Niagara Region

2018

Q3 Financial Update | September

Table of Contents

Introduction 2
Consolidated Operating Funding Surplus/(Deficit) Review 3
Summary of Consolidated Operating Funding Surplus/(Deficit) 4
Statement of Operations – Water and Wastewater 5
Statement of Operations – Waste Management 8
Statement of Operations – Levy 11
Departmental Statement of Operations:
- Governance 14
- General Government 16
- Corporate Administration 18
- Enterprise Resource Management Services 21
- Corporate Services 23
- Community Services 26
- Public Health & Emergency Services 29
- Public Works Transportation 32
- Planning and Development 35
- Courts Services 38
- Niagara Regional Housing 41
- Niagara Regional Police Service 44
- Niagara Peninsula Conservation Authority 46

Operating Budget Amendments & Adjustment Summary 48
Reserves Summary 50
Deferred Revenue Summary 52
Operating Reserve Transfer Reconciliation 53
Capital Reserve Transfer Reconciliation 54
Capital Project Reports:
- Capital Summary 55
- Capital Budget Adjustments 56
- Capital Project Closures 59
- Capital Project Closures by Transfer 62
- Capital Project Summary 63
- Capital Project Forecast 64
- Capital Variance Project Summary 72

Investment Report 73
Investment Detail 74
Debt Report 75
Accounts Receivable Aging Report 77
Consolidated Statement of Financial Position 79
Explanation of Statement of Operations 80

Introduction

On behalf of Niagara Region, we are pleased to provide you with the 2018 Q3 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 30 elected representatives from 12 area municipalities and the Regional Chair. The current Regional Council was elected in October 2014 and the 31 members will serve a four-year term to November 30, 2018.

As of September 30, 2018 Niagara Region is forecasting a funding surplus of $976 thousand related to the levy programs, $2.5 million surplus related to Water and Wastewater programs, and a $1.3 million surplus related to the Waste Management Program. This totals a forecasted funding surplus of $4.8 million.

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

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



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

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

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

Water & Wastewater

Water and Wastewater Services has a projected surplus of $2,492. The water division projects a surplus of $2,126 and the wastewater division projects a surplus $366. The surpluses are mainly due to lower than budgeted utility costs, lower than expected spending in consulting and higher than anticipated water sales.

It is recommended that at year-end the projected funding surplus of $2,126 for water be transferred to the water capital reserve and the projected surplus of $366 for wastewater be transferred to the wastewater stabilization reserve.

Forecast Surplus / (Deficit) Including Indirect Allocations

Total Surplus/(Deficit)	**$2,492**
% of total budget	3.19%
% of rate revenue	2.97%

Waste Management

Waste Management Services has projected surplus of $1,339 which is primarily due to credits received from Emterra for Liquidated damages and fuel costs and increased funding for the Blue Box Program and unanticipated funding from the Continuous Improvement Fund for the Phase 3 of the Material Recovery Facility (MRF) review.

It is recommended that at year-end the projected funding surplus of $1,339 for waste management be transferred to the Waste Management Capital Reserve per the Waste Management Reserve Strategy outlined in CSD 70-2017.

Forecast Surplus/ (Deficit) Including Indirect Allocations

Total Surplus/(Deficit)	**$1,339**
% of total budget	2.79%
% of rate revenue	5.16%

Levy

Regional Departments and General Government forecast a deficit of $2,122 mainly driven by $7,526 in development charge (DC) exemptions as a result of the adopted Development Charge by-law. As well as, increased WSIB costs in EMS division. This is offset by savings in compensation due to corporate wide vacancies, lower than expected health and dental costs and a retroactive reconciliation payment from the Province (related to the Social Assistance Management System (SAMS)).

A surplus is forecasted in Agencies & Boards of $3,098 primarily from NRH due to lower than budgeted subsidy payments to providers, higher than budgeted rental revenues for NRH owned units, and a recognition of unbudgeted provincial funding. Court Services has also seen an increase in collection enforcement activity and larger fine payments received. NRPS mainly driven from seconded assignments and savings from maintenance agreements.

It is recommended that the levy surplus, to the extent possible, be used to fund the deficit related to DC exemptions and that the remaining deficit be funded from a draw on the Development Charge reserve repayments for previous growth related projects (as outlined in CSD 48-2018.

Forecast Surplus/ (Deficit) Including Indirect Allocations

Regional Departments and General Government	$(2,122)
Niagara Regional Police Service	$203
Court Services	$366
Niagara Regional Housing	$2,532
Niagara Peninsula Conservation Authority	$(3)
Total Surplus/(Deficit)	**$976**
% of total budget	0.13%
% of levy revenue	0.38%

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

	Annual Adjusted Net Budget	Annual Net Forecast	Q3 Projected Funding Surplus/(Deficit) including allocations
LEVY SUPPORTED DEPARTMENTS			
Regional Departments			
Corporate Administration	$5,026	$4,570	$456
Corporate Services	$2,087	$1,951	$136
Enterprise Resource Management Services	$10	$0	$10
Community Services	$43,966	$42,421	$1,545
Public Works - Transportation	$60,403	$60,550	-$147
Governance	$2,666	$2,330	$336
Planning & Development	$5,677	$5,119	$558
Public Health	$39,933	$38,834	$1,099
Sub-Total - Regional Departments	**$159,767**	**$155,776**	**$3,992**
General Government	-$354,628	-$348,514	-$6,114
Subtotal - General Government	**-$354,628**	**-$348,514**	**-$6,114**
Total Levy Supported Departments	**-$194,861**	**-$192,738**	**-$2,122**
Agencies, Boards & Commissions			
Court Services	-$544	-$911	$366
Niagara Regional Housing	$34,028	$31,496	$2,532
Niagara Regional Police	$154,396	$154,193	$203
Niagara Peninsula Conservation Authority	$6,981	$6,984	-$3
Subtotal Agencies, Boards & Commissions	**$194,861**	**$191,762**	**$3,098**
Total Levy Supported Programs	**$0**	**-$976**	**$976**
RATE SUPPORTED DEPARTMENTS			
Public Works - Water	$0	-$2,126	$2,126
Public Works - Wastewater	$0	-$366	$366
Public Works - Waste Management	$0	-$1,339	$1,339
Total Rate Supported Departments	**$0**	**-$3,831**	**$3,831**
TOTAL	**$0**	**-$4,807**	**$4,807**

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$16,577	$16,528	$49	0.3%	$21,843	$21,916	-$73	-0.3%
Administrative	$2,240	$1,447	$792	35.4%	$2,983	$1,934	$1,050	35.2%
Operational & Supply	$9,330	$9,460	-$130	-1.4%	$12,441	$12,807	-$366	-2.9%
Occupancy & Infrastructure	$13,238	$11,190	$2,048	15.5%	$17,484	$15,802	$1,681	9.6%
Equipment, Vehicles,Technology	$3,686	$4,546	-$861	-23.4%	$4,904	$6,387	-$1,483	-30.2%
Community Assistance	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Partnership, Rebate, Exemption	$15,662	$2,177	$13,484	86.1%	$16,665	$16,665	$0	0.0%
Financial Expenditures	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Total Expenses	$60,732	$45,350	$15,382	25.3%	$76,321	$75,512	$808	1.1%
Taxation	-$84,026	-$84,855	$829	-1.0%	-$111,192	-$112,021	$829	-0.7%
By-Law Charges & Sales	-$816	-$905	$89	-10.9%	-$1,089	-$1,197	$108	-10.0%
Other Revenue	-$4,978	-$1,104	-$3,873	77.8%	-$5,583	-$5,957	$374	-6.7%
Total Revenues	-$89,820	-$86,864	-$2,956	3.3%	-$117,864	-$119,175	$1,311	-1.1%
Intercompany Charges	$1,359	$1,336	$23	1.7%	$1,812	$1,789	$23	1.2%
Total Intercompany Charges	$1,359	$1,336	$23	1.7%	$1,812	$1,789	$23	1.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-$27,729	-$40,178	$12,448	-44.9%	-$39,731	-$41,874	$2,142	-5.4%
Transfers From Funds	-$11,015	-$1,653	-$9,362	85.0%	-$11,521	-$11,521	$0	0.0%
Transfers To Funds	$28,733	$28,733	$0	0.0%	$38,018	$38,018	$0	0.0%
Total Transfers	$17,719	$27,081	-$9,362	-52.8%	$26,497	$26,497	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	-$10,011	-$13,097	$3,086	-30.8%	-$13,235	-$15,377	$2,142	-16.2%
Indirect Allocations & Debt	$9,580	$9,197	$383	4.0%	$13,235	$12,885	$350	2.6%
Total Indirect Allocations & Debt	$9,580	$9,197	$383	4.0%	$13,235	$12,885	$350	2.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-$431	-$3,900	$3,469	-805.4%	$0	-$2,492	$2,492	N/A

Water & Wastewater - Continued

Variance Analysis (in thousands of dollars)

Water & Wastewater services operated at a surplus after indirect allocations of $3,469 ($2,723 water, $746 wastewater) with a projected surplus of $2,492 ($2,126 water, $366 wastewater) for year end. The following factors have contributed to these surpluses.

Administration - The favourable year-to-date variance of $792 is due to lower than expected spending in consulting due to lack of staff capacity to manage consulting engagements of $517, and unspent funds budgeted for energy efficiency work of $263. The projected year-end favourable variance is projected to increase to $1,050 as spending for these accounts is expected to remain lower than budgeted.

Operational & Supply - The unfavourable year-to-date variance of $130 is due to the higher than budgeted biosolids costs of $420 is due to increased sludge haulage from Niagara Falls Wastewater Treatment Plant because of the out of service digesters and higher than budgeted uniform and protective clothing costs of $42. This however is offset by lower than budgeted chemical costs of $28, inspection services of $160, and lab and inspection costs of $147. The projected year-end unfavourable variance is expected to increase to $366, comprised of an unfavourable biosolids amount of $463 and uniform and protective clothing amount of $43. These are offset by favourable variances in chemicals of $57 and inspection services of $83.

Occupancy & Infrastructure - The favourable year-to-date variance of $2,048 is due to lower than budgeted electricity costs of $1,875, natural gas costs of $230, the timing of property tax payments of $186, and unbudgeted utility rebates of $63. This however is offset by an unfavourable YTD variance in R&M for buildings and grounds of $287. The projected year-end favourable variance is expected to decrease to $1,681, comprised of favourable variances for electricity of $2,231, natural gas of $104, and utility rebates of $63. These projected favourable variances are partially offset by projected unfavourable variances in R&M for buildings and grounds of $590 and property taxes of $169.

Equipment, Vehicles, Technology - The unfavourable year-to-date variance of $861 is due to an unfavourable variance in R&M equipment of $775 because of the repair and replacement of aging equipment and higher than budgeted computer software license and support costs of $71. The projected year-end unfavourable variance is expected to increase to $1,483 mainly due to additional R&M to equipment that is underway or that will be completed by year end.

Partnership, Rebate, Exemption - The favourable year-to-date variance of $13,484 is due to CSO funds committed to local area municipalities but not yet paid. The forecast for year-end is a $0 variance since all CSO funding not spent will be encumbered into future year budgets.

Taxation - The favourable year-to-date variance of $829 is due to increased water sales because of a warmer and drier summer. The projected year-end favourable variance is expected to remain unchanged at $829.

By-Law Charges & Sales Costs - The favourable year-to-date variance of $89 is due to increased sewer surcharge revenue of $47 and an increase to hauled sewage revenue of $67. The projected year-end favourable variance is expected to increase to $108 assewer surcharge revenue and hauled sewage are expected to increase to $63 and $89 respectively.

Other Revenue - The unfavourable year-to-date variance of $3,873 is mainly driven by the timing of development charge revenue to fund the CSO program of $4,121 and offset by higher than budgeted water tower telecom rental revenue of $114 and an unbudgeted reimbursement from the City of Welland for Master Servicing Plan (MSP) costs of $101. The projected year-end favourable variance is $374 mainly driven by tower telecom rental revenue of $246 and the MSP reimbursement from Welland of $101.

Indirect Allocations - The favourable year-to-date variance of $383 is due to favourable variances in other areas of the organization that budget to recover their costs through allocations to regional business units. The projected year-end favourable variance is expected to decrease slightly to $350.

Water & Wastewater - Continued

Transfers - The unfavourable year-to-date variance of $9,362 is due to CSO funds committed to local municipalities but not yet paid which will be encumbered into the 2019 wastewater budget. The projected year-end variance is therefore $0.

