
Subject: 2021 Capital Budget

Report to: Budget Review Committee of the Whole

Report date: Thursday, October 15, 2020

Recommendations

1. That the 2021 Capital Budget for the Niagara Regional Departments and Agencies, Boards and Commissions of \$501,505,722 as per **Appendix 1** to CSD 58-2020, **BE APPROVED** pending final by-law approval anticipated to be on January 21, 2021.
2. That an incremental transfer to the Capital Levy Reserve of \$2,046,910 or 1.00% of the departmental share of the levy **BE REFERRED** to the 2021 Operating budget.
3. That \$5,300 for the incremental operating costs of capital projects as per **Appendix 7 BE REFERRED** for consideration as part of the 2021 Operating Budget to be funded from Assessment Growth.
4. That \$5,230,000 for the incremental operating costs of capital projects as per **Appendix 7 BE REFERRED** for consideration as part of the 2021 Rate Budget.
5. That financing in the amount of \$215,130,104 gross and \$182,450,742 net **BE INITIATED** upon approval of the 2021 Capital Budget and **BE ALLOCATED** to the projects as summarized in **Appendix 4** to CSD 58-2020;
6. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration to coincide with the approval of the operating budget.

Key Facts

- The purpose of this report is to recommend the 2021 capital budget of \$501.51 million with 127 projects that have been prioritized through the Corporate Asset Management Resource Allocation (CAMRA) Model. All capital projects were evaluated and ranked with CAMRA based on a risk calculated return on investment (RROI).
- Included in the capital budget is the South Niagara Falls Wastewater Treatment Plant (SNF WWTP) Project which is \$320 million or 64% of the 2021 Capital Budget.

- All recommended capital projects are supported by business cases included in eScribe. 117 projects are to be initiated and 4 projects are to be partially initiated concurrently with the approval of the 2021 Capital Budget (**Appendix 4**). There are 10 capital projects, in the amount of \$286.37 million, that will be brought forward for initiation at a later date once further information is available (**Appendix 4**).
- Capital funding was allocated to projects in alignment with the principles of the Capital Financing Policy inclusive of 1% increase of the departmental share of the levy and rate budgets in accordance with the 2021 budget planning report.

Financial Considerations

The proposed 2021 Capital Budget of \$501.51 million (\$85.76 million Levy Capital Budget and \$415.75 million Rate Capital Budget) is included in **Appendix 1**.

The 2021 Capital Budget being presented is funded as follows:

Table 1: Levy Capital Funding Sources 2020 vs 2021

	2020	2021
Regional Funding:		
Reserves	\$39,822,935	\$39,698,091
Debt for Long Term Care	129,187,000	-
Debt	15,762,650	25,000,000
	184,772,585	63,098,091
External Funding:		
Area Municipalities	2,700,000	3,950,000
Federal Gas Tax	10,348,900	11,000,000
Other External	12,621,546	1,289,862
	25,670,466	16,239,862
Development Charges (DC)	59,956,458	4,819,500
Total	270,399,489	85,757,453

Table 2: Rate Capital Funding Sources 2020 vs 2021

	2020	2021
Regional Funding:		
Reserves	\$83,994,830	\$64,932,000
Debt	-	82,988,565
	83,994,830	147,920,565
External Funding:		
Federal Gas Tax	4,000,000	3,000,000
Unconfirmed Grants (SNF)	-	108,000,000
Other External	800,000	-
	4,800,000	111,000,000
Debt - Development Charges	-	148,207,703
Development Charges	16,330,570	8,620,000
Total	105,125,400	415,748,269

Assumptions for the funding are as follows:

- The Capital Financing Policy has a strategy for establishing adequate levels of funding for capital projects that address sustainment, growth and new strategic investments. This policy was utilized for funding decisions in the 2021 Capital Budget.
- **Reserves** – Reserves were allocated to infrastructure renewal projects
 - A levy increase of 1% (\$2.05 million) was recommend in the 2021 budget planning strategy to support the infrastructure deficit and Capital Financing Strategy. If the increase is not approved, an additional \$2.05 million of levy capital projects will have to be deferred or reduced **(Appendix 3)**.
 - At the end of 2021; General Capital Levy and Infrastructure Deficit Reduction Reserves is forecasted to be \$1 million, Water Reserve is forecasted to be \$60 million, Wastewater Reserve is forecasted to be \$2 million, and Waste Management reserve is forecasted to be \$0.5 million. The 9-year forecast of capital reserve balances are in **Appendix 6**.
 - Closures of 53 Capital projects and budget reductions provided \$9.6 million in funding for the 2021 Capital Budget.

- **Debt** – Debt was allocated to growth projects as identified within the DC background study, projects that provided net-new assets to the Region or projects that leveraged external funding sources.
 - No increase in the debt charge budget with the exception of accommodating the SNF WWTP and the Safe Drinking Water Act financial plan. The impacts to the debt metrics and trends are identified in **Appendix 5**. While Niagara is the highest compared to the average of comparable Regions in 7 debt metrics, it is still below the Municipal Act debt threshold of an annual repayment limit of 25% (2021 – 8.30%).
- **Area Municipality** – Contributions from local area municipalities are used for Capital projects in which Niagara Region projects incorporate some element of Local Area Municipality owned infrastructure.
- **Federal Gas Tax** – Annual allocation from the Federal Government of approximately \$14 million is provided to the Niagara Region every year to spend on infrastructure projects and is allocated to projects in accordance with the transfer payment agreement.
- **Unconfirmed Grants SNF** – Unconfirmed \$108 million estimated provincial and federal contribution for the SNF WWTP based on historical grant funding formulas. Confirmation of this grant is required in order for the SNF WWTP projects to proceed to construction phase.
- **Other External** – Confirmed contributions from 3rd parties, provincial and federal governments for capital projects were leveraged where possible.
- **Debt - Development charges** – 70% of the net cost of the SNF WWTP projects are recoverable by DCs. Since the collection of DC receipts from the resulting growth of the project will occur after the project is done, debenture financing will be required with the future annual debt payments funding from DC receipts
- **Development charges** - \$13.4 million have been maximized in accordance with the background study for growth related projects.

