public confidence in Niagara Region and its employees, by providing for:

- the disclosure of wrongdoing with respect to the Region's operations;
- the protection from reprisals against employees for disclosing wrongdoings;
- appropriate investigation and disciplinary actions in response to disclosures of wrongdoings when made in good faith

All disclosures of wrongdoing will be investigated in accordance with the provisions set out in this policy.

Niagara Region will not tolerate reprisals against employees who report acts of wrongdoing in good faith and all employees have a duty to report any suspected acts of wrongdoing.

Any employee who knowingly reports a wrongdoing in bad faith, or who knowingly makes a false or misleading statement that is intended to mislead an investigation of wrongdoing, may be subject to legal action or disciplinary action, up to and including dismissal.

1.1. Reporting Wrongdoing

- All employees who become aware or suspect that an act of wrongdoing has occurred will immediately notify their supervisor, manager, or director, as applicable and appropriate (see 1.4 Appropriate Authority chart).
    - Where a supervisor, manager is suspected of wrongdoing, reports should be directed to the Director or Commissioner
    - Where a Director or Commissioner is suspected of wrongdoing, reports should be directed to the CAO and or Regional Clerk
    - Where the Regional Clerk is suspected of wrongdoing, reports should be directed to the CAO
    - Where the CAO is suspected of wrongdoing, reports should be directed to the Regional Chair
- In the interests of facilitating a timely investigation, employees are encouraged to bring forward complaints at the earliest opportunity.
- When disclosing an allegation of wrongdoing, all employees must provide sufficient evidence to substantiate the allegation through the Whistleblower Complaint Form.
- If an employee is uncomfortable disclosing an act of alleged wrongdoing to the Appropriate Authority, they can notify an Appropriate Authority a level above (see 1.4 Appropriate Authority chart).
- All employees who report wrongdoing in good faith will be protected from reprisal.
- Any employee who reports a wrongdoing in bad faith, or who knowingly make a false or misleading statement that is intended to mislead an investigation of wrongdoing, may be subject to legal action or disciplinary action up to and including dismissal.
- Any allegation related to Respectful Workplace Conduct, Harassment, or Workplace Violence is to be in accordance with those policies.

1.2. Investigation

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- All disclosures of alleged wrongdoing will be investigated by Niagara Region or an independent investigator, where appropriate.
- All disclosures of alleged wrongdoing will be investigated in an objective and thorough manner as expeditiously as possible with fair due process of all persons involved.
- Any individual against whom allegations are being made will be given a reasonable opportunity to respond to the allegations, as part of the investigation.
- All employees, including the individual making the disclosure of wrongdoing and the individual who is the subject of the investigation, will be required to cooperate.
- No individual shall obstruct or interfere with the investigation.
- If alleged wrongdoing by an employee is substantiated through an investigation, the employee may be subject to disciplinary action up to and including dismissal.
- Upon conclusion of an investigation, recommendations may be made and implemented in order to minimize future risk.

1.3. Appropriate Authority

Respondent of Complaint	**Parties Responsible to Receive the Complaint**
Employee	Supervisor, Manager, Director
Supervisor or Manager	Director
Director	Commissioner or CAO
Commissioner	CAO or Regional Clerk
Regional Clerk	CAO
CAO	Regional Chair

1.4. Protection from Reprisal

- No person shall reprise against a Niagara Region employee acting in good faith for:

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- Reporting an incident of actual or suspected wrongdoing;
- Seeking information or advice about making a disclosure;
- Initiating or cooperating in any subsequent investigation;
- Appearing as a witness, giving evidence, or participating in any proceeding relating to the wrongdoing;
- Acting in compliance with this policy

- An employee informed of, or who becomes aware of a reprisal against another employee must notify their supervisor, manager, or director, as applicable and appropriate.
- Complaints of reprisal will be investigated and where allegations of reprisal are substantiated, any staff involved in the reprisal will be subject to appropriate disciplinary action, up to and including dismissal.

1.5. Confidentiality

- The name of a complainant and the circumstances related to the complaint will not be disclosed except where disclosure is necessary for the purposes of investigating the complaint or taking disciplinary measures. Every effort will be made to keep the identities, details of the incident and circumstances confidential; however, there cannot be a guarantee of anonymity in association with a complaint.
- All records of workplace wrongdoing including reports and subsequent investigations are considered confidential and will not be disclosed to anyone except to the extent required by law.
- All Niagara Region employees and officials aware of or participating in an investigation of wrongdoing shall treat all information received confidentially.
- It is recognized that in some cases absolute confidentiality cannot be guaranteed and disclosure may be required in order to properly assess and/or investigate any complaint. Any information obtained during any investigation will not be disclosed unless the disclosure is necessary for the purposes of investigating or taking corrective action with respect to the incident, or is otherwise required by law.
- Individuals who improperly breach confidential information may be subject to legal action or disciplinary action up to and including dismissal.

2. Purpose

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The purpose of this policy is to facilitate the disclosure of wrongdoing with respect to Niagara Region's operations, provide a mechanism where employees who disclose wrongdoings are protected from reprisal and where, under appropriate circumstances, investigations are undertaken in response to disclosures of wrongdoing.

3. Scope

This policy applies to all Niagara Region employees. Niagara Region prohibits wrongdoing and reprisals against employees who report wrongdoing. Disclosures of wrongdoing will be investigated in accordance with the provisions set out in this policy and any procedures.

Complaints about members of Regional Council are addressed through the process outlined in the Code of Conduct for Members of Council.

The provisions set out in the policy address those matters that are in the public interest and for which there are no established mechanisms for consideration and investigation. Nothing in this policy is intended to conflict with any existing reporting rights, mechanisms, or procedures established by any other polices of Niagara Region or by any collective agreement. This policy should be interpreted to be consistent with Niagara Region's policies regarding workplace violence and harassment, and with the Ontario *Human Rights Code*.

Individuals who do not comply with the provisions set out in this policy may be subject to legal action or disciplinary action up to and including dismissal.

3.1. Roles and Responsibilities

Employees:

- All employees who become aware or suspect that an act of wrongdoing has occurred will immediately notify their supervisor, manager, or director, as applicable and appropriate
- Follow the internal processes established in making allegations of wrongdoing in the workplace

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- Respect the reputation of individuals by not making trivial or malicious allegations or by making disclosures in bad faith
- Report incident(s) of reprisal to the Appropriate Authority if they believe they have witnessed an act(s) of wrongdoing in their work environment
- Fully co-operate during the course of an investigation and will make all reasonable efforts to be available to assist with the investigation.

Supervisors, managers, directors, or persons in a position of authority (i.e. those directing work of others):

- Inform their employees of this policy
- Reinforce the opportunity for all employees to report wrongdoing, unethical behaviour or illegal acts, including preventing any acts of retaliation against the whistleblower
- Promote ethical conduct and support ethical decision-making in their areas of responsibility
- Act promptly when information concerning an act of wrongdoing is brought to their attention
- Undertake investigations of alleged wrongdoing seriously and appropriately
- Report the results of investigations of alleged wrongdoing to the Appropriate Authority
- Be familiar with the types of wrongdoing that could occur within their area of responsibility and be proactive in taking steps to guard against such activities.
- Keep the information of a disclosure confidential and bring the matter to the immediate attention of Human Resources who may provide advice, consultation, and support under this policy
- Protect from reprisal the employees who disclose acts of wrongdoings in good faith
- Cooperate with any investigation and ensure that all relevant resources and information are made available

Chief Administrative Officer (CAO):

- Disseminate information on the policy, provide interpretation and related advice on the policy

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- Ensure that a Whistleblower whose allegations of wrongdoing are made in good faith is protected from reprisal regardless of the outcome of the investigation process
- Ensure the following process:
  a) Allegations received are reviewed
  b) Allegations received are screened for legitimacy and potential investigation
  c) Appropriate discipline is imposed when an allegation is substantiated
  d) Adequate resources are made available to support all investigations
  e) Advise Regional Council of any allegations that, if sustained, may involve significant imminent risk to the Region or may involve past, present or imminent criminal activity that would affect the Region

Regional Council:

- Review allegations of wrongdoing made against the CAO and any applicable investigation reports
- Take disciplinary action against the CAO if the CAO is found to have committed acts of wrongdoing

4. Definitions

Allegation: means a complaint submitted under this Policy alleging serious wrongdoings on the part of any employee or alleging that any person has been a victim of retaliation for making a disclosure of wrongdoing.

Disclosure: means an oral or written allegation to an Appropriate Authority by an employee alleging an act of wrongdoing by another employee.

Good Faith: means an act which is done for a proper and honest purpose and is not done trivially, frivolously or for a vexatious purpose.

Misconduct: means intentionally wrongful, improper or unlawful conduct.

Whistleblower: means a person who makes an allegation of wrongdoing.

Wrongdoing: refers to serious actions that are contrary to the public interest, which may include, but is not limited to, the following:

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- A contravention of a federal or provincial statute or regulation, or Niagara Region by-law, policy
- An act or omission that results or is likely to result in the misappropriation or misuse of Niagara Region funds or assets
- A contravention of Niagara Region's Code of Ethics / Conflict of Interest Policy for employees that results or is likely to result in unjust profit, advantage, payment or compensation to the employee
- An act or omission that creates or is likely to create a substantial and specific danger or harm to the life, health or safety of any person
- An act or omission that creates or is likely to create a substantial and specific danger or harm to the environment
- Taking reprisal against someone for disclosing wrongdoing or otherwise acting in compliance with this policy
- An abuse of authority
- Breach of public trust
- Directing or counselling someone to engage in wrongdoing

Disciplinary Action: means any consequence imposed upon a person as a result of the determination under this policy that they have committed an act of wrongdoing, which may include, but is not limited to, the following:

- Educational training on ethical conduct
- Removal of an employee from any place where the employee represents Niagara Region, including any committee, board, or corporation;
- Removal from any position of responsibility at Niagara Region;
- Suspension of duties;
- Termination of employment with the Region;
- Termination of a contract;
- Legal action depending on the severity of the action
- Other acts of discipline as may be considered appropriate in the circumstances.
- Public or private apology

Reprisal: refers to any action or threat of action that is intended as retaliation for the good faith disclosure of actual or suspected wrongdoing, initiating or cooperating in an investigation into alleged wrongdoing, or otherwise acting in compliance with this policy, including but not limited to, the following:

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- The dismissal, suspension, demotion, discipline, harassment or abuse of an employee;
- The denial of a benefit of employment to an employee;
- The intimidation, coercion or attempt to intimidate or coerce an employee.
- Any punitive measure that adversely affects the employment or working conditions of the employee
- Directing or counselling someone to commit a reprisal.
- Reprisal against an employee is any measure taken or threatened as a direct result of disclosing or being suspected of disclosing an allegation of wrongdoing, initiating or co-operating in an investigation into an alleged wrongdoing.