Community Impacts & Achievements

- The Water and Wastewater Operations Divisions treated 57.0 billion liters of water in 2017 through six water treatment plants and 316 km of water mains, as well as 76.7 billion liters of wastewater through eleven plants and one biosolids storage facility, with collection through 123 pump stations and 283 km of forcemains and gravity sewers.
- The divisions provide input into water and wastewater approvals and master plans, design and construction, laboratory services, utility locates, source water protection, biosolids management, and environmental monitoring and enforcement.
- For the first time in quite some time, the Water / Wastewater senior leadership team is complete with a full time permanent Director and a full complement of 4 full time permanent Associate Directors.
- Implementation of a new 3-man pilot schedule in area 1 Wastewater to facilitate cross-training and succession planning.
- Responsibility for Children's Water Festival was successfully transferred from NPCA to the Water division.
- A new water wagon has been built to enhance the existing water wagon program.
- Construction is now under way for the Rosehill Water Treatment Plant Upgrade.
- The project for the new South Niagara Falls Wastewater Treatment Plant is now underway with the Environmental Assessment soon to commence.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$2,699	$2,459	$239	8.9%	$3,575	$3,359	$217	6.1%
Administrative	$1,415	$481	$934	66.0%	$1,735	$1,442	$293	16.9%
Operational & Supply	$29,564	$27,636	$1,928	6.5%	$39,760	$37,863	$1,896	4.8%
Occupancy & Infrastructure	$1,127	$1,057	$69	6.2%	$1,492	$1,435	$57	3.8%
Equipment, Vehicles,Technology	$813	$903	-$91	-11.1%	$1,088	$1,206	-$119	-10.9%
Partnership, Rebate, Exemption	$130	$123	$7	5.7%	$173	$166	$7	4.3%
Financial Expenditures	$0	-$5	$5	0.0%	$0	-$5	$5	0.0%
Total Expenses	$35,747	$32,655	$3,092	8.6%	$47,823	$45,467	$2,357	4.9%
Taxation	-$25,952	-$26,024	$72	-0.3%	-$34,602	-$34,602	$0	0.0%
By-Law Charges & Sales	-$11,129	-$10,275	-$854	7.7%	-$14,837	-$13,435	-$1,403	9.5%
Other Revenue	-$3,461	-$3,607	$146	-4.2%	-$4,615	-$4,914	$299	-6.5%
Total Revenues	-$40,541	-$39,906	-$635	1.6%	-$54,054	-$52,951	-$1,104	2.0%
Intercompany Charges	$102	$105	-$3	-2.9%	$136	$138	-$3	-2.2%
Total Intercompany Charges	$102	$105	-$3	-2.9%	$136	$138	-$3	-2.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-$4,693	-$7,147	$2,454	-52.3%	-$6,095	-$7,346	$1,250	-20.5%
Transfers From Funds	-$522	-$522	$0	0.0%	-$522	-$522	$0	0.0%
Transfers To Funds	$3,102	$3,102	$0	0.0%	$4,136	$4,136	$0	0.0%
Total Transfers	$2,580	$2,580	$0	0.0%	$3,614	$3,614	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	-$2,113	-$4,567	$2,454	-116.1%	-$2,482	-$3,732	$1,250	-50.4%
Indirect Allocations & Debt	$2,071	$1,968	$103	5.0%	$2,482	$2,393	$89	3.6%
Total Indirect Allocations & Debt	$2,071	$1,968	$103	5.0%	$2,482	$2,393	$89	3.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-$42	-$2,599	$2,557	N/A	$0	-$1,339	$1,339	N/A

Waste Management Services - Continued

Variance Analysis (in thousands of dollars)

Waste Management Services is operating at a year-to-date surplus after indirect allocations of $2,557 with a forecasted surplus of $1,339, due to the following factors:

Compensation – The favourable year-to-date and forecasted variances of $239 and $217 are primarily due to salary gapping and position vacancy management.

Administration – The favourable year-to-date variance of $934 is primarily due to: deferral of the Asset Inventory & Condition Assessment (AICA), Material Recovery Facility (MRF) Opportunity Review – Phase 4 and service level consultation costs, as well as various administrative expenses, until the fourth quarter of 2018. The forecasted favourable variance of $293 is primarily due to reduced or deferred consulting expenditures of $132, and utilization of existing communication pieces and Region services, resulting in lower promotional and educational costs of $94.

Operational & Supply – The favourable year-to-date and forecasted variances of $1,928 and $1,896 are primarily due to lower than anticipated commodity prices for the purchase of recyclable materials under the Waterloo and Haldimand contract (forecasted annual variance of $1,074), which is also reflected in the lower than budgeted sale of recyclables revenue. The other contributors to the surplus are liquidated damages issued to Emterra to date for breaches of contractual performance standards ($581) and a credit received from Emterra in 2018 for the pre-payment of fuel costs in 2017 ($215).

Occupancy & Infrastructure – The favourable year-to-date and forecasted variances of $69 and $57 are due to lower than anticipated repairs and maintenance and utility costs, offset by additional property taxes paid for two closed landfill sites.

Equipment, Vehicles, Technology – The unfavourable year-to-date and forecasted variances of $91 and $119 are due to higher than anticipated equipment repairs required at the various sites.

By-Law Charges & Sales Costs – The unfavourable year-to-date and forecasted variances of $854 and $1,403 are primarily due to lower than anticipated market revenues received from the sale of fibres (i.e. forecasted annual unfavourable variance for boxboard of $1,536, newsprint of $492 and cardboard of $282), offset by forecasted increases in revenue from other recyclables (e.g. PET plastic $363, aluminum $108 and steel $97), as well as increased garbage tag sales of $88.

Other Revenue – The favourable year-to-date and forecasted variances of $146 and $299 are primarily due to: increased Resource Productivity and Recovery Authority (RPRA) funding for Niagara Region's Blue Box program of $108 for the year, additional funding of $40 from industry stewardship funding for various programs, and Continuous Improvement Fund (CIF) funding of $130 for the MRF Opportunity Review – Phase 3.

Community Impacts & Achievements

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

- Negotiations with Emterra Environmental to ensure performance and adherence to the terms and conditions of Contract 2009-RFP-44, which include but are not limited to removing work from their Contract. Issued tender for Waste Collection Services for Lincoln and West Lincoln area, with an anticipated start date of early January 2019.
- Initiation of the consultation and engagement for the proposed service level collection options, which are being considered for implementation in the next collection contract.

Waste Management Services - Continued

- Continue to successfully market recyclable materials despite restrictive global market conditions.
- Recycling Centre Opportunity Review (identification of options considering the potential impact of the new extended producer responsibility legislation):
    - Phase One – complete – MRF market appraisal of buildings and land complete;
    - Phase Two – complete – MRF processing lines and systems, rolling stock and equipment state of repair assessment and valuation;
    - Phase Three – complete - MRF business valuation, strategic option evaluation and market analysis;
    - Phase Four – in progress – retained Fairness Advisor, and RFP issued to engage Transaction Advisor. Use of Negotiated Request for Proposal (NRFP), among other possible alternatives
- New five-year waste disposal operating contract awarded for Bridge Street
- Introduced a porcelain recycling program to divert toilets and sinks from landfills. Over 70 tonnes of porcelain have been processed since implementation.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$282,900	$278,264	$4,637	1.6%	$379,591	$374,754	$4,837	1.3%
Administrative	$22,978	$20,377	$2,601	11.3%	$29,960	$30,448	-$488	-1.6%
Operational & Supply	$24,603	$24,552	$52	0.2%	$32,945	$36,421	-$3,476	-10.6%
Occupancy & Infrastructure	$20,056	$19,510	$546	2.7%	$26,861	$26,119	$743	2.8%
Equipment, Vehicles,Technology	$10,581	$11,169	-$588	-5.6%	$14,227	$15,048	-$821	-5.8%
Community Assistance	$153,708	$140,184	$13,524	8.8%	$206,747	$196,442	$10,305	5.0%
Partnership, Rebate, Exemption	$21,480	$15,694	$5,786	26.9%	$25,989	$32,307	-$6,318	-24.3%
Financial Expenditures	$37,874	$38,764	-$891	-2.4%	$57,635	$59,265	-$1,631	-2.8%
Total Expenses	$574,181	$548,514	$25,667	4.5%	$773,954	$770,803	$3,151	0.4%
Taxation	-$257,718	-$258,364	$646	-0.3%	-$359,806	-$360,596	$790	-0.2%
Federal & Provincial Grants	-$241,014	-$234,652	-$6,362	2.6%	-$324,257	-$318,216	-$6,042	1.9%
By-Law Charges & Sales	-$12,138	-$11,886	-$252	2.1%	-$16,152	-$17,242	$1,091	-6.8%
Other Revenue	-$46,315	-$51,261	$4,946	-10.7%	-$62,412	-$67,483	$5,070	-8.1%
Total Revenues	-$557,184	-$556,163	-$1,022	0.2%	-$762,627	-$763,537	$910	-0.1%
Intercompany Charges	-$1,461	-$1,441	-$20	1.3%	-$1,947	-$1,854	-$93	4.8%
Total Intercompany Charges	-$1,461	-$1,441	-$20	1.3%	-$1,947	-$1,854	-$93	4.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$15,536	-$9,090	$24,625	158.5%	$9,380	$5,413	$3,967	42.3%
Transfers From Funds	-$19,097	-$19,718	$620	-3.2%	-$22,657	-$22,889	$232	-1.0%
Transfers To Funds	$28,065	$30,422	-$2,357	-8.4%	$29,124	$31,879	-$2,756	-9.5%
Expense Allocations To Capital	-$97	-$68	-$29	30.0%	-$130	-$101	-$29	22.5%
Total Transfers	$8,870	$10,636	-$1,766	-19.9%	$6,337	$8,889	-$2,553	-40.3%
Net Expenditure (Revenue) Before Indirect Allocations	$24,406	$1,547	$22,859	93.7%	$15,716	$14,302	$1,414	9.0%
Indirect Allocations & Debt	-$11,652	-$11,165	-$486	4.2%	-$15,716	-$15,278	-$438	2.8%
Total Indirect Allocations & Debt	-$11,652	-$11,165	-$486	4.2%	-$15,716	-$15,278	-$438	2.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$12,754	-$9,618	$22,373	175.4%	$0	-$976	$976	N/A

Levy - Continued

Variance Analysis (in thousands of dollars)

Levy is operating a year-to-date surplus before indirect allocations of $22,859 and a forecasted surplus before indirect allocations of $1,414. This is due to the following factors:

Compensation - The favourable year-to-date and forecasted variances of $4,637 and $4,837 respectively are mainly driven by lower than anticipated usage of health benefits and filling vacancies at rates less than budgeted across the corporation. In addition to the timing of staff onboarding to the EMS System Redesign project (year-to-date savings of $1,908 and forecasted savings of $2,086). These savings have been offset by unfavourable year-to-date and forecasted variances relating to Workplace Safety Insurance Board (WSIB) costs in the Emergency Medical Services (EMS) division and by higher than budgeted sick leave payouts at NRPS due to an increase in retirements.

Administration - The favourable year-to-date variance of $2,601 is due to timing of spending of consulting dollars related to the following: $666 for the corporate sustainability review (will be encumbered if not spent by year-end); $902 related to trade and investment and strategic marketing, government relations activities, and internal project management work; $699 for the timing of spend related to the Regional official plan; and $635 in consulting related to transportation. This is offset by an increase in legal costs and the estimated liability accrued for insured, uninsured and construction contract claims against the Region. Some of these estimated liabilities are related to the water and wastewater program which may be allocated to these programs at year-end once costs are incurred.

Operational & Supply - The unfavourable forecasted variance of $3,476 is primarily due to higher than anticipated usage of winter sand, winter salt and organic de-icing material totaling $204; increased traffic signal and sign maintenance material costs of $673 primarily due to one-time inventory adjustment to traffic signal equipment as a result of calculation error involving USD transactions; higher than budgeted costs for Niagara Specialized Transit (NST) services of $635 and Niagara Regional Transit (NRT) services of $456 due to increased ridership offset with reduced consulting and increased ridership reveneu; and increase of $13 in other program specific supplies and material.

Community Assistance – The favourable year-to-date and forecasted variances of $13,524 and $10,305 respectively are primarily due to the stabilization of the Ontario Works (OW) caseload resulting in lower than budgeted benefit issuances; a decline in rental vacancy rates in Niagara and shelters operating at over 100 per cent capacity resulting in reduced Housing Stability Plan benefit issuances. In addition, lower than budgeted subsidy payments to non-profit and co-op providers in NRH and the timing of take-up for Ministry-funded programs. The favourable variance is offset by the unfavourable variance in Federal & Provincial Grants.