Operating impacts with capital

To align with the budget planning by-law, the impacts of operating these capital projects will be recommended to be funded through assessment growth for more transparency into the incremental revenues, expenditures or cost savings. This information is reported on the capital data sheets within the Budget detail on eScribe. A summary of the operating impacts can be seen in **Appendix 7**. Preliminary estimates of net assessment growth amount to \$3.9 million. Assessment growth will be allocated based on the budget planning bylaw's methodology when the operating budget is presented to the Budget Review Committee of the Whole in January. The remaining net assessment

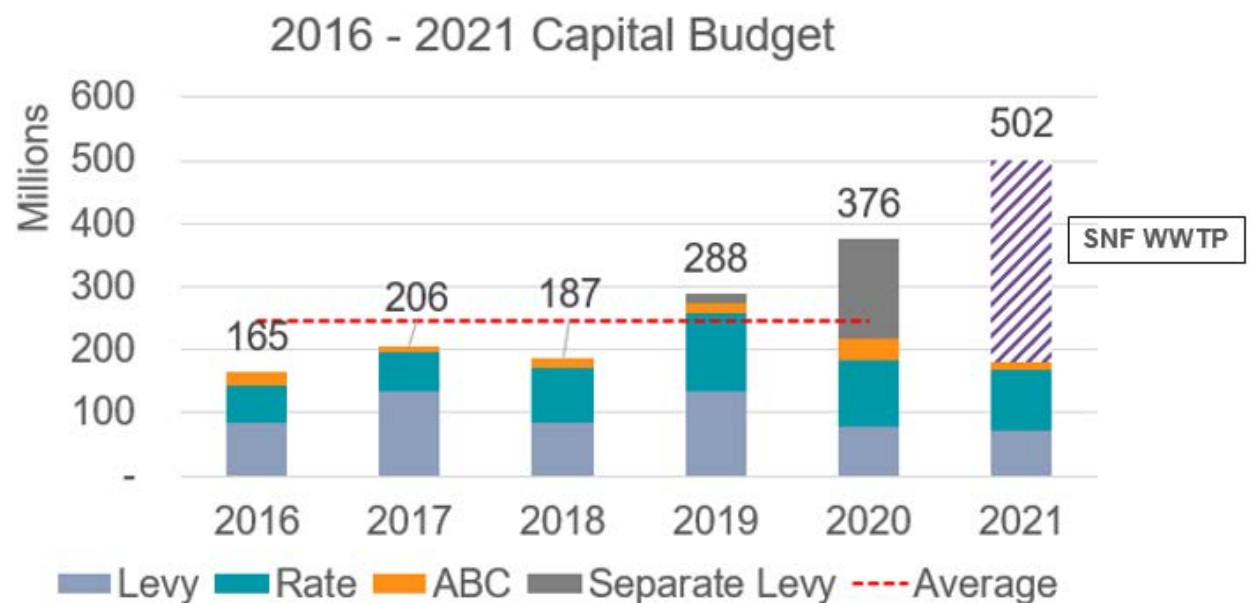
growth may be recommended for the projected levy 2021 operating costs of capital of \$5,300.

The projected rate 2021 operating cost of capital is \$5,230,000. The entire amount is related to the SNF WWTP. This operating cost will be accommodated within 2% budget planning on the rate budget. Additional breakdown into the rate operating impacts of capital can be found in PW 39-2020 South Niagara Falls Wastewater Treatment Plant Update.

South Niagara Falls Wastewater Projects and Development Charge Debt

As seen in Chart 1, The South Niagara Falls Wastewater Treatment Project comprises 64% of the 2021 Capital Budget. As identified in PW 39-2020, the SNF WWTP projects are being included in 2021 so that the project can begin the environmental assessment, planning and land acquisition. Due to the size of request, DC Debt will be used as a new method of financing in the 2021 Capital Budget.

Chart 1: 2016 – 2021 Capital Budget Trend



It is common that the infrastructure must be build first in order to open up the opportunity area for development which will in turn generate future development charges. As a result the Region will issue DC debt that will be funded with future DC

receipts (which is a practice adopted by municipalities). This required \$212 million of debt of which \$148 million will be recovered through future DC receipts.

Table 3: Funding Breakdown of South Niagara Falls Wastewater Projects

	Amount (in millions)
Gross Cost	\$320.20
Unconfirmed Grants	\$108.00
Debt - Development Charges	\$148.20
Debt - Rates	\$64.00
Total Funding	\$320.20

9 Year Forecast Financing Strategy

The 10-year capital program is \$3.03 billion with an estimated funding deficit of \$0.82 billion (\$763 million levy, \$60 million rate) (**Appendix 8**). This amount changes every year due to the timing of projects and new funding assumptions. Changes from the prior year forecast funding deficit of \$1.2 billion are primarily due to the following:

- The 10-year forecast is \$30M greater than the prior year
- The 10-year Water and Wastewater financial plan has been revised to reflect a recommended increase of 2% for 2021 and 5.15% for the 9 year forecast as per the Safe Drinking Water Act Financial plan. These projected increases to capital contributions will decrease the funding gap by \$400 million.

Analysis

Corporate Prioritization Process

In 2019, Council approved the Asset Management Office. Their mandate is to manage capital assets through a co-ordinated approach to ensure the desired level of service in the Asset Management Plan is achieved against the potential risk of failure due to deferrals from a lack of funding.

The Asset Management Office piloted for the 2021 capital budget a corporate capital project prioritization process. The new process known as Corporate Asset Management Resource Allocation (CAMRA) is a methodology to prioritize all capital projects submitted for the 2021 Capital Budget based on risk calculated return on investment which assigns a score based on the following:

- Environmental, social and economic risk assessment
- Alignment to council priorities
- Impact on the funding strategy

In co-ordination with the principles of the Capital Financing Policy, the model optimized the allocation of available funding to projects with the highest RROI.

Incorporated within CAMRA's environmental and social risk assessment is consideration of health, safety and wellbeing. This is aligned with steps from the Health Equity Informed Planning (HEIP) project, part of the Council Strategic Priority, fostering a healthy and vibrant community. This project involves incorporating Health Impact Assessments into planning processes at the Region. One of the objectives of this assessment is to identify health and health equity impacts within projects in order to maximize positive impacts and reduce negative impacts on health, leading to safer, more inclusive, affordable and accessible human services.