5. References and Related Documents.

5.1. Legislation, By-Laws and/or Directives

5.2. Procedures

6. Related Policies

C-A-007 Code of Ethics/Conflict of Interest

7. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date

Revision History

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Niagara Region

Corporate Policy **C-XXX-000**

Policy Category	*Name of Policy*
Administrative	*Whistleblower Policy*

Revision No.	Date	Summary of Change(s)	Changed by

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Niagara Region

Corporate Policy | **C-A-007**

Policy Category	*Name of Policy*
Administrative	*Code of Ethics / Conflict of Interest*

Policy Owner	Corporate Administration, Office of the Chief Administrative Officer
Approval Body	Regional Council
Approval Date	
Effective Date	
Review by Date	

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1. Policy

The Niagara Region (Region) is committed to maintaining excellent ethical conduct and high integrity. Employees are expected to perform their duties in a manner that maintains public trust and confidence trust. Employees should avoid conflicts of interest and unethical behaviour.

2. Purpose

The purpose of this policy is to outline acceptable standards of behaviour and related responsibilities and procedures for Region employees.

This policy is intended as a guide to employees in their dealings on behalf of the Region, and to assist them in identifying and properly responding to potential conflicts of interest. This policy should be applied in conjunction with all applicable collective agreement and contractual provisions, legislative requirements, and/or professional standards, where applicable.

3. Scope

This policy applies to all union and non-union employees, including regular, temporary/contract, and/or paid student/co-op/intern staff with the Region. Employees are encouraged to direct any questions or concerns regarding the policy to their Manager, Director, Commissioner, or Chief Administrative Officer (CAO) (as appropriate).

Serious breaches of this policy must be reported in accordance with the Region's Whistleblower Policy and Procedure. Employees who report such breaches in good faith will be protected from reprisal in accordance with the terms of that policy.

Niagara Region

Corporate Policy **C-A-007**

Policy Category	*Name of Policy*
Administrative	*Code of Ethics / Conflict of Interest*

3.1. **Roles and Responsibilities**

3.1.1. Disclosure of Confidential or Personal Information

Employees may not use or disclose confidential, privileged, or personal information belonging to or in the custody or control of the Region except as necessary to perform their duties in accordance with the Region's policies and procedures, and in accordance with the provisions of the *Municipal Freedom of Information and Protection of Privacy Act* and *Personal Health Information Protection Act*.or as otherwise required by law. Where an employee is uncertain whether information may be used or disclosed, they are to seek guidance from their Manager, Director, Commissioner or CAO (as appropriate).

3.1.2. Professionalism and Adherence to Core Values

As ambassadors and representatives of the Region, employees are expected to conduct themselves professionally in all of their interactions with clients, community agencies, contractors, suppliers, and the public.

Employees should conduct themselves in a manner consistent with the Region's core values:

Respect: We treat everyone equitably with compassion, sensitivity, and respect.
Serve: We serve Niagara with pride, care, and excellence.
Honesty: We value honest, integrity, and trust.
Choice: We believe in social, environmental and economic choices that support our diverse community.
Partnerships: We foster collaboration and value partnerships.

3.1.3. Respect, Truth, Honesty and Integrity

1. Employees shall respect the values of truth, honesty and integrity in all Region matters, issues, and activities.

2. Employees shall not impose their personal, moral or religious standards on others, as every person is an individual with specific rights, values beliefs, and personality traits to be respected at all times.

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3. Employees should respect the right to confidentiality and privacy of all clients, volunteers and employees and be aware of their responsibilities under relevant legislation, corporate and departmental policies, ethical standards, and, where appropriate, professional standards. No discussion regarding clients, volunteers or employees will be conducted other than with authorized persons in accordance with corporate and department policy.

3.1.4. Excellence

1. Employees shall act in the best interest of the community, in a responsible manner, and be held accountable for their actions.

2. Employees shall strive to achieve the highest standards of ethical conduct.

3. Employees shall be cognizant of their position within the Region and the trust and influence that may be afforded these positions by the public, including and not necessarily limited to clients, community agencies, etc. Employees shall ensure that they are performing their duties in a manner that does not violate trust relationships or abuses the power of their position.

3.1.5. Conflict of Interest

Employees shall not use their position within the Region to gain any particular interest, personal or family advantage or benefit in utilizing any service provided by the Region or in conducting any business on behalf of the Region.

1. Employees shall not be involved as an official of the Region in judging, inspecting or making a decision on any matter in which they have a personal or familial interest. Any employee involved in such a matter shall declare a conflict of interest as soon as such conflict is identified.

2. Employees of the Region shall not use their position within the Region to gain any particular personal, business, educational, financial or political advantage; this includes a prohibition that employees not use any Region property, assets, resources, tools, materials, staff, etc., for personal matters.

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3. Employees of the Region who choose to become personally involved in any community board, agency, association or political body must clearly declare that such involvement is not as a representative of the Region. Employees who are requested / required to participate on a committee / board / association or political body as a representative of the Region shall identify themselves as such to the committee / board / association or political body.

3.1.6. Disclosure Process

1. If a potential or real conflict of interest exists because of an employee's personal or familial interests in a matter involving a service provided by the Region, a business dealing with the Region, or similar circumstances, the employee must notify in writing of the situation, detailing their conflict, to their Manager or Director or Commissioner or CAO (as appropriate). The Manager or Director or Commissioner or CAO (as appropriate) will then ensure that someone who is not personally involved in the situation makes the judgment, inspection, or decision using the same objective criteria that would be used for that situation if a non-employee client were using the particular service or involved in the business dealing.

2. If a potential or real conflict of interest exists because an employee is promoting a service or a product in an independent capacity but customers may perceive the employee as a representative of the Region, the employee will notify in writing of the situation to their Manager or Director or Commissioner or CAO (as appropriate). The employee will inform each customer that they are acting in an independent business capacity rather than as an employee or representative of the Region.

3. Whenever an employee considers that he or she could be involved or appear to be involved in a conflict of interest, the employee shall immediately disclose the situation in writing to the Director or Commissioner or CAO (as appropriate).

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Niagara Region

Corporate Policy **C-A-007**

Policy Category	*Name of Policy*
Administrative	*Code of Ethics / Conflict of Interest*

3.1.7. Acceptance of Gifts, Favours and Entertainment

Employees shall not seek or accept any gifts, entertainment, payments for services, valuable privileges, etc., or other favours from any external person or business organization except as provided below:

i) acceptance of promotional items at a nominal dollar value;

ii) attendance at social events where:
   a. the event is attended by a broad range of the sponsoring organization's customers or professional association members and does not specifically cater to the Region;
   b. there is no actual, potential or apparent conflict of interest, and;
   c. permission to attend has been granted by the department Commissioner

iii) charitable donations or fundraising for the benefit of the community; and;

iv) sponsored community/professional events e.g. educational days.

Gifts that do not meet the criteria in (i) above (i.e. entertainment tickets / vouchers) that are given directly to Niagara Region employees for personal use should be returned to sender or redirected with the sender's approval to a charity or non-profit community association of their choice. Employees should communicate the sensitivity of public perception to these individuals. Suppliers should be informed of this policy.

Failure or refusal to adhere to the terms of this policy may result in discipline up to and including dismissal.

4. References and Related Documents

4.1. Legislation, By-Laws and/or Directives

4.2. Procedures

5. Related Policies

- Whistleblower C-xx-xxx

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Niagara Region

Corporate Policy **C-A-007**

Policy Category	*Name of Policy*
Administrative	*Code of Ethics / Conflict of Interest*

6. Document Control

The electronic version of this document is recognized as the only valid version.

Approval History

Approver(s)	Approved Date	Effective Date

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

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Niagara Region

Corporate Policy **C-HR-010**

Policy Category	*Name of Policy*
Human Resources	*Recruitment and Selection*

Policy Owner	Administration, Human Resources, Manager Organizational Development and Talent Acquisition
Approval Body	Regional Council
Approval Date	
Effective Date	
Review by Date	

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1. **Policy**
   Niagara Region is committed to the attraction, selection, and retention of a qualified and effective workforce that embraces the vision, values and culture of our organization in order to consistently deliver on operational objectives and the Council Business Plan. We believe in fair, objective, and transparent recruitment and selection practices. For employment and/or promotion opportunities, we seek out and select the best-qualified available candidates at the time of recruitment while promoting a culture of diversity and inclusion.

2. **Purpose**
   The purpose of this policy and its corresponding procedures is to establish a consistent and equitable standard for the recruitment and selection practices at Niagara Region while ensuring equity in recruitment practices, clarity in roles and responsibilities, and promoting career development opportunities for our employees which support our internal succession planning practices.

3. **Scope**
   This policy applies to all union and non-union employees as well as any person engaged in the recruitment function on behalf of Niagara Region. This policy is inclusive of all employee, student, co-op, intern, etc., roles at Niagara Region.

   There are to be no acts of favoritism or discrimination in any recruitment process. Members of Council, staff, external vendors and anyone else approved to be part of the recruitment process shall not attempt to influence the hiring of any applicant in a manner

that is inconsistent with this policy. This includes that no one shall engage in any behavior that provides an unfair advantage to a candidate during a recruitment process, to assist any candidates by providing inside information, such as but not necessarily limited to, interview questions and suggested answers, presentation materials, information about other candidates, or any information gathered in meetings, conversations, email or any other form of communication or discussion.

Niagara Region is committed to protecting the confidentiality of all candidates seeking employment and advancement regardless of position.

Candidate information confidentially collected through the recruitment and selection process will be restricted to those persons who on behalf of Niagara Region require such information in order to assess those best qualified in each instance and those who administer the recruitment and selection process. All persons involved in the recruitment and selection process shall keep confidential all related information, including in accordance with each person's Confidentiality Acknowledgement or Commitment, where applicable, and shall not release or divulge any information except where required by law or by administration of Niagara Region duties in accordance with this policy and its corresponding procedures.