Partnership, Rebate, Exemption - The favourable year-to-date variance of $5,786 is a result of the timing of payments on grants. Specifically, due to the timing of payments on tax increment grants (TIGs) of $1,094 offset by negative variances of $277 on RDC grants and $267 on Commercial Vacancy Rebates. In addition, further positive variances of $2,542 on SNIP and PRIP grants and $466 on Research and Technology grants are expected to be exhausted by the end of the year and $220 in grants to the cities of Welland and Niagara Falls for Computer Aided Dispatch / Automated Vehicle Location (CAD/AVL) systems for the NRT fleet. These funds are expected to be processed in the fourth quarter.

The unfavourable forecasted variance of $6,318 is primarily the result of $7,526 in mandatory and non-mandatory exemptions as per the adopted Development Charges By-law 2017-88, of which an estimate of $11 million deficit was presented during the 2018 Budget approval which is offset by savings in TIGs of $1,082.

Federal & Provincial Grants - The unfavourable year-to-date and forecasted variances of $6,362 and $6,042 is primarily due to lower than budgeted Ministry funding reflective of the reduction in Community Assistance expenditures in SAEO ($6,600) and Childrens Services ($758) and timing of Ministry-funded programs related to NRH ($798). This is offset by additional funding in Seniors ($771) related to the higher than anticipated Operational & Supply expenditures and the forecasted recognition of $1,100 in SAEO

Levy - Continued

resulting from the reconciliation of SAMS reports back to 2014 which were previously not available from the Ministry.

Other Revenue - The favourable year-to-date and forecasted variances of $4,946 and $5,070 respectively is primarily related to proceeds from the sale of surplus properties of $2,432 and $2,361 offset in transfers below. In addition, investment income exceeds budget by $1,667 and $1,945 of which $1,253 and $1,927 has been allocated to rate reserves and deferred revenue. Court Services had year-to-date favourable variance of $543 related to an increase in collection enforcement activity. NRH had higher than budgeted rental revenues for owned units ($502), and investment income from timing of NRH transactions ($228).

Transfers - The unfavourable year-to-date and forecasted variances of $1,766 and $2,553 are mainly due to the transfer of net proceeds from property sales to the capital levy reserve as noted above.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$1,231	$1,153	$78	6.4%	$1,640	$1,551	$89	5.4%
Administrative	$165	$122	$42	25.7%	$220	$177	$42	19.3%
Operational & Supply	$0	$0	$0	N/A	$0	$0	$0	N/A
Equipment, Vehicles, Technology	$2	$1	$1	64.7%	$2	$1	$1	48.5%
Partnership, Rebate, Exemption	$2	$0	$2	94.7%	$2	$1	$2	71.0%
Total Expenses	$1,400	$1,276	$124	8.8%	$1,864	$1,730	$134	7.2%
By-Law Charges & Sales	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Other Revenue	-$26	-$26	$1	-2.5%	-$34	-$35	$1	-1.9%
Total Revenues	-$26	-$26	$1	-2.5%	-$34	-$35	$1	-1.9%
Intercompany Charges	$1	$1	$0	-17.7%	$1	$2	$0	-13.3%
Total Intercompany Charges	$1	$1	$0	-17.7%	$1	$2	$0	-13.3%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$1,375	$1,251	$124	9.0%	$1,831	$1,697	$135	7.4%
Transfers From Funds	$0	$0	$0	N/A	$0	$0	$0	N/A
Total Transfers	$0	$0	$0	N/A	$0	$0	$0	N/A
Net Expenditure (Revenue) Before Indirect Allocations	$1,375	$1,251	$124	9.0%	$1,831	$1,697	$135	7.4%
Indirect Allocations & Debt	$639	$403	$236	36.9%	$835	$634	$201	24.1%
Total Indirect Allocations & Debt	$639	$403	$236	36.9%	$835	$634	$201	24.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$2,014	$1,654	$360	17.9%	$2,666	$2,330	$336	12.6%

Governance - Continued

Variance Analysis (in thousands of dollars)

Governance is operating a year-to-date surplus before indirect allocations of $124 with a forecasted surplus of $135 before indirect allocations for year end. The following factors have contributed to this surplus.

Compensation - The favourable year-to-date and forecasted variance of $78 and $89 are due to vacancies within the Chair's Office and lower than anticipated benefit costs.

Administration - The favourable year-to-date and forecasted variance of $42 is due to lower than anticipated advertising and travel costs and a prior year adjustment to legal fees.

Community Impacts & Achievements

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

Project Updates/Accomplishments

- Implementation of Regional Council's 2015 to 2018 Business Plan to foster an environment for economic prosperity
- Provided a 2019 Budget Guidance of 1.5% to keep taxes low in accordance with the Niagara Region taxpayer affordability guidelines
- Go Transit Station Secondary Plans approved for Beamsville, Grimsby, Niagara Falls and St. Catharines
- Linking Niagara Transit Committee develops finalized work plan towards the consolidation of Niagara's transit system
- Foreign Trade Zone Storefront opens in Fort Erie
- Niagara Immigration Portal 'Your Home | Your Future | Niagara, Canada' was approved and launched.
- Fort Erie and St. Catharines Long-Term Care campus sites and bed ranges approved by Regional Council.
- $148 Million announced by Provincial and Federal governments to support inter-municipal transit.

General Government Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$0	$1	-$1	0.0%	$0	$1	-$1	0.0%
Administrative	$4,683	$5,338	-$655	-14.0%	$6,194	$6,390	-$196	-3.2%
Occupancy & Infrastructure	$41	$62	-$21	-50.7%	$55	$91	-$36	-66.8%
Partnership, Rebate, Exemption	$9,315	$5,765	$3,551	38.1%	$13,278	$19,726	-$6,448	-48.6%
Financial Expenditures	$35,969	$37,135	-$1,166	-3.2%	$55,095	$56,643	-$1,548	-2.8%
Total Expenses	$50,009	$48,301	$1,708	3.4%	$74,623	$82,852	-$8,230	-11.0%
Taxation	-$257,718	-$258,364	$646	-0.3%	-$359,806	-$360,596	$790	-0.2%
Federal & Provincial Grants	$0	$1	-$1	0.0%	$0	$1	-$1	0.0%
By-Law Charges & Sales	-$41	-$20	-$21	50.2%	-$55	-$20	-$34	62.7%
Other Revenue	-$9,858	-$12,692	$2,833	-28.7%	-$14,044	-$16,427	$2,384	-17.0%
Total Revenues	-$267,618	-$271,075	$3,457	-1.3%	-$373,904	-$377,042	$3,138	-0.8%
Intercompany Charges	-$81	-$98	$17	-21.1%	-$108	-$125	$17	-15.8%
Total Intercompany Charges	-$81	-$98	$17	-21.1%	-$108	-$125	$17	-15.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-$217,690	-$222,872	$5,182	-2.4%	-$299,389	-$294,315	-$5,074	1.7%
Transfers From Funds	-$10,628	-$11,856	$1,228	-11.6%	-$12,935	-$14,163	$1,228	-9.5%
Transfers To Funds	$19,596	$21,953	-$2,357	-12.0%	$20,079	$22,365	-$2,286	-11.4%
Total Transfers	$8,968	$10,097	-$1,129	-12.6%	$7,144	$8,202	-$1,058	-14.8%
Net Expenditure (Revenue) Before Indirect Allocations	-$208,722	-$212,775	$4,053	-1.9%	-$292,245	-$286,113	-$6,132	2.1%
Indirect Allocations & Debt	-$49,737	-$48,862	-$874	1.8%	-$62,383	-$62,401	$18	0.0%
Total Indirect Allocations & Debt	-$49,737	-$48,862	-$874	1.8%	-$62,383	-$62,401	$18	0.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-$258,458	-$261,637	$3,179	-1.2%	-$354,628	-$348,514	-$6,114	1.7%

General Government - Continued

Variance Analysis (in thousands of dollars)

General Government is operating at a year-to-date surplus before indirect allocations of $4,053 and is forecasting an overall deficit before indirect allocations of $6,132 at the end of the year due to the following factors:

Administration - The unfavourable year-to-date and forecasted variances of $655 and $196 is primarily due to the estimated liability accrued for insured, uninsured and construction contract claims against the Region. Some estimated liabilities are related to the water and wastewater program. As these numbers are paid during the year, they may be allocated directly to the program at year-end.

Partnership, Rebate, Exemption - The favourable year-to-date variance of $3,551 is due to the timing of payments of tax increment grants (TIGs) of $1,094, $2,542 on SNIP and PRIP grants and $466 on Research and Technology grants offset by negative variances of $277 on RDC grants and $267 on Commercial Vacancy Rebates.

The unfavourable forecasted variance of $6,448 is primarily the result of $7,526 in mandatory and non-mandatory exemptions as per the adopted Development Charges By-law 2017-88. This is offset by savings in TIGs of $1,082.

Financial Expenditures – The unfavourable year-to-date variance of $1,166 is due to timing of debenture costs to budget amounting to $1,053 to be recovered by year end. In addition, there is an unfavourable variance of $323 in tax write offs offset by favourable unrealized foreign exchange gains on USD of $211.

The forecasted unfavourable variance of $1,548 is due in part to $1,228 of capital financing (balloon payment) being recorded on a gross basis which is offset with a positive variance noted below in Transfers From Funds as well as tax write offs of $531 offset by unrealized foreign exchange gains on USD of $211.

Taxation - The favourable year-to-date and forecasted variances of $646 and $790 are primarily the result of variances of $632 and $515 for the collection of payment-in-lieu of taxes (PILs) as well as variances of $14 and $275 due to increases in supplemental tax revenue.

Other Revenue – The favourable year-to-date and forecasted variances of $2,833 and $2,384 are primarily related to proceeds from the sale of surplus properties of $2,432 and $2,361 offset by transfers identified below.

Transfers – The favourable year-to-date and forecasted variances on Transfers from Funds of $1,228 is due to capital financing (balloon payment) being recorded on a gross basis which is offset with a negative variance noted in Financial Expenditures above.

The unfavourable year-to-date and forecasted variances on Transfers to Funds of $2,357 and $2,286 are mainly due to the transfer of net proceeds from property sales to the capital program as noted 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: The Region contributes funding 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.
- Capital Financing: The Region funds its capital programs through multiple financing sources such as capital levy reserve contributions and debt charges.
- Debenture successfully issued in July 2018 for $65.7 million in the capital markets.

Corporate Administration Statement of Operations (in thousands of dollars)

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$3,243	$3,077	$166	5.1%	$4,305	$4,174	$131	3.0%
Administrative	$2,192	$1,291	$902	41.1%	$2,642	$2,453	$189	7.1%
Operational & Supply	$1	$34	-$33	N/A	$2	$43	-$41	N/A
Occupancy & Infrastructure	$0	-$10	$10	0.0%	$0	-$10	$10	0.0%
Equipment, Vehicles, Technology	$23	$9	$14	59.6%	$31	$17	$14	44.7%
Partnership, Rebate, Exemption	$678	$494	$184	27.1%	$820	$919	-$99	-12.1%
Financial Expenditures	$0	$1	-$1	0.0%	$0	$1	-$1	0.0%
Total Expenses	$6,138	$4,896	$1,242	20.2%	$7,799	$7,597	$203	2.6%
Federal & Provincial Grants	-$75	-$127	$52	-68.8%	-$100	-$127	$27	-26.6%
By-Law Charges & Sales	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Other Revenue	$0	-$157	$157	0.0%	$0	-$209	$209	0.0%
Total Revenues	-$75	-$283	$208	-277.5%	-$100	-$336	$236	-235.6%
Intercompany Charges	$6	$9	-$3	-45.2%	$8	$11	-$3	-33.9%
Total Intercompany Charges	$6	$9	-$3	-45.2%	$8	$11	-$3	-33.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$6,069	$4,622	$1,447	23.8%	$7,708	$7,272	$435	5.6%
Transfers From Funds	-$1,068	-$1,068	$0	0.0%	-$1,068	-$1,068	$0	0.0%
Transfers To Funds	$20	$20	$0	0.0%	$20	$20	$0	0.0%
Total Transfers	-$1,048	-$1,048	$0	0.0%	-$1,048	-$1,048	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$5,021	$3,574	$1,447	28.8%	$6,660	$6,224	$435	6.5%
Indirect Allocations & Debt	-$1,201	-$1,081	-$120	10.0%	-$1,634	-$1,654	$21	-1.3%
Total Indirect Allocations & Debt	-$1,201	-$1,081	-$120	10.0%	-$1,634	-$1,654	$21	-1.3%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$3,820	$2,493	$1,327	34.7%	$5,026	$4,570	$456	9.1%

Corporate Administration - Continued

Variance Analysis (in thousands of dollars)

Corporate Administration is operating a year-to-date surplus before indirect allocations of $1,447 with a forecasted surplus of $435 before indirect allocations for year end. The following factors have contributed to this surplus.