A team led by the Diversity, Equity and Inclusion Program Manager is piloting a Health Impact Assessment process in relation to capital projects over the next few months.

Capital Financing Sustainability and Asset Management Plan

The 2017 comprehensive Asset Management Plan was utilized in the 2021 budget cycle to identify existing assets for replacements. In the 2021 Capital Budget, 44% (2020 – 55%) of the projects are directly attributable to the AMP.

In 2017, Council approved the creation of the Infrastructure Deficit Reduction reserve through a 1% increase on the levy. The establishment of the reserve was the first step in a long-term capital financing strategy to reduce the infrastructure funding gap. Since the creation of this reserve, it has funded \$17.1 million of Capital projects which are identified in **Appendix 2**.

Per CSD 41-2019 Capital Financing Policy, it was identified that an estimated 2.16% annually for the next ten years was required to eliminate the infrastructure deficit. Recognizing the impact of COVID-19, the budget planning strategy proposed a 1% increase for capital. The 1% of departmental share of the levy (excluding agencies boards and commissions) equates to a 0.52% of the consolidated levy increase. Inclusive of the incremental 0.52% (\$2 million) of the levy budget, the annual contributions to general capital levy capital reserves will be \$19.9 million. The target based on the 2017 Asset Management Plan's annual asset renewal investment is \$66 million.

Table 3: Tax Levy Impact: Capital Funding Strategy vs Capital Budget proposed

	Amount (in millions)	% of Tax levy
Requirement for Asset Management identified in Capital Funding Strategy	\$8.48	2.16%
1% of Departmental Share of Levy	<u>\$2.05</u>	0.52%
Difference	\$6.43	1.64%

Supporting Growth

In the 2021 Capital Budget, \$161.6 million or 32% (2020 - 20%) of the gross request is growth related, therefore eligible to be financed through DCs. This is an increase of \$85.4 million from the 2020 Capital budget and is reflective of the continued investment in growth.

Alternatives Reviewed

No alternatives were reviewed. Information will continue to be developed, analysed and summarized for the Rate, ABC and Operating Budget Review Committee to facilitate decision making. Council will have the opportunity to consider all options throughout the budget process.

Relationship to Council Strategic Priorities

The 2021 Capital Budget aligns with the approved Niagara Region's 2019 – 2022 Council Strategic Plan. The following is the percentage of gross capital expenditures aligned to each strategic priority:

- 51.5%, Responsible growth and infrastructure planning and Sustainable and Engagement Government - Sustainable investments in transportation, transit and infrastructure and a commitment to high quality, efficient, fiscally sustainable and coordinated core services through enhanced communication, partnerships and collaborations with the community.
- 48.5%, Businesses and Economic Growth and Healthy and Vibrant Community - A coordinated approach to fostering economic growth in Niagara and foster a high quality of life through safe, healthy and inclusive neighbourhoods through the delivery of quality, affordable and accessible human services.

Other Pertinent Reports

CSD 21 – 2017	Asset Management Plan
CSD 51 – 2019	Capital Financing Policy
CSD 41 – 2020	2021 Budget Planning
CSD 63 – 2017	Regional Development Charges and Proposed By-law
CSD 65 – 2019	Budget Planning By-law
PDS 37 – 2016	Niagara 2041 Growth Strategy - Local Municipal Growth Allocations
PW 22 – 2017	2016 Water & Wastewater Master Servicing Plan Update
PW 39 – 2020	South Niagara Falls Update
TSC-C 3 – 2017	Niagara Region Transportation Master Plan

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Appendices

Appendix 1	2021 Capital Budget Summary by Department with Funding
Appendix 2	Projects Allocated Infrastructure Deficit Reduction Funding
Appendix 3	Projects Allocated 1% Levy increase
Appendix 4	2021 Capital Projects Initiation Status
Appendix 5	Debt Information
Appendix 6	Capital Reserve Balances
Appendix 7	Operating Impacts of Capital

Appendix 8	2021 – 2030s Capital Budget and Nine Year Forecast
Appendix 9	Treasurer's Certificate

2021 Capital Budget by Department

	Gross Capital Request	Reserves	Debt*	Development Charges	Federal Gas Tax	Area Municipality	Other External	Total Funding
Community Services	795,051	795,051	0	0	0	0	0	795,051
Corporate Services	10,397,500	2,637,500	7,760,000	0	0	0	0	10,397,500
Corporate Administration	400,000	400,000	0	0	0	0	0	400,000
NRPS	7,438,500	2,838,500	4,600,000	0	0	0	0	7,438,500
Public Health	5,051,402	5,051,402	0	0	0	0	0	5,051,402
Regional Housing	7,280,000	1,162,415	5,677,723	0	0	0	439,862	7,280,000
Transportation	54,395,000	26,813,223	6,962,277	4,819,500	11,000,000	3,950,000	850,000	54,395,000
Waste Management	4,927,000	4,927,000	0	0	0	0	0	4,927,000
Wastewater	380,121,269	35,565,000	231,196,269	2,360,000	3,000,000	0	108,000,000	380,121,269
Water	30,700,000	24,440,000	0	6,260,000	0	0	0	30,700,000
Total	501,505,722	104,630,091	256,196,269	13,439,500	14,000,000	3,950,000	109,289,862	501,505,722

* \$146.2M of Debt will be recovered by future development charge receipts.