3.1. Roles and Responsibilities

a. Human Resources: Facilitates the Recruitment and Selection process; serving in a consulting and advisory capacity to Management to ensure effective and efficient hiring/ advance of staff and candidates for employment. This includes ensuring, through providing any advice and consultation, including any ancillary recruitment and assessment tools to support the administration of policy and procedure, that a fair and open competition is maintained, particularly with respect to ensuring equal opportunity and adherence to collective agreement, where applicable, and related employment law requirements.

b. Hiring Manager: Accountable for final candidate selection and hiring decisions, except where formal Regional Council approval and/or other regulatory body endorsement or approval is required (e.g. as may be required under the *Municipal Act* or *Health Promotion and Protection Act*). Engages in all policy requirements and procedural elements as outlined in respective procedures. Enforces procedural and policy requirements including confidentiality. Attendance either self or designate at all selection activities, participation in attraction and selection consultations, and engaging

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Niagara Region

Corporate Policy **C-HR-010**

Policy Category	*Name of Policy*
Human Resources	*Recruitment and Selection*

in onboarding activities for selected candidate. Consultation with Human Resources on all relevant policy and procedures as required, including the engagement of any external vendors who may be acquired to support the recruitment and selection process.

c. Selection Panel Participant: Engages in all procedural elements either self or designate at all selection activities; participation in attraction and selection consultations as required. Understands and adheres to policy and procedural requirements including confidentiality.

d. Candidate: Fully completes the application process, including accurate representation of their qualifications, experience, skill, and ability. Engages in selection activities through attendance at interviews either in person or by phone/Skype, including completion of any assessment/testing requirements, as well as onboarding activities as a successful applicant. Engages in all policy requirements and procedural elements as outlined in respective procedures, including adherence to confidentiality requirements.

Failure or refusal to adhere to the terms of this policy may result in discipline up to and including dismissal.

4. **References and Related Documents.**
List related legislation, directives, By-laws and associated procedures

4.1. Legislation, By-Laws and/or Directives
- Employment Standards Act, 2000
- The Ontario Human Rights Code
- Municipal Act, 2001
- Health Protection and Promotion Act, 1990

5. Related Policies
C-HR-001 Non-Union Compensation Policy
C-HR-006 Criminal Records Check
C-HR-011 Extra Professional Services
C-HR-013 Job Sharing
C-HR-015 Re-Employment of Former Employees
C-HR-017 Secondment Policy
C-HR-020 Temporary Staffing

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Niagara Region

Corporate Policy **C-HR-010**

Policy Category	*Name of Policy*
Human Resources	*Recruitment and Selection*

C-HR-026 Chief Administrative Officer – Recruitment, Selection, Offer of Employment, and Performance Management

6. Document Control

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Approval History

Approver(s)	Approved Date	Effective Date

Revision History

Revision No.	Date	Summary of Change(s)	Changed by

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Subject: Request to Write-off Outstanding Amount over $25,000

Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

That the write-off of uncollectible accounts receivable totalling $100,348.58, **BE APPROVED**.

Key Facts

- The purpose of this report is to authorize the write-off of two Long-Term Care facility residents' accommodation fee accounts totalling $100,348.58.
- The Office of the Public Guardian and Trustee began managing Resident A's finances in September 2017 for current and future charges; however, no payment has been made for the arrears amount of $29,730.23 accumulated over the period of December 2015 to August 2017.
- Resident B's power of attorney made sporadic payments over the period of July 2011 to February 2020; however, the amounts paid did not cover the monthly accommodation fee charges and as such arrears accumulated in the amount of $70,618.35.
- Resident A passed away in November 2019, Resident B passed away in February 2020, and in both cases all collection efforts have been exhausted.
- Write-offs in excess of $25,000 require Regional Council approval, as per C-F-001 (C3-A01) Accounts Receivable policy

Financial Considerations

The financial implication to the 2020 fiscal year related to this write-off is $6,860.50. Resident A's arrears amount of $29,730.23 was fully provisioned to the Region's allowance for doubtful accounts between 2018 and 2019. Resident B's arrears amount of $70,618.35 was provided for in the amount of $63,757.85 in 2019 and prior; the remaining $6,860.50 is related to current outstanding accommodation charges.

Analysis

This report is being brought forward in accordance with C-F-001 (formerly C3-A01) Accounts Receivable policy approved by Regional Council. This policy sets the following authorization levels for account write-offs:

- Write-offs not exceeding $10,000 are authorized by the Manager Accounting Services;
- Write-offs exceeding $10,000 and not exceeding $25,000 are authorized by the Deputy Treasurer / Treasurer; and
- Write-offs exceeding $25,000 require Council approval.

Resident A

During the period of December 2015 to August 2017, this resident of one of the Region's Long-Term Care facilities accumulated accommodation fee account arrears totalling $29,730.23. In September 2017, the Office of the Public Guardian and Trustee (OPGT) began managing the resident's finances. The OPGT operates within the Victims and Vulnerable Persons Division of the Ministry of the Attorney General and delivers a range of services that safeguard the legal, personal, and financial interests of certain private individuals.

The mandate of OPGT covers charges at the time it takes over a file. As such, OPGT paid for all current and ongoing charges for this resident from September 2017 until the date when the resident passed away in November 2019. Collection efforts made by accounts receivable and facility staff since 2015 were unsuccessful, and with the resident's passing, OPGT has identified that there is no opportunity to recover funds from the estate. As such, all collection efforts have been exhausted.

Resident B

During the period of July 2011 to February 2020, this resident of one of the Region's Long-Term Care facilities accumulated accommodation fee account arrears totalling $70,618.35. Collection efforts on this resident's account have been ongoing since 2012. Throughout this period, staff from the facility, accounts receivable, and legal have been involved in varying capacities attempting to find a solution to the ongoing shorted and missed payments.

In 2015, staff discussed if a capacity assessment could be ordered for the resident. Typically that avenue is pursued when a resident has no power of attorney (POA) in order to allow OPGT to take over the resident's finances. In this case, the resident had a POA but the individual was unwilling to resign. OPGT was contacted and would not proceed until police were involved. As such, Niagara Regional Police were engaged to investigate suspected financial abuse on the part of the resident's POA; however, the police concluded that there was no evidence of criminal action on the part of the POA. With no criminal findings, OPGT would not take over the resident's finances.

The POA continued to indicate to staff that all funds as provided to the resident by the government were paid toward the account. Facility staff informed the POA that if a Canada Revenue Agency Notice of Assessment was provided to show the resident's

income then the facility could apply for a rate reduction to match. However, the POA refused. The resident was eventually moved to another room with a lesser rate in order to reduce the rate of debt increase. The resident passed away in February 2020 and given the history on the account, legal has advised there are no further opportunities to pursue collection from the estate.

Alternatives Reviewed

Council may choose to not approve this write-off; however, as there are no further opportunities to pursue collection and the amounts have been nearly fully provisioned as of 2019, there is no additional recourse.

Relationship to Council Strategic Priorities

N/A

Other Pertinent Reports

N/A

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Corporate Services

Recommended by:
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Commissioner, Corporate Services, Treasurer
Corporate Services

Submitted by:
Ron Tripp, P.Eng.
Acting, Chief Administrative Officer

This report was prepared in consultation with Jenna Gazzellone, Senior Accounts Receivable Clerk, Christine Conron, Senior Accounts Receivable Clerk, and Renee Muzzell, Manager Accounting Services, and reviewed by Helen Chamberlain, Director, Financial Management and Planning, Deputy Treasurer.

Appendices

N/A

Subject: Proposed Procurement Process for Insurance and Risk Management Services RFP

Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

1. That staff **BE AUTHORIZED** to commence the procurement process for the acquisition of insurance and risk management services utilizing a Request for Proposal ("RFP") process which employs the same methodology/wording as was issued in 2017, with the exception of engaging the services of a Fairness Advisor Commissioner;

2. That staff **BE AUTHORIZED** to procure the services of a Subject Matter Expert to assist with the RFP process and to provide an objective coverage compliance analysis report for evaluators; and

3. That staff **BE AUTHORIZED** to procure insurance and risk management services for a three year contract period with an option in favour of Niagara Region to extend the contract on the same terms and conditions for an additional term of up to two years.

Key Facts

- The purpose of this report is to seek Council approval of the overall procurement process for a new insurance and risk management services contract which would commence on November 1, 2020.
- The procurement of insurance and risk management services includes Niagara Region as named insured as well as Niagara Regional Police Service and Niagara Regional Housing.
- In 2017 at the direction of Council, Staff engaged both a Fairness Advisor Commissioner and Subject Matter Expert to assist in the facilitation of a procurement process for the insurance and risk management services. This resulted in a two year contract with Jardine Lloyd Thompson Canada Inc. ("JLT") with an option in favour of Niagara Region to extend the contract on the same terms and conditions for an additional term of up to one year.
- On November 1, 2019, in accordance with Council approval (pursuant to CSD 28-2019), Staff exercised the option to extend the insurance and risk management services contract with JLT for one year. Staff also informed Council of the intention to go out to market for Niagara Region's insurance and risk management services given the contract with JLT expires on November 1, 2020.

- At the direction of Council, a Fairness Advisor Commissioner oversaw the entire 2017 procurement process from RFP preparation through to award (which included scoring methodology, evaluation and ranking) and attested to the fact that the appropriate procurement practices were used throughout.
- Based on the November 18, 2019 memo from the Director of Procurement and Strategic Acquisitions to the Procurement Advisory Committee, this procurement does not necessitate the services of Fairness Advisor Commissioner. The memo specified that services of a Fairness Advisor Commissioner are required for certain types of procurement, some of which include:
    - Complex and/or high profile and/or high value projects;
    - New/innovative procurement process
    - When public interest demands a higher than normal level of objective scrutiny
- This type of procurement is not overly complex, is valued at less than $1M, is not a new or innovative procurement process and there is no public interest demanding a higher than normal level of objective scrutiny. In addition, Staff propose an RFP process that employs the same methodology/wording as in the 2017 RFP. Accordingly Staff does not propose to procure the services of a Fairness Advisor Commissioner for the 2020 RFP.
- Staff proposes to procure the services of a Subject Matter Expert to assist with any recommended updates to the RFP and to provide an objective coverage compliance analysis report for evaluators.
- To achieve greater value and financial certainty for Niagara Region (and in keeping with best practices of other municipalities), Staff proposes a longer term contract commitment for the new RFP (three year contract plus the option in favour of Niagara Region to extend on the same terms and conditions for up to two years).

Financial Considerations

The approved budget for 2020 of $904,100 was prepared to accommodate the impact of a change in insurers as of November 1, 2020. Staff note the current municipal insurance market does present some financial uncertainty.

There are a number of factors affecting the current condition of the municipal insurance market, some of which are as follows:

- in light of the growing number and severity of claims (including medical malpractice claims and other municipal liability claims), municipal insurers are dealing with these losses through corrective pricing, and accounts with good loss histories are seeing increases; and
- a number of municipal insurers are exiting the market while others have been purchased through acquisition (JLT acquired by Marsh and Frank Cowan Company Limited acquired by Intact);

- some insurers are restricting capacity and are unable to take on new business (which is limiting the number of available insurers to bid on municipal business).

It is difficult at this time to accurately predict the impact the hardening market on the insurance industry will have on the 2021 budget which is forecast at $994,510. Staff have been informed by various sources, including our current insurance incumbent JLT, that municipalities should not expect any decreases in premiums but rather significant increases over the next several years.