Compensation - The favourable year-to-date and forecasted variance of $166 and $131 is due to staffing vacancies throughout the divisions of Corporate Administration. The variance will decrease due to seconded and backfilled positions which are offset by increased revenues.

Administration - The favourable year-to-date and forecasted variance of $902 and $189 is due to timing of consulting expenditures related to trade and investment and strategic marketing; government relations activities; research supporting council strategic priorities; and internal project management work. This favourable variance is offset by a repurposed spend on data and research and grants to third parties.

Operational & Supply - The unfavourable year-to-date and forecasted variance of $33 and $41 is due to an increased spend on raw data and research off set by the favourable variance of consulting dollars.

Partnership, Rebate, Exemption - The favourable year-to-date variance of $184 is due to the timing of grant program awards and the forecasted unfavourable variance of $99 is due to anticipated increased grant funding issued by Economic Development.

Revenue - The favourable year-to-date and forecasted variance of $208 and $236 is due to increased revenue applied to and secured by the Economic Development division and unexpected revenue from employee secondments in Internal Control & Organization Performance and Strategic Communications and Public Affairs.

Community Impacts & Achievements

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

Strategic Communications and Public Affairs

Advanced corporate communications priorities and campaigns, including:

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

Corporate Administration - Continued

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

Internal Control & Organizational Performance

- Completed seven audits from the 2018 Internal Audit Plan thus far: Grants & Incentives Phase 1 & 2, IT General Controls, Waste Contract Audit, Payroll Phase 1 & 2 and Chippawa CSO Audit. All reports have been reported to Audit Committee and ICOP has provided recommendations to assist staff to improve operations and their respective internal controls environments.
- Completed the first phase of 'Shape Niagara' (a broad public engagement initiative to inform next Council's strategic plan). Highlights included five open house events, an online survey, face-to-face interactions with residents at 25+ community events, and a broad social media campaign. Currently engaged on a second phase which includes background research for the new Council's strategic plan.
- Produced the "2015-2018 Term in Review", a comprehensive report on Council's Strategic Priority Projects. Highlights included updates on all 30 projects (i.e. Provincial Commitment to GO Rail Expansion), and the performance dashboard which captured measurable statistics to inform Council and residents.
- Completed process reviews in three business areas: Children's Services (subsidy payments), Senior Services (HR staff transactions) and NRPS (attendance management). Currently managing projects in 9 other business units to improve operations, identify efficiencies and/or reduce waste using Lean & Six Sigma.
- Acting as the project manager, ICOP made major progress with transitioning the Business Licensing & Enforcement process from NRPS back to Niagara Region during the past quarter. We obtained approval from 6 Local Area Municipality Councils, NRPS Board and Niagara Regional Council in September to transition the business model in June 2019. We assisted with the recruitment of a Manager for the new business unit and continue with project planning for this important initiative.
- Executed a major corporate re-organization to create a Project Management Office (PMO) within ICOP in September. The goal of this initiative is to implement a best-in-class project management methodology for all capital projects corporate-wide. The PMO team completed a Strategic Plan to define their mandate and is currently working on a short-term, mid-term and long-term work-plan. In addition, the PMO team will be engaged to support other project managers across the organization on major Tier 1 projects (i.e. LTC re-development, EMS Hub etc.).

Economic Development

Project Updates/Accomplishments

- Completion of research and stakeholder consultation work by Global Investment Attraction Group.
- Re-focused Master Plan to Four Year Economic Development Strategy
- Meetings with 20+ companies in the Netherlands, Belgium and Germany, which were identified through a 'lead generation contract' as companies with verified interests in entering or expanding business in the North American marketplace.
- Meetings with Canadian Trade Commissioner Missions in The Hague, Brussels & Dusseldorf.
- Hosted the 5th Annual Commercial-Industrial Brokers Niagara Economic Growth Partners Networking Event
- Supported the Finance Department in public outreach regarding the Vacant Unit Rebate and Excess Land Property Tax Discounts.
- Participating in the internal Grant & Regional Development Charge Review
- First Quarterly Business Report on Niagara Gateway Centre, shows visitor numbers are above expectations at 36,856 and are expected to reach 50,000 by end of 2018.

Regional Studies/Analysis & Advocacy Projects/Events

- Completed Niagara Agricultural Profile & Niagara Agriculture Economic Impact study
- Initiated Niagara Tourism Profile and Niagara Tourism Economic Impact study
- Initiated update to studies Niagara Manufacturing Profile and Niagara Transportation and Logistics Profile
- Niagara Development Corridor Partnership Inc. in partnership with Niagara Economic Development engaged consultants EY to develop a Strategic Plan for the Niagara Foreign Trade Zone
- Foreign Trade Zone Coordinator presented to the Federal Transportation Committee

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$6,652	$6,340	$312	4.7%	$8,946	$8,635	$312	3.5%
Administrative	$2,692	$2,025	$666	24.8%	$3,484	$3,481	$4	0.1%
Operational & Supply	$23	$16	$7	31.2%	$30	$24	$6	21.6%
Occupancy & Infrastructure	$0	$1	-$1	N/A	$0	$1	-$1	N/A
Equipment, Vehicles, Technology	$6	$10	-$3	-51.5%	$8	$11	-$2	-25.7%
Financial Expenditures	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Total Expenses	$9,373	$8,392	$981	10.5%	$12,469	$12,151	$319	2.6%
Federal & Provincial Grants	-$45	-$41	-$4	9.1%	-$60	-$60	$0	0.0%
By-Law Charges & Sales	-$7	-$4	-$3	41.6%	-$10	-$6	-$4	43.2%
Other Revenue	$0	-$7	$7	N/A	$0	-$9	$9	N/A
Total Revenues	-$53	-$52	$0	0.9%	-$70	-$74	$4	-6.0%
Intercompany Charges	$16	$17	-$1	-4.8%	$22	$23	-$1	-3.6%
Total Intercompany Charges	$16	$17	-$1	-4.8%	$22	$23	-$1	-3.6%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$9,337	$8,357	$980	10.5%	$12,421	$12,099	$322	2.6%
Transfers From Funds	-$519	-$519	$0	0.0%	-$619	-$619	$0	0.0%
Total Transfers	-$519	-$519	$0	0.0%	-$619	-$619	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$8,819	$7,839	$980	11.1%	$11,802	$11,480	$322	2.7%
Indirect Allocations & Debt	-$8,809	-$7,839	-$970	11.0%	-$11,792	-$11,480	-$312	2.6%
Total Indirect Allocations & Debt	-$8,809	-$7,839	-$970	11.0%	-$11,792	-$11,480	-$312	2.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$10	$0	$10	100.0%	$10	$0	$10	100.0%

Enterprise Resource Management Services - Continued

Variance Analysis (in thousands of dollars)

Enterprise Resource Management Services operated a surplus before indirect allocations of $980 and $322 forecast due to the following factors:

Compensation - The favourable year-to-date and forecasted variances of $312 and $312 are due to vacancies in Financial Management and Planning, Procurement and Strategic Acquisitions, and Legal Services.

Administration - The favourable year-to-date variance of $666 is due to timing of spending of consulting dollars related to the corporate sustainability review which will be encumbered if not spent by year-end as well as timing of estimated insured claims payments.

Community Impacts & Achievements

Financial Management and Planning

- Niagara Region continues to maintain its “AA” credit rating with a stable outlook according to confirmation report released by credit rating agency Standard and Poor’s.
- Niagara Region awarded the Distinguished Budget Presentation Award for its 2018 Budget by the Government Finance Officers Association (GFOA).
- Asset Management Plan governance strategy presented to Council.
- Updated a number of financial policies that involve developer deposits, care and custody of securities, surplus/deficit, purchasing cards, and variance analysis and forecasting.
- Debt Risk Management Committee established from both Niagara Regional and local area municipality staff to review debt reporting and risk management.
- Public engagement completed for change in tax policy regarding proposed vacancy rebates.

Procurement and Strategic Acquisitions

- Sold Regional surplus properties valued at $2.6 million year to date.
- Continued implementation of transition to new external bidding platform (bidsandtenders.com) as Phase 1 of the Region’s goal of full electronic paperless bidding.
- Of the 148 competitive Bids facilitated by Procurement year to date, 110 Bids totalling approximately $69 million were awarded.

Legal Services

- Continue to provide excellent internal legal and claims support service for the Niagara Region by recently on-boarding a full complement of staff.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$12,243	$11,894	$349	2.9%	$16,261	$15,109	$1,153	7.1%
Administrative	$2,425	$2,581	-$156	-6.4%	$3,195	$3,360	-$165	-5.2%
Operational & Supply	$119	$178	-$59	-49.7%	$159	$293	-$134	-84.7%
Occupancy & Infrastructure	$5,080	$5,124	-$45	-0.9%	$6,804	$6,741	$63	0.9%
Equipment, Vehicles, Technology	$1,684	$2,025	-$341	-20.3%	$2,434	$2,375	$59	2.4%
Partnership, Rebate, Exemption	$3	$2	$1	35.0%	$5	$3	$2	35.7%
Financial Expenditures	$48	$0	$48	99.7%	$64	$0	$64	99.8%
Total Expenses	$21,602	$21,804	-$203	-0.9%	$28,922	$27,880	$1,042	3.6%
By-Law Charges & Sales	-$180	-$192	$12	-6.7%	-$240	-$255	$15	-6.2%
Other Revenue	-$405	-$512	$106	-26.2%	-$540	-$638	$97	-18.0%
Total Revenues	-$585	-$704	$118	-20.2%	-$780	-$892	$112	-14.3%
Intercompany Charges	-$99	-$17	-$82	83.0%	-$132	-$21	-$111	84.1%
Total Intercompany Charges	-$99	-$17	-$82	83.0%	-$132	-$21	-$111	84.1%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$20,918	$21,084	-$166	-0.8%	$28,010	$26,967	$1,043	3.7%
Transfers From Funds	-$499	-$499	$0	0.0%	-$659	-$659	$0	0.0%
Total Transfers	-$499	-$499	$0	0.0%	-$659	-$659	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$20,419	$20,585	-$166	-0.8%	$27,351	$26,308	$1,043	3.8%
Indirect Allocations & Debt	-$18,807	-$19,116	$309	-1.6%	-$25,264	-$24,357	-$907	3.6%
Total Indirect Allocations & Debt	-$18,807	-$19,116	$309	-1.6%	-$25,264	-$24,357	-$907	3.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$1,612	$1,469	$142	8.8%	$2,087	$1,951	$136	6.5%

Corporate Services - Continued

Variance Analysis (in thousands of dollars)

Corporate Services operated at a deficit before indirect allocations of $166 and are forecasting a $1,043 surplus due to the following factors:

Compensation – The favourable year-to-date variance of $349 is due to vacancies in Human Resources, Clerks Administration, IT Solutions, Construction, Energy and Facilities Management, partially offset by an unfavourable variance in labour relations. The favourable forecasted variance of $1,153 is a continuation of vacancies stated as well as 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 year-to-date and forecasted variances of $156 and $165 are mainly due to higher than anticipated external legal expenses and consulting services, partially offset by savings on staff development expenses.

Occupancy & Infrastructure - The unfavourable year-to-date variance of $45 is due to higher than anticipated costs for janitorial service contracts relating to increased minimum wage and timing of one-time expenditures related to repairs of elevators and septic systems, partially offset by the delay in the opening of the new Niagara Falls Public Health facility and lower than budgeted electricity costs. The favourable forecasted variance of $63 is due to lower facilities maintenance related spends compared to budget as well as continued savings on Niagara Falls Public Health facility and electricity.

Equipment, Vehicles, Technology - The unfavourable year-to-date variance of $341 is due to the timing of spends related to software license and IT equipment maintenance contracts occurring in the first three quarters. The favourable forecasted variance of $59 is due to the correction of prepaid software support contracts being spread over multiple years.

Revenues - The favourable year-to-date and forecasted variances of $118 and $112 are due to proceeds from sale of IT equipment and higher than anticipated rental revenue.