Projects Allocated 1% Infrastructure Deficit Reduction Funding

The following are capital projects financed with the 1% infrastructure deficit reduction reserve since 2017

Historically Approved

Project ID	Project Name	IDR Funded
10RC0627	38-QEW/Fourth – St. Catharines	\$500,000
10RC0816	57-Thorold Stone Road Extension –Niagara Falls	1,643,022
10RC1329	10-Livingston / QEW - Grimsby	1,650,000
10RC1354	87-Third/Seventh- St. Catharines	44,234
10RC1554	Glendale Ave Interchange @ QEW	250,000
10RC1559	69-Wessel/Centre Phase 3 - Lincoln	450,000
10RC1560	1-Albert/Lakeshore- Fort Erie	936,000
10RC1562	RR 42 - Ontario Street EA St. Catharines	1,260,000
10RC1567	27-Prince Charles Drive /Lincoln- Welland	945,000
20000145	63-Wellandport/Com Centre- West Lincoln	270,000
20000147	89-Welland Canal / Homer - NOTL	270,000
20000319	St Davids Road East – Thorold	1,158,576
20000497	2017-Interchange St Davids @ 406 – Thorold	1,140,000
20000658	18-Struct Rehab -Mewburn@CNR Tracks- Niagara Falls	75,000
20000660	18-Rehab 56-Glendale to St Davids -Thorold	180,000
20000662	18-Intersection Improvement -81 @ Main & 19th-Lincoln	500,000
20000667	18-Rehab 49 – Hydro Electric PC to Wilson P2-Niagara Falls	255,000
20000668	18-Rehab 81- Burgoyne to CNR-St. Catharines	450,000
20000895	19-Intersection Improvement RR 24 Victoria Ave – Niagara Falls	500,000
20000898	19-Rds Rehab - RR 72 Louth St – St. Catharines	300,000
20000929	19- Intersection Improvement - RR46 Geneva St – St. Catharines	1,000,000
Total		\$13,776,832

Proposed with the 2021 Capital Budget

Project ID	Project Name	IDR Funded
20001350	21- Code and Legislative Compliance Program	\$258,691
20001323	21- Rds Rehab – Misc Construction	250,000
20001433	21- EMS King St. Base Parking Lot Refurbishment and And Retaining Wall Repair	400,000
20001400	21- Annual – EMS Ambulance and Equipment Replacement	2,028,958
Total		\$3,352,000

Projects Allocated 1% Budget Planning

The following are capital projects financed with the 1% budget planning.

Project ID	Project Name	1% Budget Planning
J_20001402	21- EMS Intraosseous Needles	103,313
J_20001440	21- EMS New Ambulance plus Equipment	290,527
J_20001320	21- Ann-Line Marking	200,000
J_20001338	21- LTC Homes – Machinery & Equipment	172,687
J_20001399	21- NRH – Annual Building Capital Program	1,280,383
Total		\$2,046,910

2021 Capital Projects Initiated Concurrent with Budget Approval

Program	Project ID	Project Name	Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Local Area Municipality	Other External
Community Services	J_20001336	21- LTC Homes - Bed Replacement	195,481	195,481	-	-	-	-	-
	J_20001337	21 - LTC Homes - Resident Care Equipment	426,883	426,883	-	-	-	-	-
	J_20001338	21 - LTC Homes - Machinery & Equipment	172,687	172,687	-	-	-	-	-
Community Services Total			795,051	795,051	-	-	-	-	-
Corporate Administration	J_20001341	21-HRIS Development	400,000	400,000	-	-	-	-	-
Corporate Administration Total			400,000	400,000	-	-	-	-	-
Corporate Services	J_20001348	21-Court Scheduling Modernization	150,000	150,000	-	-	-	-	-
	J_20001421	21-Telecom Infrastructure – End of Life Voice Speech Attendant	100,000	100,000	-	-	-	-	-
	J_20001349	21-Server Infrastructure – End of Life Asset Replacement	600,000	600,000	-	-	-	-	-
	J_20001350	21-Code and Legislative Compliance Program	290,000	290,000	-	-	-	-	-
	J_20001432	EMS - NOTL Separation Of Utilities From Hospital And Generator Installation	350,000	350,000	-	-	-	-	-
	J_20001433	21-EMS - King St. Base Parking Lot Refurbishment and And Retaining Wall Repair	400,000	400,000	-	-	-	-	-
	J_20001351	21-NRPS - HQ Interior Door Retrofit	150,000	150,000	-	-	-	-	-
	J_20001435	21-PW - Welland Yard Oil Separator And Holding Tank Replacement	100,000	100,000	-	-	-	-	-
	J_20001271	Backup 911 Call Centre Relocation	7,760,000	-	7,760,000	-	-	-	-
	J_20001353	21-Wainfleet Beach - Long Term Sustainability	70,000	70,000	-	-	-	-	-
	J_20000107	Bldg Ext - Emerg Srvs - Roof	427,500	427,500	-	-	-	-	-
Corporate Services Total			10,397,500	2,637,500	7,760,000	-	-	-	-
Niagara Regional Housing	J_20001340	21-NRH - Annual Emergency Capital Program	200,000	200,000	-	-	-	-	-
	J_20001398	21-NRH - Annual Grounds Capital Program	2,290,000	311,290	1,836,438	-	-	-	142,272
	J_20001399	21-NRH - Annual Building Capital Program	4,790,000	651,125	3,841,285	-	-	-	297,590
Niagara Regional Housing Total			7,280,000	1,162,415	5,677,723	-	-	-	439,862
NRPS	J_20001447	NRPS - IT & Network Equipment Replacement - Annual (2021)	800,000	800,000	-	-	-	-	-
	J_20001446	NRPS - Annual Vehicle Replacements - NRPS - Annual Forecast (2021)	1,400,000	1,400,000	-	-	-	-	-
	J_20001450	NRPS - Speed Detection Devices (2021)	14,000	14,000	-	-	-	-	-
	J_20001449	NRPS - CEW Replacement - Annual (2021)	75,000	75,000	-	-	-	-	-
	J_20001462	NRPS – Communications Back Up Centre	4,600,000	-	4,600,000	-	-	-	-
	J_20001448	NRPS - Automated Fingerprint Records Check (2021)	125,000	125,000	-	-	-	-	-
	J_20001459	NRPS - Automated Licence Plate Reader (2021)	30,000	30,000	-	-	-	-	-
	J_20001452	NRPS - Binocular Night Vision Devices (2021)	61,000	61,000	-	-	-	-	-
	J_20001456	NRPS - CBRN Non-Encapsulating Protection Suits (2021)	20,000	20,000	-	-	-	-	-
	J_20001454	NRPS - Direct Read Portable X-Ray System (2021)	87,000	87,000	-	-	-	-	-
	J_20001457	NRPS - Forward Looking Infrared Camera (2021)	36,000	36,000	-	-	-	-	-
	J_20001453	NRPS - Diver's Umbilical Breathing Hose (2021)	13,000	13,000	-	-	-	-	-
	J_20001455	NRPS - Self Contained Breathing Apparatus (2021)	47,000	47,000	-	-	-	-	-
	J_20001458	NRPS - Towable Underwater Video/Light System (2021)	18,000	18,000	-	-	-	-	-
	J_20001451	NRPS - Range Target System (2021)	60,000	60,000	-	-	-	-	-
	J_20001460	NRPS - Property and Evidence Money Safes (2021)	45,000	45,000	-	-	-	-	-
	J_20001461	NRPS - Property and Evidence Scissor Lift (2021)	7,500	7,500	-	-	-	-	-
NRPS Total			7,438,500	2,838,500	4,600,000	-	-	-	-
Public Health Emergency Serv	J_20001400	21-Annual - EMS - Ambulance and Equipment Replacement	2,028,958	2,028,958	-	-	-	-	-
	J_20001401	21-EMS - Defibrillator Replacement	2,306,536	2,306,536	-	-	-	-	-
	J_20001402	21-EMS Intraosseous Needles	103,313	103,313	-	-	-	-	-
	J_20001342	Digital Radios - Fire Coordinator	20,000	20,000	-	-	-	-	-
	J_20001440	21-EMS New Ambulance plus Equipment	290,527	290,527	-	-	-	-	-
	J_20001442	21-EMS Emergency Response Vehicles	302,068	302,068	-	-	-	-	-
Public Health Emergency Serv Total			5,051,402	5,051,402	-	-	-	-	-
Public Works - Levy	J_10RC1560	Rds Rehab - RR 1 Dominion Rd Reconstruction - Helena St to Lakeshore Rd	5,860,000	4,419,223	449,777	541,000	-	100,000	350,000
	J_10RC1562	Rds Rehab - RR 42 Ontario St. Reconstruction - Lakeshore to Linwell	710,000	639,000	-	71,000	-	-	-
	J_10RC1564	Rds Rehab - RR 81 King St Reconstruction - Durham Rd to Lincoln Ave	1,000,000	-	900,000	100,000	-	-	-
	J_10RC1566	Struc Rehab - St. Paul W CNR Bridge Replacement (081215)	11,000,000	-	-	1,787,500	5,362,500	3,850,000	-