As noted in Report CSC-C 17-2019 – Insurance Program Renewal 2019-2020 Update, Staff identified a potential unforeseen budget pressure of approximately $50,000 for the 2020 budget due to a policy change in the November 1, 2019 renewal. Staff will attempt to mitigate this pressure as well as any consequences of the hardening market to the extent possible within the existing 2020 levy operating budget.

Analysis

Staff was authorized under CSD 28-2019 to exercise the option to extend the insurance and risk management services contract with JLT for the November 1, 2019 to November 1, 2020 policy renewal term. On October 31, 2019 insurance coverage was bound with JLT for the final policy renewal term.

As a part of CSD 28-2019, Staff also indicated the intention to bring a report to Council in the Spring of 2020 to seek instructions and direction with respect to the new competitive procurement process and to go out to market in early Summer 2020. The procurement of insurance and risk management services will include Niagara Region as named insured as well as Niagara Regional Police Service and Niagara Regional Housing.

For the upcoming 2020 RFP, it is Staff's recommendation to commence procurement process for the acquisition of insurance and risk management services utilizing an RFP process which employs the same methodology/wording as was issued in 2017, with the exception of engaging the services of a Fairness Advisor Commissioner.

In a September 14, 2017 report (attached as Appendix 1 to CSD 56-2017), the Fairness Advisor Commissioner reported and attested to the fact that the appropriate procurement practices were used throughout the 2017 RFP process and that care was taken in managing risks involved in providing the necessary structure for an open, fair and competitive process. However, Council should be aware that Committee and Council chose not to accept Staff's recommendation which resulted from the above noted RFP process and awarded to a different vendor.

The 2020 RFP will incorporate the same scoring methodology, evaluation and ranking as previously vetted through the Fairness Advisor Commissioner in 2017 (attached as **Appendix 1** is the Proposed Scoring Methodology, Evaluation and Ranking).

In the November 18, 2019 memo to the Procurement Advisory Committee, Director of Procurement and Strategic Acquisitions identified certain types of procurement that require the services of a Fairness Advisor Commissioner including the following:

- Complex and/or high profile and/or high value projects;
- New/innovative procurement process
- When public interest demands a higher than normal level of objective scrutiny.

Upon review by Staff, this type of procurement does not meet the above criteria to engage the services of a Fairness Advisor Commissioner for the following reasons:

- it is not overly complex and is valued at less than $1M
- it is not a new or innovative procurement process; and
- there is no public interest demanding a higher than normal level of objective scrutiny.

In light of the above, Staff does not propose to retain the services of a Fairness Advisor Commissioner for the 2020 RFP.

Staff will consider updates to the RFP based on industry trends and best practices as well as information gathered through discussions with other municipalities that have recently undertaken procurement processes for insurance and risk management services.

Similar to the process followed in 2017, Staff proposes to procure the services of a Subject Matter Expert to assist with any recommended updates to the RFP and to provide an objective coverage compliance analysis report for evaluators. These services can be procured by way of an Informal Quotation process (purchases greater than $10,000 and not exceeding $25,000 excluding taxes pursuant to section 13 of the Procurement By-law).

In keeping with best practices of other municipalities and to achieve greater value and financial certainty for Niagara Region, Staff recommends a longer term contract commitment for the new RFP (three year contract plus the option in favour of Niagara Region to extend on the same terms and conditions for up to two years). A significant amount of Staff resources are dedicated to an RFP process. A longer contract period would help offset these and other costs (both internal and external) and provide greater financial certainty for the Region given changing market conditions. In addition, a longer commitment will allow Staff the opportunity to engage the insurers in longer term

risk management initiatives (such as developing an enterprise risk management plan) and allow the insurer a chance to gain a better understanding of aspects of our operations that are unique to our municipality in order to provide value added services/targeted risk management advice.

Staff prepared a high level procurement timeline necessary to complete the RFP in advance of the November 1, 2020 insurance expiry date. Staff plans to bring a recommendation report to Council for approval by the September 9 Corporate Services Committee meeting and the September 17 Council meeting (attached as **Appendix 2** is the Proposed Procurement Timeline to complete the procurement process).

Alternatives Reviewed

N/A - The existing contract with JLT does not provide further options to extend, therefore, a new competitive process is required.

Relationship to Council Strategic Priorities

The procurement of Niagara Region's insurance program is consistent with Regional Council's strategic priority focus of a Sustainable and Engaging Government.

Other Pertinent Reports

- CSC-C 17-2019 – December 4, 2019 - Insurance Program Renewal 2019-2020 Update
- PAC-C 4-2019 - November 18, 2019 Response to Councillor Information Requests (PAC)
- CSD 28-2019 – April 17, 2019 - Insurance and Risk Management Services Contract Extension for November 1, 2019 – November 1, 2020
- CSD 56-2017- September 27, 2017 - Results from Insurance RFP

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Recommended by:
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Submitted by:
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Acting, Chief Administrative Officer

This report was prepared in consultation with Donna Gibbs, Director Legal and Court Services, and reviewed by Bart Menage, Director Procurement & Strategic Acquisitions.

Appendices

Appendix 1	Proposed Scoring Methodology, Evaluation and Ranking	7 - 8
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Proposed Scoring Methodology, Evaluation and Ranking

Stages of Proposal Evaluation

Niagara Region will conduct the evaluation and ranking process in accordance with the stages set out below.

Stage 1 – Mandatory Requirements

Stage 1 will consist of a review to determine which proposals comply with all of the mandatory requirements. Proposals that do not comply with all the mandatory requirements as of the Submission Deadline will, subject to the express and implied rights of Niagara Region, be disqualified and not evaluated further.

Stage 2 – Rated Criteria

Niagara Region Evaluation Team will evaluate each compliant proposal as set out in Sections 1, 2 and 3 of Rated Criteria (explained below).

Stage 3 – Presentation and Interview – Section 4 of Rated Criteria

All proponents that pass Stage 1 will be invited to present and interview with the Evaluation Committee. Each Proponent will be provided with the same prescribed questions.

Stage 4 – Ranking and Selection of Top-Ranked Proponent

After completion of Stages 2 and 3, Procurement will complete the mathematical calculations and final ranking of the proponents in accordance with the evaluation and ranking method described in the RFP.
The following is a summary of the rated criteria and weightings for the evaluation of proposals.

CRITERIA	Weighting %	Points	Weighted Score
The Regional Municipality of Niagara – Insurance Services Scoring			
Section 1 - Proponent/Qualifications Experience Financial Service for Transition of Policy	10%		
Section 2 - Services and Support (20%) Risk Management Services	5%		
Claims Management Services	15%		
Section 3 - Coverage/Product	30%		
Section 4 - Presentation and Interview	5%		
Section 5 - Total Program Cost (35%)			
Option #1 (NR/NRP)	15%		
Option #3 (NR, NRP + NRH)	20%		
TOTAL	100%		

Scoring Category	Description	Numeric Score Points
Fail	Requirement is not met or is not acceptable.	0
Poor	Minimally addresses the component, but one or more major considerations of the component are not addressed.	1 - 3
Fair	The response addresses some aspects of the component, but minor considerations may not be addressed.	4 - 6
Good	The response addresses the component and provides a reasonably good quality solution.	7
Very Good	There is a high degree of confidence in the proponent's response as a proposed solution to address the component.	8 - 9
Exceptional	The proposed solution goes above and beyond the requirements as well as provides a high degree of confidence in its effectiveness.	10

Proposed Procurement Timeline

RFP Post by:	June 11, 2020
Deadline for Questions:	June 30, 2020
Deadline for Issuing Addenda:	July 2, 2020
RFP Submissions by:	July 10, 2020
Evaluation Process:	July 13 to 30, 2020
Report to CSC/Council:	September 9 CSC/September 17 Council

Following Council approval of CSD 16-2020 – Proposed Procurement Strategy for Insurance and Risk Management Services RFP, certain steps are required by Staff prior to the posting of the RFP, some of which are as follows:

- Prepare Informal Quotation to retain subject matter expert (Consultant), post quotation, evaluate submissions and award - **to be commenced by April 20 and completed by May 20, 2020;**
- Underwriting data (such as property schedules, fleet schedules, driver lists, loss history, etc) needs to be requested and collected from various Niagara Region divisions (as well as NRPS and NRH) - **to be commenced by April 20 and completed by May 25, 2020**
- Staff to review and finalize all schedules and data to be included in the RFP- **to be completed by June 2, 2020**
- Staff to draft RFP – **to be commenced by April 20 and completed by May 22, 2020**
- Kick Off Meeting with Consultant – **May 22, 2020**
- Draft RFP to be reviewed by Procurement/Consultant – **review to be completed by May 29 and any revisions by June 10, 2020**

Subject: CRTC Broadband Fund

Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

That staff **BE AUTHORIZED** to redirect funding previously committed to the application of Connect to Innovate (CTI) program to fund an application to the federal CRTC Broadband Fund, not to exceed a contribution of $400,000.

Key Facts

- Improving digital infrastructure (broadband internet) within Niagara region is one of the strategic initiatives identified by Regional Council.

- On November 13, 2019, the Government of Canada's Canadian Radio-television Telecommunications Commission (CRTC) announced a second call for applications to the "Broadband Fund" with additional geographic areas not included in the first call announced in June 3, 2019. This program aims to assist in (i) funding continuing access to the basic telecommunications services that form part of the universal service objective, and (ii) closing the gaps in connectivity across Canada. $750M is allocated to this fund throughout Canada with $100M to be spent in 2020

- In eligible geographic areas, projects to build or upgrade fixed access infrastructure, transport infrastructure, mobile wireless infrastructure, or any combination of these, will be eligible.

- Niagara Regional Broadband Network (NRBN) intend to submit an application to the program and have approached Niagara Region, as well as other municipalities in Niagara, seeking support. According the evaluation criteria, the more supplemental funding from other sources (Region, Municipalities, Private) the higher a project is rated.

- NRBN's application is to build $4,000,000 of infrastructure in eligible areas in Niagara and they are seeking $400,000 in funding from Niagara Region.

- Deadline for funding applications is March 27, 2020.

Financial Considerations

On February 9, 2017, Regional Council approved participating with local telecom provider Niagara Regional Broadband Network in submitting an application to the Connect to Innovate (CTI) program to bring broadband to underserved communities (report CSD19-2017). Council had committed up to $1.4 million to deliver up to $10 million in broadband infrastructure. Unfortunately, on February 3, 2020, we were notified by NRBN that the application was not approved.

	2018	2019	2020	2021
CTI Application Commitment	$200,000	$400,000	$400,000	$400,000

NRBN's proposal is to build approximately $4 million in new broadband infrastructure in eligible areas (See appendix A for more details) and have requested a financial contribution of $400,000 (approx. 10%) in support of their application.

A portion of the funds ($400,000) that were initially committed to the CTI application would be repurposed to support this this new application for funding. These costs would only be incurred if the application to the CRTC Broadband Fund was approved.