Community Impacts & Achievements

Corporate Records, Print & Mail Services

- The Office of the Regional Clerk worked diligently to put in place processes and procedures related to the direct election of the Regional Chair which was subsequently cancelled by provincial legislation. The exercise allowed us to establish excellent working relationships with the local area municipalities on a number of joint initiatives.
- Corporate Records undertook work with Information Technology Solutions, on a corporate solution for electronic records compliance and began revisions to the records retention schedule to bring it in line with provincial standards. Next steps will include validation with the Corporation's business units.

Human Resources

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

Information Technology Solutions

- Niagara Votes Website – Working collaboratively with the local area municipalities we launched http://Niagaravotes.ca; a 'one stop shop' for all Municipal election resources. The website continues to evolve.
- Enhancements to the Large item pickup site to provide citizens a better customer experience when booking their large item pickup online. Features business rules to assist citizens in booking items accurately and efficiently. Additionally, enhanced

reporting enables Waste Management staff to mine analytics around items to assist with improvements and cost reductions in the future. https://niagararegion.ca/waste/collection/items/largeitems/request-form.aspx

- The GIS team worked in collaboration with Water/Wastewater staff to enhance Niagara Integrated Infrastructure Mapping System (NIIMS), a shared web mapping application showcasing both local and regional water, storm and sewer infrastructure. Included is the ability for network tracing and valve isolation as well as access to enhanced regional asset information for Niagara Region Water/Wastewater staff.

Construction, Energy and Facilities Management

- Rapelje Lodge lighting retrofit project completed October 2018 and will result in an estimated annual savings in hydro costs of $20,000.
- Ground breaking and construction has commenced on the new Niagara Falls Public Health facility.
- Solar PV revenue year-to-date of approximately $98K.
- To date 6,256 internal Work Orders have been created with 5,833 completed (93% completion rate).

Customer Service

- Customer Service Modernization Strategy was shared with Council and funds approved for commencement of the implementation and testing of customer service enabling tool pilots.
- The Niagara Customer Service Network comprised of members from local public sector organizations has been established.

Business Licensing

- The Region is in the process of moving the administration and enforcement of business licensing (transportation and adult entertainment) back to the Region, as it is currently delegated to Niagara Regional Police (NRP). The transition of licence administration and enforcement back to the Region is planned for June 2019, reporting to the General Manager. Following this transition, a full process review will be conducted using the lean / six sigma methodology and community consultation to identify opportunities for improvement in the licensing and enforcement processes as well as customer service.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$74,422	$74,235	$187	0.3%	$99,705	$100,006	-$302	-0.3%
Administrative	$1,451	$1,209	$242	16.7%	$1,911	$1,818	$93	4.9%
Operational & Supply	$6,207	$6,927	-$721	-11.6%	$8,296	$9,117	-$821	-9.9%
Occupancy & Infrastructure	$2,877	$2,637	$241	8.4%	$3,805	$3,585	$220	5.8%
Equipment, Vehicles,Technology	$636	$744	-$108	-17.0%	$821	$1,049	-$228	-27.7%
Community Assistance	$128,091	$117,046	$11,045	8.6%	$172,744	$165,289	$7,455	4.3%
Financial Expenditures	$0	$5	-$5	0.0%	$0	$5	-$5	0.0%
Total Expenses	$213,684	$202,802	$10,882	5.1%	$287,282	$280,870	$6,412	2.2%
Taxation	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Federal & Provincial Grants	-$175,146	-$169,460	-$5,686	3.2%	-$236,417	-$230,522	-$5,895	2.5%
By-Law Charges & Sales	-$2,177	-$2,928	$751	-34.5%	-$2,903	-$3,877	$974	-33.6%
Other Revenue	-$16,890	-$17,209	$319	-1.9%	-$22,520	-$22,863	$343	-1.5%
Total Revenues	-$194,213	-$189,597	-$4,616	2.4%	-$261,840	-$257,262	-$4,578	1.7%
Intercompany Charges	$180	$269	-$89	-49.6%	$240	$326	-$86	-35.9%
Total Intercompany Charges	$180	$269	-$89	-49.6%	$240	$326	-$86	-35.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$19,651	$13,474	$6,177	31.4%	$25,683	$23,934	$1,749	6.8%
Transfers From Funds	-$3	-$3	$0	0.0%	-$3	-$3	$0	0.0%
Transfers To Funds	$1,372	$1,372	$0	0.0%	$1,829	$1,829	$0	0.0%
Total Transfers	$1,369	$1,369	$0	0.0%	$1,826	$1,826	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$21,019	$14,843	$6,177	29.4%	$27,508	$25,760	$1,749	6.4%
Indirect Allocations & Debt	$13,264	$13,931	-$667	-5.0%	$16,457	$16,661	-$204	-1.2%
Total Indirect Allocations & Debt	$13,264	$13,931	-$667	-5.0%	$16,457	$16,661	-$204	-1.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$34,283	$28,774	$5,509	16.1%	$43,966	$42,421	$1,545	3.5%

Community Services - Continued

Variance Analysis (in thousands of dollars)

Community Services is forecasting a year-end operating surplus before indirect allocations of $649 (2.4 per cent of the net budget) comprised of: $193 in Social Assistance & Employment Opportunities (SAEO), $199 in Homelessness & Community Engagement (HCE) and $245 in Senior Services. Community Services is also forecasting a $1,100 surplus in SAEO resulting from a one-time adjustment associated to the reconciliation of SAMS reports back to 2014, for a total combined surplus of $1,749. The following factors contribute to these surpluses:

Administration - The favourable year-to-date and forecasted variances of $242 and $93 are primarily due to lower than budgeted fully funded office expenditures in HCE as well as the timing of consulting and professional services in SAEO & HCE.

Operational & Supply – The unfavourable year-to-date and forecasted variances of $721 and $821 are primarily due to higher than anticipated medical supplies and transportation expenditures for high intensity needs residents in long-term care (LTC), which are substantially funded by the Ministry (95%).

Occupancy & Infrastructure – The favourable year-to-date and forecasted variances of $241 and $220 are primarily due to lower than anticipated utility costs at the LTC homes.

Equipment, Vehicles, Technology – The unfavourable year-to-date and forecasted variances of $108 and $228 are primarily due to higher than anticipated equipment repair and building maintenance costs at the LTC homes.

Community Assistance - The favourable year-to-date variance of $11,045 is primarily due to: the stabilization of the Ontario Works (OW) caseload resulting in lower than budgeted benefit issuances which are largely funded by the Province ($5,607); a decline in vacancy rates in Niagara resulting in reduced Housing Stability Plan benefit issuances ($240); and the timing of agency payments ($5,198). The lower than budgeted benefit issuances are anticipated to continue to year-end resulting in a forecasted favourable variance of $7,455.

Federal & Provincial Grants – The unfavourable year-to-date and forecasted variances of $5,686 and $5,895 are primarily due to lower than budgeted Ministry funding reflective of the reduction in Community Assistance expenditures in SAEO and Childrens Services. This is offset by additional funding in Seniors related to the higher than anticipated Operational & Supply expenditures and the forecasted recognition of $1,100 in SAEO resulting from the reconciliation of SAMS reports back to 2014 which were previously not available from the Ministry.

By-Law Charges & Sales - The favourable year-to-date and forecasted variances of $751 and $974 are primarily due to higher than estimated parent fee contributions for Children's Services which are reinvested to support stability of all childcare service providers.

Community Impacts & Achievements

Children Services

- Continuing to provide child care fee subsidy without a waitlist.
- Provide additional funding to service providers to ensure child care per diems remain stable support local efforts to increase licensed childcare spaces to reach Niagara's 2018 target of 124 new spaces.
- Six Community capital builds are progressing with 270 new spaces to be open by December 2020.
- New EarlyON pilot successfully launched at the Seaway Mall in September.

Community Services - Continued

Senior Services

- Request for Proposal for Architect and Master Planning of new redevelopment sites has been awarded. Demolition commenced at new Gilmore Lodge site in Fort Erie.
- Nursing schedules were evaluated, redesigned and implemented in September 2018. The new schedules maximize the number of full-time positions while providing more bed side care to residents at their highest time of need (bed and bathing times) and during meals.
- Northland Pointe has been recognized by the Minister's Medal, honouring excellence in health quality and safety. The award highlights the staff for having demonstrated excellence in engaging patients as partners, as well as enhancing value and quality in the health care system.

Homelessness and Community Engagement

- Contracted a lead agency to pilot Out of the Cold in Niagara Falls for two seasons.
- Increased shelter beds effective November 15th in preparation for cooler weather.
- Participation in the Grimsby/Lincoln full field emergency exercise, including the setup of an emergency shelter.

Social Assistance and Employment Opportunities

- OW year-to-date caseload of 10,165 is tracking less than the projected 2018 caseload of 10,813; bending the curve on the OW caseload.
- Number of new job starts are on track to exceed 2018 targets; 985 new job starts captured year-to-date (2018 target - 1,350) with 781 unique local employers (2018 target – 650).
- Over 10,000 employment assessments have been completed with OW clients in the new technology system BENN; designed to match clients with jobs and training.

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

	Year to Date Budget	Year to Date Actual	Year to Date Budget vs Actual Variance Amount	Year to Date Budget vs Actual Variance Percentage	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$57,571	$56,417	$1,154	2.0%	$76,726	$75,687	$1,039	1.4%
Administrative	$1,632	$1,617	$15	0.9%	$2,214	$2,429	-$215	-9.7%
Operational & Supply	$3,788	$3,208	$580	15.3%	$5,040	$5,012	$28	0.6%
Occupancy & Infrastructure	$534	$526	$8	1.4%	$712	$649	$62	8.8%
Equipment, Vehicles,Technology	$1,862	$1,915	-$53	-2.8%	$2,476	$2,592	-$117	-4.7%
Community Assistance	$0	$2	-$2	0.0%	$0	$2	-$2	0.0%
Partnership, Rebate, Exemption	$0	$1	-$1	0.0%	$0	$1	-$1	0.0%
Financial Expenditures	$0	$1	-$1	0.0%	$0	$1	-$1	0.0%
Total Expenses	$65,388	$63,686	$1,702	2.6%	$87,167	$86,373	$795	0.9%
Federal & Provincial Grants	-$46,203	-$46,837	$634	-1.4%	-$61,889	-$62,456	$566	-0.9%
By-Law Charges & Sales	-$202	-$145	-$57	28.3%	-$270	-$190	-$80	29.6%
Other Revenue	-$153	-$259	$106	-68.9%	-$204	-$380	$176	-86.1%
Total Revenues	-$46,559	-$47,241	$682	-1.5%	-$62,363	-$63,026	$662	-1.1%
Intercompany Charges	$1,273	$1,146	$128	10.0%	$1,687	$1,643	$45	2.6%
Total Intercompany Charges	$1,273	$1,146	$128	10.0%	$1,687	$1,643	$45	2.6%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$20,103	$17,591	$2,512	12.5%	$26,492	$24,990	$1,502	5.7%
Transfers From Funds	-$1,582	-$975	-$608	38.4%	-$2,207	-$1,292	-$916	41.5%
Transfers To Funds	$62	$62	$0	0.0%	$83	$83	$0	0.0%
Total Transfers	-$1,520	-$912	-$608	40.0%	-$2,124	-$1,208	-$916	43.1%
Net Expenditure (Revenue) Before Indirect Allocations	$18,583	$16,678	$1,904	10.2%	$24,367	$23,781	$586	2.4%
Indirect Allocations & Debt	$12,157	$10,830	$1,327	10.9%	$15,565	$15,053	$513	3.3%
Total Indirect Allocations & Debt	$12,157	$10,830	$1,327	10.9%	$15,565	$15,053	$513	3.3%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$30,740	$27,508	$3,232	10.5%	$39,933	$38,834	$1,099	2.8%

Public Health & Emergency Services - Continued

Variance Analysis (in thousands of dollars)

Public Health & Emergency Services is operating a year-to-date surplus before indirect allocations of $1,904 with a forecasted surplus of $586, due to the following factors:

Compensation – There are favourable year-to-date and forecasted variances of $1,154 and $1,039 respectively. These are due primarily to savings resulting from delays in filling vacant positions within various Public Health programs, and also due to the timing of staff onboarding to the EMS System Redesign project (both have contributed to year-to-date savings of $1,908 and forecasted savings of $2,086). These savings are partially offset by an unfavourable year-to-date variance of $754 and forecasted variance of $1,047 relating to Workplace Safety Insurance Board (WSIB) costs in the Emergency Medical Services (EMS) division.