2021 Capital Projects Initiated Concurrent with Budget Approval

Program	Project ID	Project Name	Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Local Area Municipality	Other External
	J_20000489	Rds Rehab - RR 529 Effingham St - Webber Rd to River Rd	5,500,000	-	-	550,000	4,950,000	-	-
	J_10RC1244	Rds Rehab RR87 Lakeshore Rd from Townline Rd to Four Mile Creek Rd	2,000,000	2,000,000	-	-	-	-	-
	J_10RC1559	Rds Rehab - Pelham Rd Reconstruction (Ph 3) - Wessell Dr to 8th Ave	7,000,000	-	5,612,500	700,000	687,500	-	-
	J_20000664	Struc Rehab - Hydro Canal Bridge North Str. 020230	2,580,000	2,580,000	-	-	-	-	-
	J_20001186	Rds Rehab - RR 20 Lundy's Lane - Highland Ave to Montrose Rd	700,000	630,000	-	70,000	-	-	-
	J_20001311	21 Ann-Guide Rail Imprv	250,000	250,000	-	-	-	-	-
	J_20001307	21 Ann-Development Projects	500,000	-	-	-	-	-	500,000
	J_20001317	21 Ann-Roads Resurfacing	10,000,000	9,000,000	-	1,000,000	-	-	-
	J_20001319	21 Ann-Struc Rehab-Eng &Constr	1,500,000	1,500,000	-	-	-	-	-
	J_20001320	21 Ann-Line Marking	200,000	200,000	-	-	-	-	-
	J_20000498	McLeod Rd at Stanley/CNR Tracks - Storm Pumping Station	500,000	500,000	-	-	-	-	-
	J_20001323	21-Rds Rehab-Misc Construction	750,000	750,000	-	-	-	-	-
	J_20001128	21- Vision Zero	500,000	500,000	-	-	-	-	-
	J_20001406	Struc Rehab - Beaver Creek Bridge (063215)	150,000	150,000	-	-	-	-	-
	J_20001407	Struc Rehab - Hwy 20 Bridge - Bridge Replacement (Str. 020220)	3,500,000	3,500,000	-	-	-	-	-
	J_20001414	Struc Rehab -077310-16 Mile Creek Arch Culvert	100,000	100,000	-	-	-	-	-
	J_20001420	21-WM-Ops Vehicle	40,000	40,000	-	-	-	-	-
	J_20001445	21- Water New Vans	55,000	55,000	-	-	-	-	-
Public Works - Levy Total			54,395,000	26,813,223	6,962,277	4,819,500	11,000,000	3,950,000	850,000
Waste Management	J_20000887	Mtn-GW Treatment LCS upgrades	1,200,000	1,200,000	-	-	-	-	-
	J_20000167	Glenridge - Passive Gas System	385,000	385,000	-	-	-	-	-
	J_20001333	21-Ann Misc. Enhance/Replace	165,000	165,000	-	-	-	-	-
	J_20001335	21-Property Acquisition	110,000	110,000	-	-	-	-	-
	J_20001334	21-Humberstone-LGCCS Phase 3	330,000	330,000	-	-	-	-	-
	J_20001329	21-NR12-Compost Pad	520,000	520,000	-	-	-	-	-
	J_10GL1218	Glenridge LCS Header Replacement	825,000	825,000	-	-	-	-	-
	J_20001330	21-Recycling Loader Replacement	358,000	358,000	-	-	-	-	-
	J_20001331	21-Recycling Facility Improvement	44,000	44,000	-	-	-	-	-
	J_20001332	21-Recycling Building & Equip	110,000	110,000	-	-	-	-	-
	J_20001390	21-Recycling Rotary Glass Dryer	880,000	880,000	-	-	-	-	-
Waste Management Total			4,927,000	4,927,000	-	-	-	-	-
Wastewater Operations	J_10SW1517	Niagara Falls WWTP Secondary Treatment Upgrade	47,000,000	25,000,000	19,000,000	-	3,000,000	-	-
	J_20000705	George Street SPS Upgrade	2,600,000	2,600,000	-	-	-	-	-
	J_20000698	Campden Pumping Station Upgrades	1,200,000	120,000	-	1,080,000	-	-	-
	J_20000711	East Side Pump Station Forcemain Replacement	1,500,000	1,500,000	-	-	-	-	-
	J_20000724	South Niagara Falls Wastewater Treatment Plant	26,176,240	-	26,176,240	-	-	-	-
	J_20001146	20-Lakeshore Road Pumping Station Upgrade	500,000	50,000	-	450,000	-	-	-
	J_20001354	21 - Region Wide Sludge Septic Haulage Program	1,000,000	1,000,000	-	-	-	-	-
	J_20001355	21-Laboratory and Sampling Equipment Upgrade Program	100,000	100,000	-	-	-	-	-
	J_20001356	21-WWTP Digester / Sludge Management Program	1,250,000	1,250,000	-	-	-	-	-
	J_20001357	21- Royal Manor Pump Station Upgrades and Forcemain Replacement	300,000	300,000	-	-	-	-	-
	J_20001358	21- Rolling Acres PS Upgrades and Forcemain Replacement	300,000	300,000	-	-	-	-	-
	J_20001359	21- Nigh Rd Pumping Station Upgrade	300,000	150,000	-	150,000	-	-	-
	J_20001360	21 - Nickel St Pumping Station Upgrades	300,000	300,000	-	-	-	-	-
	J_20001361	21-Seaway WWTP Contact Tank Process Modifications	250,000	250,000	-	-	-	-	-
	J_20001362	21-Fares St Pumping Station Upgrades	300,000	300,000	-	-	-	-	-
	J_20001363	21- Arena Pumping Station Upgrades	300,000	300,000	-	-	-	-	-
	J_20001364	21- Spring Gardens Pumping Station Upgrades and Forcemain Replacement	350,000	350,000	-	-	-	-	-
	J_20001365	21-Port Dalhousie WWTP Waste Gas Burner Upgrades	300,000	300,000	-	-	-	-	-
	J_20001366	21 - Ontario St Pumping Station Upgrades	850,000	170,000	-	680,000	-	-	-
	J_20001367	21-New South Niagara Falls WWTP Outfall	780,400	-	780,400	-	-	-	-