If a partial component of the CRTC Broadband Fund application is approved Niagara Region's contribution costs would drop accordingly.

Analysis

Broadband providers will typically only invest where there is an economic benefit to their organization's shareholders. This has resulted in significant gaps in broadband availability outside of well populated areas; a trend that will only continue to increase the digital divide without concentrated efforts by various levels government. The following is a quote from the Government of Canada Press Release on the program:

"All Canadians should be able to participate in the digital economy. We are now accepting additional funding applications to improve access to broadband Internet and mobile wireless services in all underserved regions of Canada. Prospective applicants are encouraged to work with partners and to submit high-quality projects that will make a real difference in the lives of Canadians no matter where they live." Ian Scott, Chairperson and CEO, CRTC

In addition to the Region's current commitment to SWIFT, the CRTC Broadband Fund opportunity will help accelerate the deployment of broadband throughout the region.

While the CRTC Broadband Fund is complimentary to the SWIFT initiative, it differs in the way the funds are allocated. SWIFT has a wide range of stakeholders (15 rural

municipalities in southwestern Ontario, as well as the Town of Caledon, City of Orillia, and Niagara Region) who are sharing in SWIFT funds whereas the CRTC Broadband Fund would be specific to projects in Niagara region.

The proposal being brought forward by NRBN targets eligible areas in Welland, Port Colborne, Fort Erie and Niagara Falls (See appendix A for more details).

Alternatives Reviewed

The Region could pursue the funding opportunity directly however the program requires that applicants have at least three years' experience deploying and operating broadband infrastructure in Canada. The Region would not meet this requirement.

The Region could competitively seek a partner to build, own and manage the network through an RFP process. The timeline from the announcement of the CRTC Broadband Fund program to the application deadline did not allow adequate time to develop and issue an RFP, meet with respondents, score the responses, select an appropriate vendor, negotiate contracts then develop the CRTC Broadband Fund application proposal.

The Region could choose not to pursue this funding opportunity. This could result in funding being directed to competitor regions outside of Niagara.

Relationship to Council Strategic Priorities

Expanding broadband infrastructure and capacity for residents and businesses in rural areas has been identified as a key initiative under Council's Strategic Priority of "Supporting Businesses and Economic Growth".

Other Pertinent Reports

- CAO 18-2015
- CAO 13-2016
- CSC SWIFT - Niagara Region Presentation November 9 2016
- CSD19-2017
- GM 02-2018

Prepared by:
Stuart Hendrie, MBA, PMP
Chief Information Officer
IT Solutions

Recommended by:
Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:
Ron Tripp, P.Eng.
Acting, Chief Administrative Officer

Appendices

Appendix 1 NRBN Application Proposal

Niagara Regional Broadband Network
Better Internet is Here!

January 21, 2020

Niagara Region
Stuart Hendrie Chief Information Officer
Regional Municipality of Niagara
1815 Sir Isaac Brock Way
Thorold, ON L2V 4T6

Re: CRTC Broadband Fund Hybrid Fibre Optic/Fixed Wireless Proposal from NRBN

Dear Mr. Hendrie:

Please find attached proposal for your consideration. We very much appreciate Niagara Region's willingness to consider this important project to provide rural residents and small businesses in underserved and unserved areas of Welland, Port Colborne, Fort Erie and Niagara Falls. NRBN has been providing residential service to residents of Niagara using fixed wireless and more recently Fibre-to-the-Home (FTTH) services which means this proposal will enable NRBN to expand those services to areas that we do not currently provide coverage. Thank you for your support.

Warm regards,

Geoff Heinen

President

Address: 4343 Morrison St. Niagara Falls, ON L2E 6Z9
Tel:1-877-331-6726
Email:info@nrbn.ca
Web: www.nrbn.ca

1 NRBN'S REGIONAL STRATEGY TO FILL BROADBAND GAPS

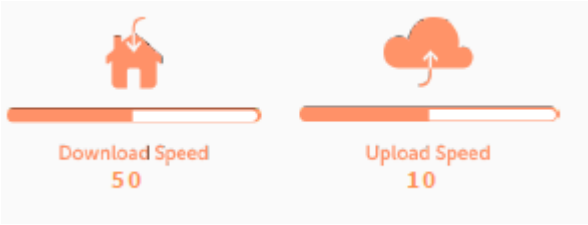
NRBN is municipally-owned and operated by Niagara Falls and Niagara on the Lake. NRBN has been in business for nearly 20-years supporting the community with our ultra-reliable high-capacity fibre optic connectivity to public sector and large commercial enterprises. NRBN has an extensive fibre-optic network throughout Niagara with over 700 route kilometers of fibre cable. We deliver critical connectivity on behalf of national carriers which has led to more competition, better service and lower rates for our customers.

NRBN now plans to bring this successful business model to bear on providing broadband Internet connectivity and other IP services to residents throughout the region, most particularly to unserved and underserved rural areas. In 2019 NRBN launched a pilot Fibre-to-the-Home (FTTH) project delivering residential service as well as launching rural residential fixed wireless broadband services from 4 tower locations in the Niagara region. Our residential service offering continues to grow in 2020 and this Broadband Fund proposal will enable NRBN to expand ubiquitous broadband coverage out to the rural areas of the region where these projects would not normally be viable.

2 CRTC BROADBAND FUND SUMMARY

NRBN believes that every resident in Niagara deserves reliable access to the Internet. Currently, for many rural residents and businesses, FTTH and highspeed fixed wireless Internet connectivity is not available. Therefore, the funding from the CRTC Broadband Fund will play an important role in bridging the digital divide, so that these rural residents and businesses may better contribute to and benefit from our regional economy and society.

Consequently, NRBN is currently submitting a funding application to the Canadian Radio-television and Telecommunications Commission (CRTC) Broadband Fund. NRBN plans to provide under-serviced communities with affordable, scalable and reliable Fibre-to-the-Premise (FTTP) and fixed wireless services to meet and exceed the 50/10 Mbps universal service objective established by the CRTC for this funding program. NRBN will continue to make investments throughout the Region to serve the needs of rural residents and businesses beyond the funding program.

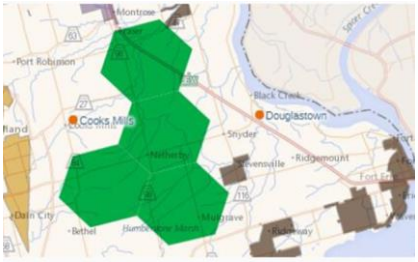


Broadband Fund eligible projects include: transport, access, and mobile wireless infrastructure. The funding application is due to the CRTC by March 27, 2020. Some $750M has been allocated to this fund, throughout Canada, $100M is to be spent in 2020. About $1.7 billion over 13 years has been set aside in 2019 Federal budget for broadband so there will be future funding opportunities.

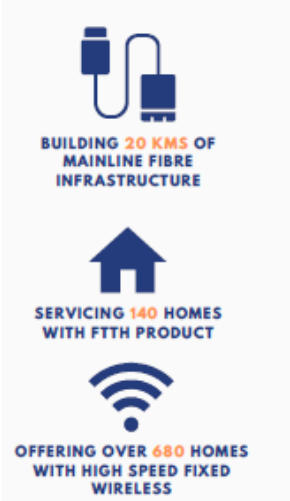
The more supplemental funding from other sources (Region, Municipalities, Private) the higher a project is rated by the fund reviewers. CRTC is looking for efficient use of funds and lower cost per home subsidies. Residential Internet monthly recurring charges to subscribers must be comparable to urban areas (in this case St. Catharines), for 5 years, with additional plans for low-income families according the Broadband Fund Application Guide.

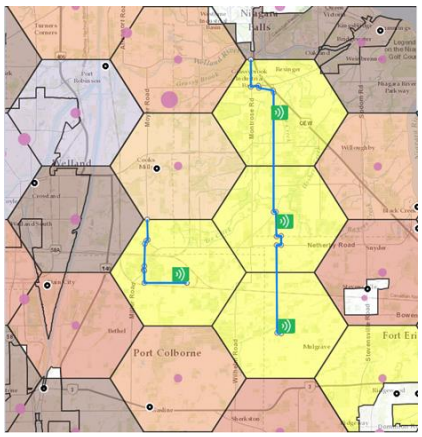
3 CRTC BROADBAND FUND COVERAGE AREAS

Each Broadband Fund hexagon represents 25 sq. kilometers of inhabited area which are currently without fixed wireline or wireless broadband access that meets the CRTC universal service objective of 50/10 Mbps. Orange dots represent communities that require high-capacity transport. Hexagons identified by the CRTC and selected by NRBN for this application cover the rural areas of Welland, Port Colborne, Fort Erie and Niagara Falls.



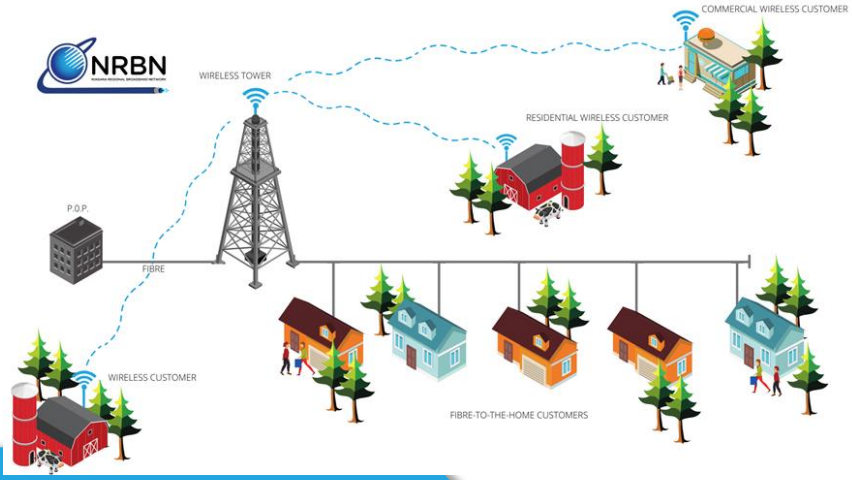
4 FTTH/WIRELESS SOLUTION FOR COVERAGE AREAS





If the funding application is successful, NRBN's initial hybrid Fibre-to-the-Home (FTTH)/Wireless solution will begin in the Cooks Mills area with NRBN offering 4 fixed high-speed wireless towers and construction of FTTH. Over 20 Km of mainline FTTH infrastructure will be built that feeds homes passed on the route as well as every tower.

Service to homes passed will be ~140, with FTTH. All remaining dwellings, ~680, will be serviced by reliable high-speed wireless access. Total coverage of ~820 dwellings throughout all 4 hexagon, which are all the dwellings in the hexes, thereby providing ubiquitous coverage.