Administrative - The unfavourable forecasted variance $215 is primarily due to increased consulting services costs relating to strategic health initiatives as well as unanticipated training, all within the Medical division.

Operational & Supply - The favourable year-to-date variance of $580 is primarily due to the timing of consumption of medical supplies in the EMS division.

Equipment, Vehicles, Technology - The unfavourable year-to-date and forecasted variances of $53 and $117 respectively are due primarily to the purchase of unanticipated vision-screening equipment driven by new provincial mandates and other dental equipment.

Federal & Provincial Grants – The favourable year-to-date and forecasted variances of $634 and $566 respectively are primarily the result of one-time in-year funding from the MOHLTC to support rising WSIB costs in the EMS division.

Other Revenue - The favourable year-to-date and forecasted variances of $106 and $176 respectively are due to unbudgeted secondment revenue, wage reimbursements from union groups and other cost recoveries.

Transfers from Funds – The unfavourable year-to-date and forecasted variances of $608 and $916 respectively, are due to budgeted services being provided in-kind by community partners for the EMS System Redesign project. As a result, less funds are expected to be required from the Ambulance Communications reserve to fund the project.

Community Impacts & Achievements

Mandatory and Related Programs

- Reorganization of health inspections from 5 days a week to 7 days a week to improve customer service, and better ensure safety of inspected facilities
- Additional promotion of services in Environmental Health, including well/cistern water testing and health inspection results, to better enable healthy choices
- Infection prevention and control training for dental office staff to enable them to offer the safest dental services to their patients
- Reorienting nursing in schools to align with the recommended comprehensive school health model, to better support and prepare school children for healthy productive lives
- Working with over 20 community partners on overdose prevention and drug use to combat both the acute problem and root causes

Mental Health

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

Public Health & Emergency Services - Continued

- Collaboratively working across Public Health divisions to ensure messaging to our clients, staff and public is consistent and aligned with research

Emergency Services

- Piloting 4 interprofessional teams (e.g. including an occupational therapist) to handle low acuity 911 calls and then connect residents to community-based care
- Collaboration with Niagara Health to mitigate offload pressures continues, and is starting to see some positive results.
- Continued call volume increase and response pressures through Q3, however rate of growth has lessened slightly.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$11,627	$9,999	$1,628	14.0%	$15,473	$13,804	$1,670	10.8%
Administrative	$1,529	$704	$825	54.0%	$2,031	$1,738	$293	14.4%
Operational & Supply	$12,000	$11,488	$512	4.3%	$16,142	$18,347	-$2,206	-13.7%
Occupancy & Infrastructure	$645	$378	$267	41.4%	$871	$609	$262	30.1%
Equipment, Vehicles,Technology	$1,517	$1,778	-$261	-17.2%	$2,025	$2,567	-$543	-26.8%
Partnership, Rebate, Exemption	$2,340	$1,997	$343	14.7%	$2,432	$2,455	-$24	-1.0%
Financial Expenditures	$0	$0	$0	0.0%	$0	$220	-$220	0.0%
Total Expenses	$29,658	$26,343	$3,314	11.2%	$38,974	$39,741	-$767	-2.0%
Federal & Provincial Grants	-$344	-$253	-$92	26.6%	-$344	-$333	-$11	3.2%
By-Law Charges & Sales	-$2,919	-$2,092	-$826	28.3%	-$3,859	-$4,280	$421	-10.9%
Other Revenue	-$1,867	-$1,917	$50	-2.7%	-$2,252	-$2,400	$148	-6.6%
Total Revenues	-$5,129	-$4,262	-$868	16.9%	-$6,455	-$7,013	$558	-8.6%
Intercompany Charges	-$1,536	-$1,594	$58	-3.8%	-$2,048	-$2,109	$61	-3.0%
Total Intercompany Charges	-$1,536	-$1,594	$58	-3.8%	-$2,048	-$2,109	$61	-3.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$22,992	$20,488	$2,504	10.9%	$30,471	$30,619	-$148	-0.5%
Transfers From Funds	-$1,768	-$1,768	$0	0.0%	-$1,843	-$1,763	-$80	4.3%
Expense Allocations To Capital	-$97	-$68	-$29	30.0%	-$130	-$101	-$29	22.5%
Total Transfers	-$1,866	-$1,837	-$29	1.6%	-$1,973	-$1,864	-$109	5.5%
Net Expenditure (Revenue) Before Indirect Allocations	$21,126	$18,651	$2,475	11.7%	$28,497	$28,755	-$257	-0.9%
Indirect Allocations & Debt	$25,083	$24,980	$103	0.4%	$31,905	$31,795	$110	0.3%
Total Indirect Allocations & Debt	$25,083	$24,980	$103	0.4%	$31,905	$31,795	$110	0.3%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$46,209	$43,631	$2,578	5.6%	$60,403	$60,550	-$147	-0.2%

Public Works Transportation - Continued

Variance Analysis (in thousands of dollars)

Public Works Levy is operating a year-to-date surplus before indirect allocations of $2,475 with a forecasted deficit of $257 for year end, due to the following factors:

Compensation – The favourable year-to-date variance of $1,628 and forecasted variance of $1,670 are primarily due to delays in filling vacant positions and decreased overtime costs.

Administration – The favourable year-to-date variance of $825 is primarily due to timing differences of $637 in consulting and other professional services. The favourable forecasted variance of $293 is associated with increased professional services and other administrative expenses to be incurred in the final quarter of the year.

Operational & Supply – The unfavourable forecasted variance of $2,206 is largely due to higher than anticipated usage of winter sand, winter salt and organic de-icing material totaling $204 due to the harsh winter conditions experienced; increased traffic signal and sign maintenance material costs of $673 primarily due to one-time inventory adjustment to traffic signal equipment as a result of calculation error involving USD transactions; higher than budgeted costs for Niagara Specialized Transit (NST) services of $635 and Niagara Regional Transit (NRT) services of $456 due to increased ridership; increased hired equipment costs of $225 related to Niagara Wind Farm activities (fully funded by revenue received per agreement); and increase of $13 in other program specific supplies and material.

Occupancy & Infrastructure – The favourable forecasted variance of $262 is largely due to lower than expected electricity costs of $338 related to the timing difference in the rollout of the Street Lighting program offset by increased repairs and maintenance and other infrastructure costs of $76.

Equipment, Vehicles, Technology – The unfavourable forecasted variance of $543 is due to higher than expected fuel costs of $181 from higher than anticipated fuel prices and the harsh winter conditions experienced; vehicle repairs of $416 (including $180 for NRT aging fleet repairs); offset by savings of $54 in other equipment costs.

Partnership, Rebate, Exemption – The favourable year-to-date variance of $343 is due to timing differences associated with $201 in LAM grants associated with multi-use paths and drainage assessment funding for LAMs; $220 in grants to the cities of Welland and Niagara Falls for Computer Aided Dispatch / Automated Vehicle Location (CAD/AVL) systems for the existing NRT fleet; offset by $78 increase related to economic development grant to the city of Welland for GE Plant. The unfavourable forecasted variance of $24 is due to aforementioned timing differences expected to be processed in the fourth quarter of 2018.

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

Federal & Provincial Grants – The unfavourable year-to-date variance of $92 is due to timing difference associated with Public Transit Infrastructure Funding (PTIF) related to the purchase of CAD/AVL systems for the existing NRT fleet. These funds are expected to be recognized in the fourth quarter of 2018.

By-Law Charges & Sales Costs – The unfavourable year-to-date variance of $826 is due to timing differences associated with various by-law charges and other sales, most notably signal maintenance revenues of $688 and lane marking of $133. The favourable forecasted variance of $421 is due to recognition of aforementioned revenues delayed in the first nine months of 2018 and increased fare revenues of $493 for NST and NRT services due to increased ridership.

Other Revenue – The favourable forecasted variance of $148 is due to $212 in other expense reimbursements primarily related to insurance reimbursements associated with Helena Street spill offset by lower proceeds of $67 from sale of equipment.

Public Works Transportation - Continued

Community Impacts & Achievements

The Regional Road Network consists of a total of 1,728 lane kms of road. As part of the Region's Transportation Engineering capital program, 48 lane kms of roadways have been resurfaced or reconstructed in 2018 through annual Hot Mix Program-Phases I and II. To date, the Region's Transportation Operations division has applied 17,800 tonnes of salt on regional roads as part of our winter maintenance program, 511 trees have been removed as part of the Emerald Ash Borer tree removal program and 108 culverts will be repaired or replaced in 2018.

Martindale Road reconstruction project in Transportation Services is complete with only minor restorations remaining. As a result, this project will be completed ahead of schedule. This reconstruction significantly increased the capacity of Martindale Road in the area of Erion Road, Hanover Drive and Corporate Park Drive. Construction staging for this project allowed for the Region to maintain two lanes of traffic, thus greatly reducing the impact of the construction on the motoring public.

Dominion Road project in Transportation Services represents first design-build project for the Region. This project has been achieving milestones at an expected pace and brings together a team led by the Region with inclusion of the Town of Fort Erie as well as the Beam–Rankin Joint Venture design build team. This unique partnership has allowed for a more seamless construction process to an extensive section of roadway that has previously appeared on CAA's "worst roads" campaign.

Other achievements also include the successful completion of the 2018 Hot Mix-Phases I and II contracts, successful tender and award of Rice Road reconstruction, and the St. Catharines Downtown Conversion construction tender which will complete the conversion of downtown streets to two-way traffic flow.

In August 2018, the Region completed its GO Hub Transit Station Study (GHTSS). The GHTSS developed Secondary Plans for each of Niagara's confirmed GO Station sites in Grimsby, St. Catharines and Niagara Falls, as well as for the potential future GO Station site in Lincoln. Policies and guidelines contained within each Secondary Plan will inform the ongoing critical Regional projects, such as the Casablanca Boulevard Environmental Assessment (EA), the St. Paul Street Bridge EA, the Thorold Stone Road Extension and Bridge Street EAs, that will help support efficient traffic and active transportation movement to and from the Metrolinx GO Stations.

Since the unanimous approval of the Transit Memorandum of Understanding between Niagara Region, Niagara Falls, St. Catharines and Welland in December 2017, work is progressing rapidly towards the implementation of the Dillon recommendations (the Niagara Transit Service Delivery and Governance Strategy, 2017). A three-year Transit Operating Agreement has been signed, a number of customer service-focused and operational improvements such as uniform transit customer service policies, universal support person pass, common trip planning app have been developed to harmonize, integrate and enhance the transit rider experience.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$3,880	$3,174	$706	18.2%	$5,146	$4,438	$708	13.8%
Administrative	$1,238	$539	$699	56.4%	$1,513	$1,353	$160	10.6%
Operational & Supply	$14	$12	$2	11.4%	$18	$17	$2	8.5%
Occupancy & Infrastructure	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Equipment, Vehicles, Technology	$27	$37	-$10	-35.2%	$36	$39	-$3	-7.2%
Partnership, Rebate, Exemption	$2,164	$457	$1,707	78.9%	$2,474	$2,224	$250	10.1%
Total Expenses	$7,323	$4,220	$3,103	42.4%	$9,187	$8,070	$1,117	12.2%
Federal & Provincial Grants	$0	-$42	$42	0.0%	$0	-$42	$42	0.0%
By-Law Charges & Sales	-$1,096	-$1,102	$7	-0.6%	-$1,461	-$1,458	-$3	0.2%
Other Revenue	-$506	-$22	-$484	95.6%	-$675	-$262	-$413	61.2%
Total Revenues	-$1,602	-$1,167	-$435	27.2%	-$2,136	-$1,762	-$374	17.5%
Intercompany Charges	-$227	-$232	$5	-2.0%	-$303	-$308	$5	-1.5%
Total Intercompany Charges	-$227	-$232	$5	-2.0%	-$303	-$308	$5	-1.5%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$5,494	$2,821	$2,673	48.6%	$6,748	$6,000	$747	11.1%
Transfers From Funds	-$2,511	-$2,511	$0	0.0%	-$2,799	-$2,799	$0	0.0%
Transfers To Funds	$0	$0	$0	0.0%	$0	$250	-$250	0.0%
Total Transfers	-$2,511	-$2,511	$0	0.0%	-$2,799	-$2,549	-$250	8.9%
Net Expenditure (Revenue) Before Indirect Allocations	$2,982	$310	$2,673	89.6%	$3,949	$3,451	$497	12.6%
Indirect Allocations & Debt	$1,489	$1,456	$33	2.2%	$1,729	$1,668	$60	3.5%
Total Indirect Allocations & Debt	$1,489	$1,456	$33	2.2%	$1,729	$1,668	$60	3.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$4,471	$1,766	$2,705	60.5%	$5,677	$5,119	$558	9.8%

Planning & Development - Continued

Variance Analysis (in thousands of dollars)

Planning and Development is operating a year-to-date surplus before indirect allocations of $2,673 with a forecasted surplus of $497 before indirect allocations for year end. The following factors have contributed to this surplus.