2021 Capital Projects Initiated Concurrent with Budget Approval

Program	Project ID	Project Name	Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Local Area Municipality	Other External
	J_20001368	21- South Niagara Falls Trunk Sewer	6,264,011	-	6,264,011	-	-	-	-
	J_20001374	21-New Black Horse PS - South Niagara Falls WWTP	600,000	-	600,000	-	-	-	-
	J_20000866	19-Decommission Old Central Pumping Station	400,000	400,000	-	-	-	-	-
	J_20001465	21- Mill St Area Sanitary Improvements Ph 1	825,000	825,000	-	-	-	-	-
Wastewater Operations Total			93,745,651	35,565,000	52,820,651	2,360,000	3,000,000	-	-
Water Operations	J_20000615	DeCew Falls Bypass Channel Weir Upgrade (Middle Res)	750,000	750,000	-	-	-	-	-
	J_20000620	Downing Avenue Transmission Main Replacement	2,000,000	2,000,000	-	-	-	-	-
	J_20000755	WTP Upgrade - DeCew Falls Intake Building Rehabilitation	5,000,000	5,000,000	-	-	-	-	-
	J_20000848	Watermain - Port Robinson System Interconnect	3,600,000	1,800,000	-	1,800,000	-	-	-
	J_20000187	Grimsby WTP Upgrade - Laneway Improvements	1,100,000	1,100,000	-	-	-	-	-
	J_20001396	21- Roof Replacement Program	500,000	500,000	-	-	-	-	-
	J_20001377	21-Water - Hardware & Software Upgrade Program	100,000	100,000	-	-	-	-	-
	J_20001378	21-GAC Replacement program at Water Treatment Plants	2,500,000	2,500,000	-	-	-	-	-
	J_20001379	21-Master Meter Replacement Program - Water	250,000	250,000	-	-	-	-	-
	J_20001380	21-Reservoir & Storage Program	500,000	500,000	-	-	-	-	-
	J_20001382	21-Corporate WIFI Expansion at Water Facilities	200,000	200,000	-	-	-	-	-
	J_20001393	21- Boiler Replacement Program	1,000,000	1,000,000	-	-	-	-	-
	J_20001384	21-Drummond Road Valve Rehabilitation	1,000,000	1,000,000	-	-	-	-	-
	J_20001385	21- New Niagara Falls Elevated Tank	1,500,000	1,050,000	-	450,000	-	-	-
	J_20001391	21- Rosehill WTP New Outfall	400,000	400,000	-	-	-	-	-
	J_20001394	New Trunk Main in Central Fort Erie	400,000	200,000	-	200,000	-	-	-
	J_20001386	21-Bemis Elevated Tank Replacement	500,000	500,000	-	-	-	-	-
	J_20001387	21-DeCew Plant 1 Mixing System	400,000	400,000	-	-	-	-	-
	J_20001388	21-York Road Watermain Replacement	500,000	500,000	-	-	-	-	-
	J_20000467	2017- Grimsby Watermain Replacement	6,000,000	3,000,000	-	3,000,000	-	-	-
	J_20001392	21- Grimsby WTP New Outfall	600,000	600,000	-	-	-	-	-
	J_20001395	21- New Transmission Main in Smithville	900,000	90,000	-	810,000	-	-	-
	J_20001464	21- Grimsby WTP HVAC Upgrades	1,000,000	1,000,000	-	-	-	-	-
Water Operations Total			30,700,000	24,440,000	-	6,260,000	-	-	-
Grand Total			215,130,104	104,630,091	77,820,651	13,439,500	14,000,000	3,950,000	1,289,862