5 FTTH/WIRELESS SERVICES AND RATES

The following are the rates for residential fixed wireless and FTTH that meet the universal service objective at rates comparable to St. Catharines and rates for low-income residents.

Residential Fixed Wireless and Fibre-to-the-Home Pricing

FAST 50	50/10	download /upload +	Unlimited usage Free Wi-Fi	$70.00
FAST 50	50/10	download /upload +	Unlimited usage Free Wi-Fi	$70.00

Residential Fixed Wireless and Fibre-to-the-Home *Low Income* Pricing

FAST 10	10/5	download /upload +	Unlimited usage Free Wi-Fi	$10.00
FAST 10	10/10	download /upload +	Unlimited usage Free Wi-Fi	$10.00

6 TOTAL COSTS TO BUILD THE FTTH/WIRELESS NETWORK

The total cost for NRBN to build the hybrid FTTH/Wireless network is about $4 million.

"The CRTC determined in Telecom Regulatory Policy 2018-377 that funding will be provided under the Broadband Fund only for eligible costs, which include costs that are directly associated with project activities such as engineering and design, environmental scans and assessments, and the purchase and installation of equipment and infrastructure (including the provisioning of backhaul capacity and other one-time access-driven costs)."[1]

7 FINANCIAL CONTRIBUTION REQUEST FROM NRBN TO NIAGARA REGION

The request to Niagara Region is for $400,000 equal to about 10% of the total eligible project costs.

In addition, NRBN is requesting a letter of support for the project. Niagara Region's support will greatly increase the attractiveness of our proposal by demonstrating to the CRTC review committee that there is strong community support for our project and the project partners are sensitive to the CRTC's requirement to spend their limited funding dollars most efficiently as possible.

8 SUPPORT FROM OTHER REGIONAL PARTNERS

To date NRBN has received many letters of support from municipalities, CIO Consortium members and the public as follows:

[1] https://crtc.gc.ca/eng/internet/guid.htm, page 37.

- City of Niagara Falls
- Town of Niagara on the Lake
- Niagara Health
- Town of West Lincoln
- Town of Lincoln
- Spark Niagara

NRBN will continue to solicit letters of support from remaining potential partners and will update Niagara Region on the status of the letters of support on March 26 prior the Regional Council meeting on March 27. The Broadband Funding application is due March 28.

Subject: Initiation Report for 2020 Capital Funds – 911 Backup Rationalization

Confidential Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

1. That financing in the amount of $1,000,000, **BE INITIATED** from the capital budget for 911 Backup Rationalization (20001271) and that the project **BE FUNDED** as follows:
    - Capital Levy: $1,000,000; and

2. That staff **BE AUTHORIZED** to amend Recommendation #2 of CSD 4-2017, the existing agreement with Niagara Regional Police Services (NRPS) respecting the Region's commitment to maintain 68 Church Street, St. Catharines as an interim backup 911/NRPS Communications Centre, to reflect that the NRPS 3 District facility be outfitted and maintained as the temporary and interim backup 911/NRPS Communications Centre until such time as a permanent backup centre is established.

Key Facts

- The purpose of this report is to seek Council approval to initiate funding in the amount of $1,000,000 from the 911 Backup Rationalization project (20001271) to move the backup 911 infrastructure from 68 Church Street, St. Catharines to 5 Lincoln Street, Welland until the permanent backup 911 site is determined.
- NRPS 1 District is scheduled to move out of their current facility located at 68 Church Street, St. Catharines by the end of 2020.
- The NRPS backup 911 infrastructure is also located in the 68 Church facility. Once this building is vacated at the end of 2020, the infrastructure is at risk of being stolen, damaged, or rendered unusable.
- The Niagara Region in collaboration with the NRPS has identified 5 Lincoln Street, Welland (3 District Police Facility) as a suitable relocation site for the temporary backup 911 infrastructure.
- The capital funds will be used to renovate 5 Lincoln in order to accept the backup 911 infrastructure.
- At the present time Regional staff, local municipal staff and NRPS staff are planning for 5G 911 backup. The change to next generation capabilities is required by July 1, 2023. The project to transfer the existing 911 backup to District 3 provides an opportunity for all stakeholders to carefully plan and implement an optimal solution.

- The move of backup 911 to District 3 will allow Regional staff to identify opportunities to repurpose the 68 Church Street property.
- In the 2020 capital budget, this project was uninitiated because a full business case was still being reviewed and developed. As per section 4.2 of the Capital Asset Management Policy, an initiation report is required to allocate funding to the approved capital project and begin spending.

Financial Considerations

As part of the 2020 Capital Budget, a project budget of $1,000,000 was approved to be initiated in the future by Council for 911 Backup Rationalization (Project #20001271). This project was approved to be funded 100% by capital levy. The construction costs for outfitting 5 Lincoln Street are dependent on final layout and detailed design, but are not expected to exceed $650,000. The remaining funds under this project will be used toward the pursuit of the permanent backup 911 location.

The 2020 operating budget for the 68 Church facility that currently houses the 911 backup centre is $573,438. This facility is to be vacated upon completion of the new 1 District Police Facility in St. Catharines in the fall of 2020. As part of the multi-year 2021 budget, Facilities staff forecasted an operating budget for 68 Church of $645,838 assuming the building would be required to stay open to house the 911 backup infrastructure. It is anticipated that moving to 5 Lincoln Street in Welland will eliminate the need for this full operating budget at 68 Church Street beyond 2020.

It is anticipated that there will be no increase in operating costs for 5 Lincoln associated with relocating the 911 backup infrastructure.

Analysis

The Region is recommending the relocation of the backup 911 infrastructure to 5 Lincoln before 68 Church Street is vacated at the end of 2020.

Beginning in September 2019, Region staff began investigating possible relocation options for the backup 911 infrastructure at 68 Church Street. All promising locations were identified (including Niagara Region Headquarters) and site visits were conducted in order to take measurements and assess each building. After evaluating all locations, the 3 District Facility at 5 Lincoln Street in Welland was the only site that met all requirements for relocation:

- Different city than primary backup 911 infrastructure (Niagara Falls)
- Outside of downtown core and accessible by multiple routes

- Facilities staff member assigned to site on a full time basis
- Secure and unlikely to be a target of theft or vandalism
- Ample parking
- Accessible by elevator
- Amenities on site (locker rooms, washrooms, lunch room, break area)
- Backup generator in place with available capacity

In January 2020, Region and NRPS staff cataloged all components of the backup 911 infrastructure at 68 Church Street and verified that relocation is a viable option with the reuse of all equipment. Upon receiving this information, the NRPS confirmed that it was their preference to relocate the backup 911 infrastructure to 5 Lincoln Street in Welland.

On February 13, 2020, Niagara Region Clerk's Office was notified by NRPS Police Services Board of a Confidential Accommodations Steering Committee meeting that was held on the same day, where a motion was passed to amend the existing agreement with the Niagara Region to maintain 68 Church as an interim backup 911/NRPS Communications Centre, to reflect NRPS 3 District be outfitted and maintained as the temporary interim backup 911/NRPS Communications Centre.

The Niagara Region's Construction, Energy, and Facilities Management department believes that moving forward with this amendment is in the best interest of both the NRPS and Niagara Region. It will enable the Region to better maintain the security of the backup 911 infrastructure, while also investing in a long-term capital improvement to an owned facility, benefiting the NRPS and Region even after the interim backup 911 is no longer required.

<u>Future of 68 Church Street</u>

Before 68 Church Street is deemed surplus, staff from the Region and the City of St. Catharines are currently reviewing the future opportunities for the site. 68 Church Street is located within the St. Catharines *Downtown Creative Cluster Master Plan (2008)* and provides a redevelopment opportunity within the Downtown core for a more integrated mixed-use site.

Alternatives Reviewed

Another alternative reviewed was to leave the backup 911 infrastructure at 68 Church Street and make capital improvements to the building in order to keep it operational. In order to leave the infrastructure at its current location (68 Church Street), the building would require a capital investment toward the roof, HVAC, and security systems in the amount of approximately $200,000. The operational costs to maintain the vacant building (heating, cooling, lighting, etc.) would also be fully incurred. Most importantly, housing this critical infrastructure in a vacant building presents a significant risk of theft

or vandalism. Even with a 24/7 security presence, the Region would not be able to guarantee the safety of the equipment.

Relationship to Council Strategic Priorities

This report aligns with Council's Strategic Priorities:

Strategic Priority 03 – Responsible Growth and Infrastructure Planning

Strategic Priority 04 – Sustainable and Engaging Government

Other Pertinent Reports

CSD 4-2017	Corporate Services Committee	November 29, 2017

Prepared by:
Brad Ray, P. Eng., MBA
Associate Director, Facilities Projects,
Assets & Energy Management
Construction, Energy & Facilities
Management

Recommended by:
Todd Harrison, CPA, CMA
Commissioner/Treasurer
Corporate Services

Submitted by:
Ron Tripp, P. Eng
Acting, Chief Administrative Officer

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

Appendices

Appendix 1	CSD 4-2017 - NRPS 1 District Project Update
Appendix 2	CSD 22-2020 - Confidential Memo - Appendix 2

Subject: NRPS 1 District Project Update

Report to: Corporate Services Committee

Report date: Wednesday, November 29, 2017

Recommendations

1. That the approach for moving forward with the design of 1 District, as outlined in this report, **BE APPROVED.**

2. That the commitment to maintain the NRPS and 911 back-up communications centre at 68 Church Street until the latter date of January 1, 2023 or two years from the occupancy of the new 1 District building **BE APPROVED**.

3. That staff **BE AUTHORIZED** to enter into discussions with appropriate parties in order to develop a multi-user communication centre that would house primary or backup communications capacity for a variety of emergency based users.

4. That the Chief Administrative Officer **BE DIRECTED** to prepare and issue the necessary correspondence and agreements to the Police Service Board ("PSB") outlining details and timelines for maintaining a suitable NRPS back-up communication location, until such time that a permanent solution is provided.

Key Facts

- The purpose of this report is to ensure that Committee and Council are supportive of the approach for moving forward with the design of 1 District. The new approach includes a total building program of between 30,000 to 31,000 square feet. The new program does include a communications centre. The new program allows for the potential for future expansion of the building to accommodate modest growth in the future.
- The proposed approach has been vetted through and approved by the NRPS Steering Committee and Police Service Board Accommodations Committee.
- The proposed design solution has a high likelihood of coming in at or under budget guidance established by Council and allows for an efficient, cost effective expansion to the facility in the future.
- Removal of the 911 back-up communications centre from the 1 District program will allow the Region to explore a multi user back-up centre solution with NRPS, EMS, Fire and Region EOC.
- As part of design approach moving forward, the Region will need to allow for continued operation of the 911 back-up communications centre at 68 Church Street

until such time that a regional back-up centre is established or an alternate, suitable location is provided.