Compensation - The favourable year-to-date and forecasted variance of $706 and $708 is due to the timing of launching program changes approved within the 2018 budget related to delegation of work from the Niagara Peninsula Conservation Authority and managing vacancies. The Regional Official Plan (ROP) is partially funded by expenditure matching transfers from development charge revenue causing the ROP surplus to be offset by reduced transfers.

Administration - The favourable year-to-date and forecasted variance of $699 and $160 is due to the timing of consulting expenditures involving the new Regional official plan.

Partnership, Rebate, Exemption - The favourable year-to-date and forecasted variance of $1,707 and $250 is due to timing of grant awards and unspent grants from the Waterfront Investment Program ($250). The unspent dollars have been transferred back to reserves.

Revenue - The unfavourable year-to-date and forecasted variance of $435 and $374 is due to a lower transfer of development charge revenue, which is matched to expenditures to partially fund the Official Plan.

Transfer Between Funds - The unfavourable forecasted variance of $250 is due to transfers to reserve of unspent Waterfront Investment Program Funds.

Community Impacts & Achievements

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

Project Updates/Accomplishments

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

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

Other Initiatives

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

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

Growing Niagara

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

Planning & Development - Continued

Supporting Local Communities, Fostering Great Development

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

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

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$1,501	$1,357	$144	9.6%	$2,000	$1,804	$195	9.8%
Administrative	$1,394	$1,422	-$28	-2.0%	$1,867	$1,883	-$16	-0.9%
Operational & Supply	$691	$940	-$250	-36.1%	$921	$1,253	-$332	-36.1%
Equipment, Vehicles,Technology	$0	$7	-$6	N/A	$1	$7	-$6	N/A
Financial Expenditures	$82	$111	-$29	-35.9%	$109	$138	-$29	-26.9%
Total Expenses	$3,667	$3,837	-$169	-4.6%	$4,897	$5,086	-$189	-3.8%
By-Law Charges & Sales	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Other Revenue	-$5,055	-$5,598	$543	-10.7%	-$6,740	-$7,283	$543	-8.1%
Total Revenues	-$5,055	-$5,598	$543	-10.7%	-$6,740	-$7,283	$543	-8.1%
Intercompany Charges	-$7	-$4	-$2	34.9%	-$9	-$7	-$2	26.2%
Total Intercompany Charges	-$7	-$4	-$2	34.9%	-$9	-$7	-$2	26.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-$1,394	-$1,765	$371	-26.6%	-$1,852	-$2,204	$352	-19.0%
Total Transfers			$0	0.0%		$0	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	-$1,394	-$1,765	$371	-26.6%	-$1,852	-$2,204	$352	-19.0%
Indirect Allocations & Debt	$1,059	$1,068	-$9	-0.8%	$1,307	$1,293	$14	1.1%
Total Indirect Allocations & Debt	$1,059	$1,068	-$9	-0.8%	$1,307	$1,293	$14	1.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-$335	-$697	$362	-108.1%	-$544	-$911	$366	-67.2%

Court Services - Continued

Variance Analysis (in thousands of dollars)

Courts Services is operating at a year-to-date surplus before indirect allocations of $371 with a forecasted surplus of $352 due to the following factors:

Distribution to Local Area Municipalities - The total year distribution to local area municipalities and Region is forecasted to be $911 each, due in part to an increase in collection enforcement activity and fine payments received, as well as savings due to vacancy management. First, second and third quarter payments have been distributed based on the budgeted allocations. If the forecasted increases are realized at year-end, they will be distributed to local area municipalities in Q1 2019.

Compensation - The favourable year-to-date and forecasted variances of $144 and $195 is due to vacancy management.

Operational & Supply - The unfavourable year-to-date and forecasted variances of $250 and $332 are mainly due to the estimated 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 year-to-date and forecasted variance of $29 is a result of higher collection charges paid to third party collection agencies as a result of increased delinquent fines recovered in the first three quarters of the year.

Other Revenue - The favourable year-to-date and forecasted variance of $543 is due to an increase in collection enforcement activity and larger fine payments received in the first three quarters of the year.

Community Impacts & Achievements

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

High Quality Service

- Information accuracy – # of licence suspensions vs suspensions made in error
  Target = 99% Outcome = 99.7%
- Information accuracy - # of convictions vs # of administrative re-openings
  Target = 99% Outcome = 100%

Cost Effective Service

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

Established Standard vs Outcome

- RPC Review - prosecution undertake file review within 5 days of receiving file
  Target = 95% Outcome = 75%
- Appeals – send file to MAG within 10 days of being notified of appeal
  Target = 80% Outcome = 33%
- Cases investigated for enforcement within 30 days
  Target = 80% Outcome = 31%

Timely/Accessible Service

- Disclosure – sent to defendant within 10 business days of receipt of file
  Target = 95% Outcome = 99%

Innovative Service

- Service quality improved through innovation - Extension results - # of times sent by email vs regular mail
  Target = 75% Outcome = 63%

Court Services - Continued

- Cost saved through innovation - Interpreters through video vs. total number of interpreters
  Target = 50% Outcome = 81%
- Mileage cost saved through Lync meetings = $105
- Travel time saved through Lync meetings = 210 minutes

Court Services will continue to monitor these measures to ensure that targets are improved upon where they are not currently being met. A shortage of staff during the summer has impacted some measures negatively.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$3,620	$3,702	-$82	-2.3%	$4,802	$4,911	-$109	-2.3%
Administrative	$719	$613	$106	14.8%	$864	$1,493	-$629	-72.8%
Operational & Supply	$68	$60	$9	12.9%	$81	$77	$5	5.6%
Occupancy & Infrastructure	$10,635	$10,570	$65	0.6%	$14,288	$14,125	$162	1.1%
Equipment, Vehicles,Technology	$302	$223	$78	25.9%	$364	$399	-$35	-9.7%
Community Assistance	$25,618	$23,137	$2,481	9.7%	$34,004	$31,151	$2,852	8.4%
Partnership, Rebate, Exemption	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Financial Expenditures	$1,772	$1,510	$262	14.8%	$2,362	$2,253	$109	4.6%
Total Expenses	$42,733	$39,815	$2,919	6.8%	$56,765	$54,410	$2,355	4.1%
Federal & Provincial Grants	-$11,694	-$10,358	-$1,336	11.4%	-$15,439	-$14,640	-$798	5.2%
Other Revenue	-$10,408	-$11,461	$1,053	-10.1%	-$13,874	-$15,107	$1,233	-8.9%
Total Revenues	-$22,101	-$21,819	-$282	1.3%	-$29,313	-$29,747	$434	-1.5%
Intercompany Charges	$45	$50	-$4	-9.1%	$61	$65	-$4	-6.8%
Total Intercompany Charges	$45	$50	-$4	-9.1%	$61	$65	-$4	-6.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$20,677	$18,045	$2,632	12.7%	$27,513	$24,728	$2,785	10.1%
Transfers From Funds	-$519	-$519	$0	0.0%	-$525	-$525	$0	0.0%
Transfers To Funds	$292	$292	$0	0.0%	$390	$610	-$220	-56.4%
Total Transfers	-$226	-$226	$0	0.0%	-$135	$85	-$220	163.3%
Net Expenditure (Revenue) Before Indirect Allocations	$20,451	$17,819	$2,632	12.9%	$27,378	$24,813	$2,565	9.4%
Indirect Allocations & Debt	$4,469	$4,530	-$61	-1.4%	$6,650	$6,682	-$33	-0.5%
Total Indirect Allocations & Debt	$4,469	$4,530	-$61	-1.4%	$6,650	$6,682	-$33	-0.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$24,920	$22,349	$2,571	10.3%	$34,028	$31,496	$2,532	7.4%

Niagara Regional Housing - Continued

Variance Analysis (in thousands of dollars)

Niagara Regional Housing (NRH) is operating a favourable year-to-date and forecasted surplus before indirect allocations of $2,632 and $2,565. The year-to-date and forecasted surplus is due to the following factors:

Administration - The favourable year-to-date variance of $106 is driven by lower costs for board-level and executive-office initiatives, partially offset by higher than budgeted insurance costs relating to property damage in the year. Initiatives expected to be completed in 2018 include the office reorganization, Mercer human resources evaluation, with ongoing costs relating to board governance support. The forecasted variance is an unfavourable $629 driven by expected, Board-approved commitment to complete Designated Substance Surveys for the housing providers at an estimated initial cost of $700.

Occupancy & Infrastructure - The favourable year-to-date and forecasted variance of $65 and $162 is due to lower than budgeted utility costs and property tax savings in the first half of the year, offset by higher than budgeted property infrastructure and grounds maintenance costs. The increase in grounds maintenance costs Higher than budgeted costs for service contracts relating to is driven by higher than budgeted service contracts as a result of 2018 contract renewals incorporating an increased minimum wage cost and service level reviews.

Equipment, Vehicles, Technology - The favourable year-to-date variance of $78 is due to timing of housing provider software implementation, offset by higher than budgeted appliance repair and replacement costs in NRH-owned units. Phased completion & implementation of the housing provider software is expected in 2019; with outstanding financial commitments of $70 leading to an unfavourable forecasted variance of $35.

Community Assistance - The favourable year-to-date and forecasted variance of $2,481 and $2,852 is due to lower than budgeted subsidy payments to non-profit, co-op and federal providers along with prior year adjustments, in addition to the timing of take-up for Ministry-funded programs. This variance is partially offset by the Federal & Provincial Grants as revenue is deferred to align with timing of program spending and related administrative costs.

Financial Expenditures - The favourable year-to-date and forecasted variance of $262 and $109 is driven by higher than budgeted bad debt recovery in the first three quarters of 2018.

Federal & Provincial Grants - The unfavourable year-to-date and forecasted variance of $1,336 and $798 is due to timing of Ministry-funded programs and related administrative costs

Other Revenue - The favourable year-to-date and forecasted variance of $1,053 and $1,233 is due to the recognition of provincial funding where NRH holds no further obligation ($388), higher than budgeted actual and forecasted rental revenues for NRH-owned units ($502), and investment income from timing of NRH transactions ($228).

Transfers - The unfavourable forecasted variance of $220 is driven by the expected year-end encumbrance for the purchase of vacant court services land based on a Q4 NRH expression of interest and ongoing discussions.