2021 Capital Projects for Future Initiation

Program	Project ID	Project Name	Values						
			Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Local Area Municipality	Other External
Wastewater Operations	J_20000724	South Niagara Falls Wastewater Treatment Plant	161,571,691	-	53,571,691	-	-	-	108,000,000
	J_20001367	21-New South Niagara Falls WWTP Outfall	9,851,933	-	9,851,933	-	-	-	-
	J_20001368	21- South Niagara Falls Trunk Sewer	79,078,177	-	79,078,177	-	-	-	-
	J_20001369	21-New South West Trunk Sewer - South Niagara Falls WWTP	9,770,090	-	9,770,090	-	-	-	-
	J_20001370	21-Peel St PS Upgrades and New Forcemain - South Niagara Falls WWTP	5,921,267	-	5,921,267	-	-	-	-
	J_20001371	21-South Side High Lift PS Decommissioning - South Niagara Falls WWTP	632,660	-	632,660	-	-	-	-
	J_20001372	21-Garner Rd, Oakwood Dr, Grassy Brook PS Decommissioning	1,138,787	-	1,138,787	-	-	-	-
	J_20001373	21-Niagara Falls McLeod Rd Overflow Diversion	1,890,679	-	1,890,679	-	-	-	-
	J_20001374	21-New Black Horse PS - South Niagara Falls WWTP	3,789,611	-	3,789,611	-	-	-	-
	J_20001375	21-New Black Horse PS Forcemain - South Niagara Falls WWTP	12,730,724	-	12,730,724	-	-	-	-
Wastewater Operations Total			286,375,619	-	178,375,619	-	-	-	108,000,000
Grand Total			286,375,619	-	178,375,619	-	-	-	108,000,000

Debt Information

The following is a comparison of the Region's debt-related metrics compiled from the Financial Information Return (FIR) compared to our upper tier municipal peers. The information on the FIR below represents actual debt issued with the exception of the S&P ratio. The S&P Ratio and ARL are presented in the table are based on forecasted timing of debt issuance. The worst case scenario in which all debt is issued upon approval would put the S&P ratio at 108.1% and the ARL at 9.80%.

Metric	Current State	Proposed with 2021 Budget	Average of Comparable Regions ¹	Key thresholds
Debt as a % of Operating Revenues	38.0%	63.0%	29.0%	
Debt as a % of Reserves & Reserve Funds	82.0%	137.0%	65.0%	
Debt per Capita	\$801.02	\$1,335.68	\$583.30	
Debt per Household (upper tier)	\$1,902.10	\$3,171.67	\$1,628.51	
Debt per Household (upper & lower tier)	\$3,550.71	\$4,820.28	\$2,544.89	
S&P Ratio of Total Region and lower tier Debt to Operating Revenue ²	76.20%	90.4%	55.30%	120.00% ³
Annual Repayment Limit (ARL)	7.79%	8.30%	5.64%	25.00% ⁴

Source: Ministry of Municipal Affairs Financial Information Return

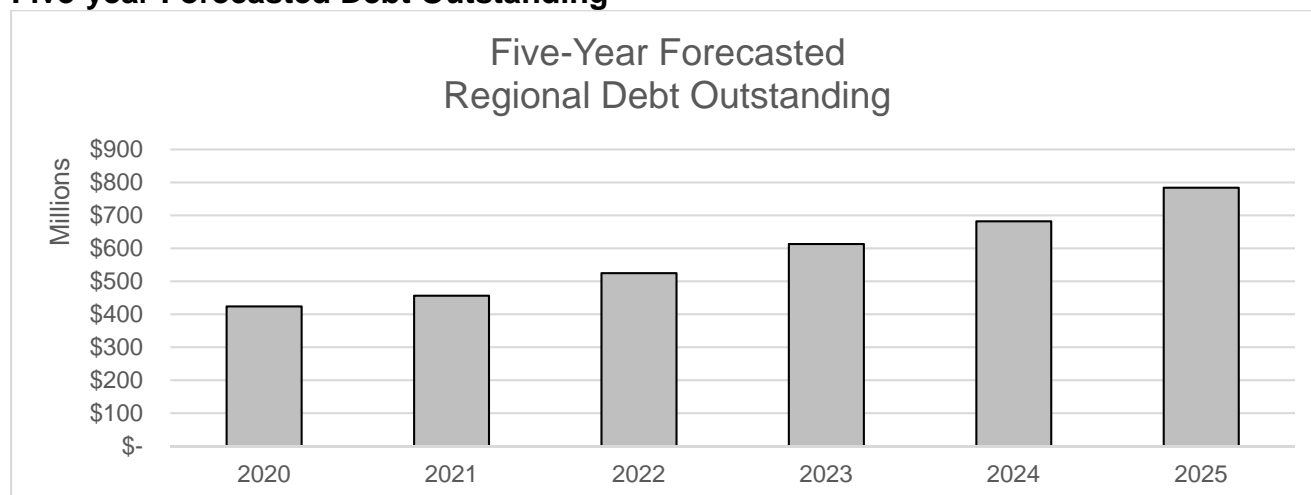
1 - The comparable regions are Durham, Halton, and Waterloo in line with the KPMG Sustainability review

2 - Waterloo does not use S&P as their credit agency and thus was not included for this analysis. The Region's S&P ratio is calculated as of August 31, 2020.

3 - If this ratio surpasses 120% or total consolidated debt surpasses \$1 billion there is a risk of downgrade in the Region's credit rating.

4 - Legislated maximum ratio set by the Province is 25%.