Financial Considerations

For each of the 1 District design options that have been developed to date, estimates of probable cost were prepared by the Architect's Cost Consultant. Cost estimates at this stage of design have inherent risks, as such these costs are provided with a potential variance of plus or minus 15%

The proposed recommendation for moving forward with the 1 District design has a high likelihood of coming in at or under budget guidance based on costing information provided by the Cost Consultant. While no additional capital funding is anticipated, consideration needs to be given to maintaining the existing back-up communications centre at 68 Church Street while a Region based solution is being investigated. Ongoing maintenance and operational costs will be incurred to maintain the back-up centre at 68 Church once the new 1 District facility has been built and until such time that a new multi-user back-up centre (NRPS, EMS, Fire & Niagara Region EOC) is designed and constructed. It is expected that the total cost to the Region would be reduced if a multi-user back-up centre can be developed in lieu of providing separate back-up facilities for each user group.

Analysis

Several design options were investigated in response to direction received from the NRPS Project Steering Committee ("Steering") and PSB Accommodations Committee ("PSB") to bring the project within budget guidance of $17.2M while maintaining NRPS operational requirements. As part of the analysis for each option, estimates of probable cost and associated risks were determined.

The first option considered (Option 1 A) provided for increased capacity for NRPS operational requirements and accommodation for future growth and expansion, however it was significantly over the approved project budget by $2.55M. In an effort to bring the project within budget guidance successive value engineering exercises were carried out by the project team eliminating program area, circulation space and ultimately the 911 back-up centre, as directed by the PSB. The most recent design iteration (Option 1C), while meeting the project budget, presented some operational concerns for NRPS. One of the primary concerns highlighted was that future expansion space had been removed from the building program, limiting the ability to accommodate any growth or any operational changes in the future.

In an effort to move the design process forward, the Region submitted to NRPS a recommendation to prepare an updated design that builds off of Option 1C, where the 911 back-up communications centre and future expansion space have been removed from the building program. In the updated option, the design team would conceptually plan a building addition to accommodate future growth and expansion and then only incorporate the necessary structural provisions into the design, at a minimal upfront cost of approximately $50K. This approach has a high likelihood of coming in at or under budget guidance and allows for an efficient, cost effective expansion to the facility in the future, if required. Retaining flexibility in the design for future expansion did help allay NRPS concerns of not having the ability to manage operational changes or growth in the future. Also, by removing the 911 back-up centre from the 1 District program affords the Region the ability to explore a regionally based back-up communication centre. As part of this recommendation the property at 68 Church Street will need to be maintained by the Region to allow for the continued operation of the current NRPS 911 back-up until such time that a regional back-up centre is established or an alternate, suitable location is provided.

The recommendation has been endorsed by the NRPS Steering Committee and was presented to the PSB Accommodations Committee for approval on November 9, 2017. The PSB were in support of the recommendation, but requested written confirmation from the Region outlining the details and timelines for maintaining the back-up communications centre at 68 Church Street. The resolution passed at the November 9, 2017 PSB Accommodations Committee was as follows:

PSB Resolution:

1. *That the Board's Accommodation Steering Committee approve the recommendation to proceed with a modified Option 1C as outlined in the report;*

2. *And further, that the approval of the recommendation is subject to a written agreement from the Regional Chief Administrative Office to put a firm timeline in place on the interim secure and controlled use of the 68 Church Street building as a communications back-up centre*

3. *And further, that the 68 Church Street building will not be used beyond the latter of January 1, 2023 or two (2) years from occupancy of the new 1 District facility;*

4. *And further, that the Committee's decision be reported publically at the November 23, 2017 Regional Council meeting.*

Alternatives Reviewed

Several design options for 1 District have been investigated by the project team in an effort to meet budget guidance while maintaining NRPS operational requirements. As part of the analysis for each option, estimates of probable cost and associated risks have been considered. Through this investigation it has been established that in order to meet budget guidance, a facility of no more than 31,000 square feet can be constructed. The project team has developed an option that meets these criteria, Option 1C, and will proceed with refining this plan.

Prepared by:
Mislav Koren
Project Manager Buildings
Construction, Energy & Facilities Management

Recommended by:
Jason Burgess
Acting Commissioner
Enterprise Resource Management Services

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

Niagara Region

Corporate Services
1815 Sir Isaac Brock Way, Thorold, ON L2V 4T7
905-980-6000 Toll-free: 1-800-263-7215

MEMORANDUM

CSC-C 5-2020

Subject: Statement of Remuneration and Expenses for Members of Council and Council Appointees for 2019

Date: March 11, 2020

To: Corporate Services Committee

From: Todd Harrison, Commissioner/Treasurer

The purpose of this memo is to comply with legislation as follows:

- Section 283 the Municipal Act provides the authority for Council to pass by-laws to pay remuneration and expenses to council members and appointees to local boards.
- Section 284(1) of the Municipal Act requires that in each year, on or before March 31, the Treasurer provide to the Council of the municipality, a statement on remuneration and expenses paid to members of Council and Council appointees in the previous year.
- Section 284(2) requires the identification of the by-law under which the remuneration or expenses were authorized.

The current approved Council compensation methodology resulting from a citizen advisory committee review, was passed in 2019 through report HR 02-2019 and confirmed by Bill 2019-85.

In 2017, the Government of Canada enacted changes to the *Income Tax Act*, which eliminated the tax-exempt Municipal officers' expense allowance across Canada as of January 1, 2019.

Council and Council appointees' remuneration and expense are provided for in the operating budget of the Niagara Region, the agency, board or commission of the appointed member.

In the attached schedules, remuneration is summarized in the column(s) to the left and expenses are detailed and/or summarized in the right hand columns. The first schedule summarizes all remuneration and expenses by Council member and the remaining schedules summarize payments to Council appointees.

Respectfully submitted and signed by

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

Attachments

Schedule 1 – Statement of Remuneration and Expenses for Members of Regional Council
Schedule 2 – Statement of Remuneration and Expenses for other Niagara Region Appointed Board Members – NRH and NRPS
Schedule 3 – Statement of Remuneration and Expenses for other Niagara Region Appointed Board Members - NPCA

The Regional Municipality of Niagara
Statement of Remuneration and Expenses for Members of Regional Council
Including: Niagara Regional Police Service (NRPS), Niagara Regional Housing (NRH), Niagara Peninsula Conservation Authority (NPCA), Niagara Escarpment Commission (NEC), and Niagara Parks Commission (NPC) Boards
For the Twelve Month Period January 1, 2019 to December 31, 2019

	Remuneration								Expenses										
Council Members	Regional Council	NRPS	NRH	NPCA*	NPC	NEC	**Total Remuneration**	**Total Benefits ❼**	Mileage ❽	Conference Related Expenses	Other ❾	Total Regional Expenses	NRPS	NRH	NPCA*	NPC	NEC	**Total Expenses**	**Total Remuneration & Expenses**
Baty, Brian (Former Member)	-	-	-	-	-	2,124.00	2,124.00	-	-	-	0.62	0.62	-	-	-	-	303.90	304.52	2,428.52
Bellows, Sandie ❹ ❿	37,685.70	-	-	-	-	-	37,685.70	7,094.14	247.50	2,099.78	551.89	2,899.17	-	-	-	-	-	2,899.17	47,679.01
Bradley, James (Regional Chair) ❷ ❺	132,986.28	-	-	-	-	-	132,986.28	4,463.49	20,343.90	5,019.64	914.98	26,278.52	-	-	-	-	-	26,278.52	163,728.29
Butters, Barbara	37,685.70	-	1,806.91	-	-	-	39,492.61	8,873.85	398.67	-	-	398.67	-	-	-	-	-	398.67	48,765.13
Bylsma, David (Mayor)	37,685.70	-	-	12,013.94	-	-	49,699.64	9,667.57	-	-	24.90	24.90	-	-	2,129.72	-	-	2,154.62	61,521.83
Campion, Frank (Mayor) ❷	37,685.70	-	-	-	-	-	37,685.70	8,838.61	641.88	5,978.94	10.00	6,630.82	-	-	-	-	-	6,630.82	53,155.13
Chiocchio, Pasquale M ❶ ❷	39,677.95	-	-	913.20	-	-	40,591.15	9,221.47	-	2,683.21	554.01	3,237.22	-	-	292.50	-	-	3,529.72	53,342.34
Darte, George O ❹	37,685.70	-	-	-	-	-	37,685.70	8,838.61	-	1,354.43	-	1,354.43	-	-	-	-	-	1,354.43	47,878.74
Diodati, Jim (Mayor)	37,685.70	-	-	-	1,012.50	-	38,698.20	8,838.61	652.99	-	6.19	659.18	-	-	-	50.92	-	710.10	48,246.91
Disero, Betty (Mayor) ❹	37,685.70	-	-	-	-	-	37,685.70	8,838.61	367.30	-	-	367.30	-	-	-	-	-	367.30	46,891.61
Easton, Sandra (Mayor)	37,685.70	-	-	-	-	-	37,685.70	4,389.98	1,326.83	-	72.28	1,399.11	-	-	-	-	-	1,399.11	43,474.79
Edgar, Kelly ❸	37,685.70	-	-	-	-	-	37,685.70	8,838.61	-	2,838.74	227.66	3,066.40	-	-	-	-	-	3,066.40	49,590.71
Fertich, Wayne F ❹	37,685.70	-	-	-	-	-	37,685.70	4,018.47	1,582.27	2,501.73	1,032.04	5,116.04	-	-	-	-	-	5,116.04	46,820.21
Foster, Robert ❶ ❹ ❻	39,677.95	-	-	1,750.30	-	-	41,428.25	6,420.16	1,837.13	3,865.82	369.61	6,072.56	-	-	340.90	-	-	6,413.46	54,261.87
Gale, Bob ❸	37,685.70	6,873.59	-	-	-	-	44,559.29	9,624.35	637.24	2,822.63	38.27	3,498.14	2,135.55	-	-	-	-	5,633.69	59,817.33
Gibson, Kevin L (Mayor) ❹	37,644.66	7,047.90	-	532.70	-	-	45,225.26	9,297.51	1,446.22	1,744.20	20.27	3,210.69	4,152.63	-	193.00	-	-	7,556.32	62,079.09
Greenwood, Barbara ❶ ❹	39,677.95	-	-	684.90	-	-	40,362.85	4,070.68	2,310.98	2,990.60	1,353.67	6,655.25	-	-	186.00	-	-	6,841.25	51,274.78
Grenier, Paul (Former Member)	-	-	-	-	-	-	-	-	-	-	6,823.45	6,823.45	-	-	-	-	-	6,823.45	6,823.45
Heit, Brian ❸	37,685.70	-	-	532.70	-	-	38,218.40	8,791.58	1,010.11	2,683.65	571.19	4,264.95	-	-	225.00	-	-	4,489.95	51,499.93
Huson, Diana ❶ ❹	39,677.95	-	-	3,449.96	-	-	43,127.91	9,396.50	240.72	3,201.56	20.71	3,462.99	-	-	522.60	-	-	3,985.59	56,510.00
Insinna, Thomas S ❹	37,685.70	-	1,806.91	684.90	-	-	40,177.51	8,921.11	602.25	2,361.50	256.88	3,220.63	-	-	574.00	-	-	3,794.63	52,893.25
Ip, Laura ❹	37,685.70	-	-	-	-	-	37,685.70	8,838.61	-	2,642.33	-	2,642.33	-	-	-	-	-	2,642.33	49,166.64
Jordan, Jeffery A (Mayor) ❹	37,685.70	-	-	608.80	-	-	38,294.50	8,858.01	956.80	2,490.04	324.18	3,771.02	-	-	215.00	-	-	3,986.02	51,138.53
Junkin, Marvin (Mayor)	37,685.70	-	-	-	-	-	37,685.70	8,838.61	-	63.67	-	63.67	-	-	-	-	-	63.67	46,587.98
Nicholson, Peter D	37,685.70	-	-	-	-	-	37,685.70	8,838.61	-	-	-	-	-	-	-	-	-	-	46,524.31
Redekop, Wayne (Mayor)	37,685.70	-	-	-	-	-	37,685.70	8,838.61	-	-	72.28	72.28	-	-	-	-	-	72.28	46,596.59
Rigby, Tim ❶	39,677.95	-	-	600.00	-	-	40,277.95	4,440.53	-	-	917.52	917.52	-	-	64.00	-	-	981.52	45,700.00
Sendzik, Walter (Mayor) ❷	37,685.70	-	2,388.50	-	-	-	40,074.20	8,891.27	538.35	1,261.00	64.35	1,863.70	-	223.62	-	-	-	2,087.32	51,052.79
Steele, William (Mayor) ❸	37,685.70	6,687.50	-	1,750.30	-	-	46,123.50	9,390.63	1,454.61	3,285.44	-	4,740.05	1,949.96	-	796.00	-	-	7,486.01	63,000.14
Ugulini, Terry P (Mayor)	37,685.70	-	-	-	-	-	37,685.70	8,838.61	-	-	72.28	72.28	-	-	-	-	-	72.28	46,596.59
Villella, Leanna	37,685.70	-	1,806.91	-	-	-	39,492.61	7,129.38	192.91	-	-	192.91	-	27.74	-	-	-	220.65	46,842.64
Whalen, Timothy J	37,685.70	-	-	913.20	-	-	38,598.90	7,467.42	-	-	-	-	-	-	358.00	-	-	358.00	46,424.32
Witteveen, Albert W ❹	37,685.70	-	-	-	-	-	37,685.70	8,838.61	1,803.85	1,846.85	1,314.69	4,965.39	-	-	-	-	-	4,965.39	51,489.70
Zalepa, Gary J	37,685.70	-	2,388.50	913.20	-	-	40,987.40	8,954.28	310.83	-	81.29	392.12	-	-	407.00	-	-	799.12	50,740.80
Sub Total	**1,311,163.19**	**20,608.99**	**10,197.73**	**25,348.10**	**1,012.50**	**2,124.00**	**1,370,454.51**	**256,607.09**	**38,903.34**	**53,735.76**	**15,700.04**	**108,339.14**	**8,238.14**	**251.36**	**6,303.72**	**50.92**	**303.90**	**123,487.18**	**1,750,548.78**