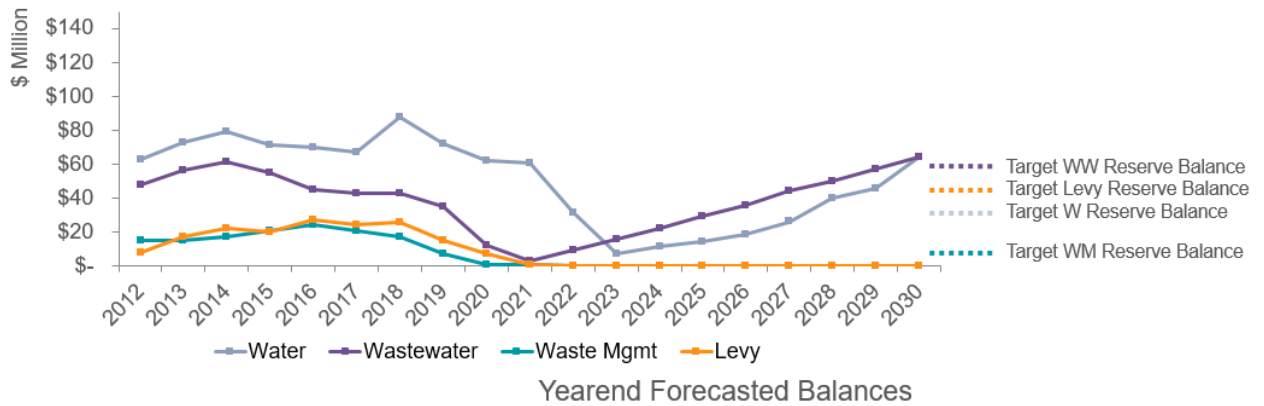
Five-year Forecasted Debt Outstanding



Forecasted Capital Reserve Balances

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Water	63	73	79	71	70	67	88	72	62	60	31	7	11	14	19	26	40	46	64
Wastewater	48	56	61	55	45	43	43	35	12	2	9	15	22	28	35	44	49	56	64
Waste Mgmt	15	15	17	21	24	21	17	7	1	1	1	1	1	1	1	1	1	1	1
Levy	8	17	22	20	27	24	26	15	7	1	1	1	1	1	1	1	1	1	1
	134	161	179	167	166	155	174	129	82	64	42	24	35	45	56	72	91	104	130

*Figures presented for Levy may not be comparable for years 2010 – 2012 as CSD 48-2014 authorized the closure of several reserve and reserve funds to capital levy reserves



Operating Impacts of Capital

The following are capital projects that will have impact on the operating budget.

Project ID	Project Name	Operating Impact
J_20001342	Digital Radios - Fire Coordinator	2,400.00
J_20001420	21-WM-Ops Vehicle	1,450.00
J_20001445	21- Water New Vans	1,450.00
Total		\$5,300.00

Project ID	Project Name	Operating Impact
J_20000724	South Niagara Falls Wastewater Treatment Plant	5,230,000.00
Total		\$5,230,000.00

2021 Capital Budget and 9-Year Forecast

Year	Gross Capital Request	Reserves	Debt	Development Charges	Federal Gas Tax	Area Municipality	Other External	Funding Gap
2021	\$501,505,722	\$104,630,091	\$256,196,269	\$13,439,500	\$14,000,000	\$3,950,000	\$109,289,862	0
2022	566,288,459	99,444,099	78,368,868	136,456,432	14,000,000	3,302,075	2,318,493	232,398,491
2023	374,563,769	93,073,306	56,978,230	25,515,000	14,000,000	1,600,000	23,618,493	159,778,740
2024	245,988,734	65,551,310	34,847,946	64,946,500	14,800,000	-	1,105,078	64,737,900
2025	252,807,613	69,330,023	31,280,218	35,974,000	14,800,000	300,000	31,048,874	70,074,498
2026	208,202,577	65,113,708	35,632,092	50,010,000	14,800,000	-	1,048,874	41,597,904
2027	231,943,248	69,794,007	28,908,225	72,670,000	15,300,000	-	1,000,000	44,271,015
2028	292,341,906	73,140,417	8,776,840	70,942,500	15,300,000	-	1,000,000	123,182,150
2029	179,697,601	87,273,421	12,249,082	4,090,000	15,300,000	-	1,000,000	59,785,098
2030	176,136,018	82,063,368	29,207,943	19,400,000	15,900,000	-	1,000,000	28,564,707
Grand	\$3,029,475,647	\$809,413,750	\$572,445,713	\$493,443,932	\$148,200,000	\$9,152,075	\$172,429,674	\$824,390,503

TREASURER'S REPORT

PROJECT IDENTIFICATION AND FINANCING INFORMATION

Project ID	Description	Long-term Financing	Term (min-max)
J_20001368	21-New Oakwood Dr Trunk Sewer - South Niagara Falls WWTP	\$ 85,342,188	1 - 30
J_20000724	South Niagara Falls Wastewater Treatment Plant	79,747,931	1 - 30
J_10SW1517	Niagara Falls WWTP Secondary Treatment Upgrade	19,000,000	1 - 30
J_20001375	21-New Black Horse PS Forcemain - South Niagara Falls WWTP	12,730,724	1 - 30
J_20001367	21-New South Niagara Falls WWTP Outfall	10,632,332	1 - 30
J_20001369	21-New South West Trunk Sewer - South Niagara Falls WWTP	9,770,090	1 - 30
J_20001370	21-Peel St PS Upgrades and New Forcemain - South Niagara Falls WWTP	5,921,267	1 - 30
J_20001374	21-New Black Horse PS - South Niagara Falls WWTP	4,389,611	1 - 30
J_20001373	21-Niagara Falls McLeod Rd Overflow Diversion	1,890,679	1 - 30
J_20001372	21-Garner Rd, Oakwood Dr, Grassy Brook PS Decommissioning	1,138,787	1 - 30
J_20001371	21-South Side High Lift PS Decommissioning - South Niagara Falls WWTP	632,660	1 - 30
J_20001271	Backup 911 Call Centre Relocation	7,760,000	1 - 10
J_10RC1559	Rds Rehab - Pelham Rd Reconstruction (Ph 3) - Wessell Dr to 8th Ave	5,612,500	1 - 10
J_20001462	NRPS – Communications Back Up Centre	4,600,000	1 - 10
J_20001399	21-NRH - Annual Building Capital Program	3,841,285	1 - 10
J_20001398	21-NRH - Annual Grounds Capital Program	1,836,438	1 - 10
J_10RC1564	Rds Rehab - RR 81 King St Reconstruction - Durham Rd to Lincoln Ave	900,000	1 - 10
J_10RC1560	Rds Rehab - RR 1 Dominion Rd Reconstruction - Helena St to Lakeshore Rd	449,777	1 - 10
TOTAL		\$ 256,196,269	

TREASURER'S VERIFICATION REPORT

(REQUIRED ONLY ON PROJECTS INVOLVING DEBENTURE FINANCING)

This confirms that I have checked the "Debt Repayment Limit" for Regional Niagara and passage of the by-law to approve these projects will not cause the Region to exceed its limit.

DATE _____

SIGNATURE _____