Notes:
❶ Regional Council remuneration includes $2,000 for Committee Chairs
❷ Conferences include 2019 Federation of Canadian Municipalities (FCM) and Association of Municipalities of Ontario (AMO)
❸ Conferences include 2019 FCM conference related expenses
❹ Conferences include 2019 AMO conference related expenses
❺ Mileage includes car allowance (Chair Bradley $20,343.90)
❻ Member of AMO board. No related remuneration. Associated expenses processed through Niagara Region
❼ Benefits (CPP, provincial health tax, OMERS, life & AD&D insurance, health, dental & travel coverage) vary according to circumstances of each council member (age, dependents, spousal plans) that may change throughout the year.
❽ Mileage was based upon a two-tier reimbursable mileage rate of $0.55 per kilometer for the first 5,000 kilometers driven and $0.49 per kilometer for any kilometers in excess of 5,000 (Report CSD 120-2013).
❾ Other includes non-conference related meals, event & functions, telephone, internet, legal fees, advertising, books & publications and miscellaneous expenses
❿ Councillor reimbursed 2019 Mileage Expenses of $247.50. The reimbursement will be reported on the 2020 remuneration report

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

CSC-C 5-2020
Schedule 2

The Regional Municipality of Niagara
Statement of Remuneration and Expenses for Niagara Regional Police Service Board and Niagara Regional Housing Board Members
For the Twelve Month Period January 1, 2019 to December 31, 2019

Police Services Board	Remuneration*	Benefits	Mileage	Expenses	Total
Ken Gansel ❶❸❹❺❻❼❽	9,947.29	323.95	2,708.20	2,263.83	15,243.27
Bill Steele ❶❽	6,687.50	431.25	1,583.26	366.70	9,068.71
Terry Bonhan	1,636.80	63.34	154.00	0.00	1,854.14
Henry D'Angela ❽	5,087.96	328.47	765.60	183.35	6,365.38
David Eke ❻❽	4,055.15	140.69	506.55	1,045.21	5,747.60
Bob Gale ❻	6,873.59	439.40	486.20	1,649.35	9,448.54
Kevin Gibson ❶❸❻❽	7,047.90	431.25	1,996.37	2,156.26	11,631.78
Tara McKendrick❽	6,871.90	298.46	689.15	0.00	7,859.51
Vaughn Stewart ❶❷	2,805.95	107.43	690.25	0.00	3,603.63
Total	**51,014.04**	**2,564.24**	**9,579.58**	**7,664.70**	**70,822.56**

Notes:
❶OAPSB Zone 4 Meeting, Hamilton, ON
❷OAPSB Zone 4 Meeting, Paris, ON
❸OAPSB Spring Conference & AGM, Windsor, ON
❹OAPSB Board Meeting, Mississauga, ON
❺OPC March Past & Review Ceremony, Aylmer, ON
❻ CAPG Annual Conference, Calgary, AB
❼National Police Memorial, Ottawa, ON
❽OAPSB Labour Seminar, Mississauga, ON
*Remuneration amount also includes per diems paid in the year
Totals reflected are inclusive of taxes

Niagara Regional Housing	Remuneration	Benefits	Mileage	Expenses	Total
Baker, Betty Ann	1,827.70	35.64	0.00	0.00	1,863.34
Blackley, Karen	2,409.29	46.98	0.00	0.00	2,456.27
Butters, Barbara	1,806.91	35.24	0.00	0.00	1,842.15
Hyatt, James	2,409.29	46.98	420.50	0.00	2,876.77
Insinna, Thomas	1,806.91	35.24	0.00	0.00	1,842.15
Sendzik, Walter	2,388.50	52.66	137.20	86.42	2,664.78
Souter, Betty-Lou	1,806.91	35.24	0.00	0.00	1,842.15
Villella, Leanna	1,806.91	35.24	27.74	0.00	1,869.89
Zalepa, Gary	2,388.50	52.66	0.00	0.00	2,441.16
Total	**18,650.92**	**375.88**	**585.44**	**86.42**	**19,698.66**

The Regional Municipality of Niagara
Statement of Remuneration and Expenses for Niagara Peninsula Conservation Authority Board Members
For the Twelve Month Period January 1, 2019 to December 31, 2019

Niagara Peninsula Conservation Authority*	Remuneration	Benefits	Mileage	Total
Beattie, Stewart	2,967.90	57.87	1,400.00	4,425.77
Shirton, Rob	1,598.10	110.27	247.00	1,955.37
Bylsma, Dave ❶ ❷	12,013.94	828.96	2,129.72	14,972.62
Chiocchio, Pat	913.20	63.01	292.50	1,268.71
Clark, Brad	1,445.90	99.76	717.20	2,262.86
Foster, Rob	1,750.30	120.76	340.90	2,211.96
Gibson, Kevin	532.70	36.76	193.00	762.46
Greenwood, Barb	684.90	13.36	186.00	884.26
Heit, Brian	532.70	36.75	225.00	794.45
Huson, Diana ❸	3,449.96	238.04	522.60	4,210.60
Insinna,Tom	684.90	47.26	574.00	1,306.16
Johnson, Brenda	1,598.10	31.16	452.50	2,081.76
Jordan, Jeff	608.80	19.40	215.00	843.20
Metcalfe, John	1,522.00	105.02	1,242.00	2,869.02
Steele, Bill	1,750.30	120.77	796.00	2,667.07
Whalen, Tim	913.20	17.81	358.00	1,289.01
Wright, Brian	1,750.30	148.36	925.50	2,824.16
Zalepa, Gary	913.20	63.01	407.00	1,383.21
Corbett, Bernie	152.20	2.97	20.00	175.17
Feor, Leah	837.10	57.75	623.00	1,517.85
Ingrao, John	1,217.60	23.74	361.50	1,602.84
Mackenzie, Bruce	761.00	52.51	331.00	1,144.51
Smith, Ed	1,065.40	73.52	0.00	1,138.92
Brady, Rick	837.10	57.76	371.50	1,266.36
Coon-Peterson, Deborah	228.30	15.75	105.00	349.05
Hellinga, Jack	684.90	47.26	326.50	1,058.66
Cridland, Donna	761.00	52.50	349.00	1,162.50
Kawall, Ken	684.90	47.26	89.00	821.16
Woodhouse, Malcolm	532.70	10.39	164.00	707.09
Rapley, Bill	608.80	11.87	209.00	829.67
Bator, Robert	800.00	55.20	156.00	1,011.20
Dalimonte, Anthony	600.00	41.40	270.00	911.40
Willems, Adrin	600.00	41.40	66.00	707.40
Semple, Drew	1,000.00	19.50	133.00	1,152.50
Bodimeade, Carl	600.00	41.40	20.00	661.40
Michaud, Annie	400.00	27.60	68.00	495.60
Fry, Darren	600.00	41.40	150.00	791.40
Rigby, Tim	600.00	11.70	64.00	675.70
Total	**49,201.40**	**2,891.21**	**15,100.42**	**67,193.03**

Notes:
Remuneration is based on per diem of $76.10/regular meeting and $200.00/Source Protection Committee meetings
❶ Mileage includes other expenses of $122.72
❷ Includes Chairman's honorarium of $6763.04
❸ Includes Chairman/Vice Chairman's honorarium of $1319.16

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