Community Impacts & Achievements

Acting as Service Manager on behalf of Niagara Region, NRH is responsible for Social, Public & Affordable Housing within the context of an ever-increasing wait list and clients struggling through negative effects of poverty. Accomplishments to date in 2018 include:

- *New Units* – Construction continues on the $15.8 million, 85-unit Carlton Street development, addressing the need for affordable rental units in St. Catharines, in addition, construction has started on the 2018 Multi-residential intensification in Welland
- *Home Repairs* – Inspections underway for 2018-2019 Niagara Renovates funding
- Improved Lives Through Homeownership – NRH has provided a down payment loan to help 14 households purchase their first home

Niagara Regional Housing - Continued

- *Help For Survivors Of Domestic Violence* – Continue accepting applications to provide Portable Rent Benefits to prevent at-risk households from unsafe situations or the move to shelters
- *Addressed Homeless* – Continue partnering with Community Services through the Housing First program to move those experiencing homelessness to their own homes with appropriate supports
- *Improved Communities* – NRH partners with more than 40 community agencies across Niagara to link vulnerable tenants with appropriate supports and provide community programs to build better communities

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Compensation	$106,911	$106,917	-$6	0.0%	$144,587	$144,634	-$47	0.0%
Administrative	$2,857	$2,914	-$57	-2.0%	$3,824	$3,872	-$48	-1.3%
Operational & Supply	$1,692	$1,688	$4	0.2%	$2,255	$2,238	$17	0.8%
Occupancy & Infrastructure	$244	$222	$22	8.9%	$327	$327	$0	0.0%
Equipment, Vehicles,Technology	$4,521	$4,421	$101	2.2%	$6,029	$5,991	$38	0.6%
Financial Expenditures	$3	$2	$1	34.7%	$4	$3	$1	22.0%
Total Expenses	$116,228	$116,164	$64	0.1%	$157,026	$157,066	-$39	0.0%
Federal & Provincial Grants	-$7,506	-$7,535	$29	-0.4%	-$10,008	-$10,037	$29	-0.3%
By-Law Charges & Sales	-$5,516	-$5,402	-$115	2.1%	-$7,355	-$7,157	-$198	2.7%
Other Revenue	-$1,146	-$1,403	$256	-22.4%	-$1,529	-$1,870	$342	-22.4%
Total Revenues	-$14,169	-$14,339	$171	-1.2%	-$18,891	-$19,064	$173	-0.9%
Intercompany Charges	-$1,033	-$988	-$45	4.4%	-$1,367	-$1,353	-$14	1.0%
Total Intercompany Charges	-$1,033	-$988	-$45	4.4%	-$1,367	-$1,353	-$14	1.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$101,026	$100,837	$189	0.2%	$136,768	$136,648	$120	0.1%
Transfers From Funds	$0	$0	$0	0.0%	$0	$0	$0	0.0%
Transfers To Funds	$6,723	$6,723	$0	0.0%	$6,723	$6,723	$0	0.0%
Total Transfers	$6,723	$6,723	$0	0.0%	$6,723	$6,723	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$107,749	$107,560	$189	0.2%	$143,491	$143,371	$120	0.1%
Indirect Allocations & Debt	$8,740	$8,528	$211	2.4%	$10,905	$10,822	$83	0.8%
Total Indirect Allocations & Debt	$8,740	$8,528	$211	2.4%	$10,905	$10,822	$83	0.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$116,489	$116,088	$401	0.3%	$154,396	$154,193	$203	0.1%

Niagara Regional Police Services - Continued

Variance Analysis (in thousands of dollars)

For the period ending September 30 2018, the Service's financial result was a gross expenditure surplus of $189. The Service is forecasting a $120 surplus position before indirect allocations by the end of this fiscal year. At year end, the Service will be requesting the transfer of the surplus as follows: a $50 transfer to the Board Contingency Reserve to mitigate future expenses and $70 to the Service Contingency Reserve to mitigate costs associated with emerging legislation.

Compensation – At September 30, the Compensation expense was slightly above the approved budget by $6. This slight deficit is mainly the combination of greater than budgeted sick payouts for retiring members offset by savings in WSIB benefit costs which is expected to continue to trend to year end.

Other Operational Expenditures - Other Operational Expenditures are comprised of all other operating expenditures excluding Personnel Costs, Financial Expenditures and Interfunctional Transfer. At September 30, spending is slightly below budget by $70 mainly due to savings realized from software maintenance agreements. The Service is projecting other costs to be at budget levels despite the increased fuel rate which is expected to continue to year end. The forecast is based on anticipated savings in other expense lines that will offset the high cost of fuel experienced this year. In addition, the Board is forecasting a savings in legal expenses of $50. At year end, the Service will be recommending that any Board or Service surplus funds be transferred to the appropriate contingency reserve(s) to mitigate future year financial risk.

Recoveries & Revenues – At September 30, Gross Revenues and Recoveries were $171 above budget levels due to fees for service and other revenue recoveries such as seconded assignments. This trend is expected to continue and the Service is forecasting revenues and recoveries to exceed budget by $173.

Conclusion - The detailed variance analysis and forecast have been prepared based on results of operations at September 30. The Service has been monitoring the expenditures throughout the year and anticipates achieving a balanced position by year end exclusive of any unforeseen events.

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	Annual Budget	Annual Forecast	Annual Budget vs Forecast Variance Amount	Annual Budget vs Forecast Variance Percentage
Partnership, Rebate, Exemption	$6,978	$6,978	$0	0.0%	$6,978	$6,978	$0	0.0%
Total Expenses	$6,978	$6,978	$0	0.0%	$6,978	$6,978	$0	0.0%
Total Revenues			$0	0.0%		$0	$0	0.0%
Total Intercompany Charges			$0	0.0%		$0	$0	0.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	$6,978	$6,978	$0	0.0%	$6,978	$6,978	$0	0.0%
Total Transfers			$0	0.0%		$0	$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	$6,978	$6,978	$0	0.0%	$6,978	$6,978	$0	0.0%
Indirect Allocations & Debt	$3	$5	-$2	-83.2%	$4	$6	-$3	-69.8%
Total Indirect Allocations & Debt	$3	$5	-$2	-83.2%	$4	$6	-$3	-69.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	$6,980	$6,983	-$2	0.0%	$6,981	$6,984	-$3	0.0%

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.

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

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

Original Budget Revenue & Expenditures	**934,235**	
Public Health	1,160	To record budgeted transfer from the Ambulance Communication Reserve to fund the Niagara EMS System changes (PHD 17-2017 & CSD 17-2018).
Total Budget Amendment	**1,160**	
Corporate	17,381	To record funding and related expenditures from the Ontario Trillium Foundation review of Niagara Prosperity Initiative (NPI).
Community Services	159	To record one-time funding and related expenditures from the Ministry of Community and Social Services for the Social Assistance Service Modernization Prototype.
Community Services	100	To record revised funding and related expenditures for temporary high intensity needs personal support workers funded by the Ministry of Health and Long-Term Care.
Community Services	136	To record revised funding and related expenditures for temporary high intensity needs personal support workers funded by the Ministry of Health and Long-Term Care.
Community Services	7,851	To record funding and related expenditures from the Ministry of Education as per the 2018 Child Care Service Agreement (COM 14-2018).
Community Services	1,477	To record funding and related expenditures from the Local Health Integration Network (LHIN) for the Senior Services division in excess of approved funding (COM 17-2018).
Community Services	39	To record funding and related expenditures from Immigration, Refugees and Citizenship Canada relating to increased funding agreement for Local Immigration Partnerships.
Planning and Development	25	To record funding and related expenditures for consulting work to be completed on behalf and fully funded by developer (Lakewood).
Public Health and Emergency Services	605	To record additional funding and related expenditures from the Ministry of Health and Long-Term Care for Mandatory programs and Healthy Smiles Ontario program (MOH 03-2018).
Public Health and Emergency Services	613	To record renewed funding and related expenditure from the Ministry of Health and Long-Term Care for the Dedicated Offload Nursing Program.
Public Health and Emergency Services	239	To record funding and related expenditures from the Hamilton Niagara Haldimand Brant Local Health Integration Network for the Community Paramedicine program.
Transportation	344	To record funding and related expenditures from the Public Transit Infrastructure Fund program for the acquisition of an additional IMT bus to be operated by the City of Welland.
Transportation	421	To record use of Provincial Gas Tax funding for the acquisition of an additional IMT bus to be operated by the City of Welland.

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

Transportation	290	To record funding and related expenditures for repairs and maintenance of roads and shoulders damaged through the implementation of the Niagara Wind Farm.
Wastewater	3,163	To record unused development charge funding and related expenditures for the Combined Sewer Overflow program from 2017 in relation to the 2017 Year-End Results & Transfer report (CSD 10-2018).
Niagara Regional Housing	1,007	To record revised funding and related expenditures for the Social Housing Improvement Program (SHIP) and related administration (NRH 4-2016).
Total Budget Adjustment	**33,850**	
September 30, 2018 Adjusted Budget	**969,245**	

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 September 30, 2018 the Region's consolidated and uncommitted reserve balance was $248,194 ($278,506 at December 31, 2017). The ratio of reserves to debt is an important marker of fiscal sustainability. A high ratio shows that if revenues were to decline, the Region would have other resources to meet its obligations. Conversely, if a municipality has a low ratio, it can indicate vulnerability to economic downturns. The Region's reserve to debt ratio including unissued debt is 49.3% (59.4% at December 31, 2017).

Description	Balances at December 31, 2017	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at September 30, 2018	Forecasted Transfers from Operating	Forecasted Transfers to Operating	Forecasted Interest	Capital Commitments to uninitiated projects	Balances Available at December 31, 2018
Wastewater Capital	$45,481	$14,042	$0	$-20,760	$492	$39,256	$4,681	$-2,000	$204	$0	$42,141
Water Capital	$74,052	$13,811	$0	$-9,205	$893	$79,550	$4,604	$0	$370	$0	$84,524
Waste Management	$21,094	$1,200	$0	$-6,103	$218	$16,409	$400	$0	$90	$-1,845	$15,055
General Capital Levy	$24,723	$15,550	$-5,347	$-28,599	$0	$6,326	$728	$-869	$0	$-1,275	$4,910
Infrastructure Deficit	$3,251	$3,400	$0	$-6,411	$0	$241	$0	$0	$0	$0	$241
Court Services Facility Renewal	$1,650	$0	$0	$0	$0	$1,650	$0	$0	$0	$-860	$790
Niagara Regional Housing	$7,150	$0	$0	$-1,110	$0	$6,040	$0	$0	$0	$0	$6,040
NRH Owned Units	$4,327	$292	$0	$-596	$0	$4,023	$97	$0	$0	$0	$4,121
NRPS Long-Term Accomodation (LTA) *	$1,184	$5,123	$-3,066	$-1,759	$0	$1,482	$0	$-1,430	$0	$0	$52
Ontario Police Video Training Alliance	$61	$0	$0	$0	$0	$61	$0	$0	$0	$0	$61
Police Capital Levy	$1,456	$0	$0	$-774	$0	$682	$0	$0	$0	$-250	$432
Police Vehicle and Equipment Replacement	$224	$1,400	$0	$-1,400	$0	$224	$0	$0	$0	$0	$224
Total Capital Reserves	**$184,654**	**$54,819**	**$-8,413**	**$-76,717**	**$1,603**	**$155,945**	**$10,510**	**$-4,299**	**$664**	**$-4,230**	**$158,591**

Reserve Summary (in thousands of dollars) - Continued

Description	Balances at December 31, 2017	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at September 30, 2018	Forecasted Transfers from Operating	Forecasted Transfers to Operating	Forecasted Interest	Capital Commitments to uninitiated projects	Balances Available at December 31, 2018
Wastewater Stabilization	$3,649	$0	$0	$0	$43	$3,692	$0	$0	$18	$0	$3,709
Water Stabilization	$3,313	$0	$-19	$0	$39	$3,333	$0	$-6	$16	$0	$3,342
Waste Management Stabilization	$6,042	$203	$0	$0	$72	$6,316	$68	$0	$30	$0	$6,413
Encumbrance	$17,531	$0	$-9,519	$0	$0	$8,012	$0	$-7,862	$0	$0	$150
Investment Income Stabilization	$145	$6	$-99	$0	$0	$52	$0	$-33	$0	$0	$19
Taxpayer Relief	$24,821	$638	$-1,721	$0	$0	$23,738	$212	$-524	$0	$0	$23,426
NRH Rent Supplements	$302	$0	$-18	$0	$0	$284	$0	$-6	$0	$0	$278
Police Contingency	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Police Services Board Contingency	$153	$0	$0	$0	$0	$153	$0	$0	$0	$0	$153
Total Corporate Stabilization Reserves	**$55,956**	**$846**	**$-11,376**	**$0**	**$153**	**$45,579**	**$280**	**$-8,431**	**$63**	**$0**	**$37,491**
Ambulance Communication	$1,275	$0	$-248	$0	$0	$1,027	$0	$-101	$0	$0	$926
Circle Route Initiatives	$1,383	$0	$0	$0	$0	$1,383	$0	$0	$0	$0	$1,383
Total Specified Contribution Reserves	**$2,658**	**$0**	**$-248**	**$0**	**$0**	**$2,410**	**$0**	**$-101**	**$0**	**$0**	**$2,309**
Future Benefit Costs	$24,995	$0	$-113	$0	$0	$24,883	$0	$-38	$0	$0	$24,845
Self Insurance	$2,270	$0	$0	$0	$0	$2,270	$0	$0	$0	$0	$2,270
Smart Growth	$451	$0	$-188	$0	$0	$264	$0	$-62	$0	$0	$201
Landfill Liability	$5,377	$1,699	$0	$0	$73	$7,149	$566	$0	$30	$0	$7,745
NRH Employee future benefits	$793	$0	$0	$0	$0	$793	$0	$0	$0	$0	$793
Police Accumulated Sick Leave	$1,680	$0	$0	$0	$0	$1,680	$0	$0	$0	$0	$1,680
Police Future Benefit Cost	$4,152	$0	$0	$0	$0	$4,152	$0	$0	$0	$0	$4,152
Police WSIB	$2,870	$200	$0	$0	$0	$3,070	$0	$0	$0	$0	$3,070
Total Future Liability Reserves	**$42,587**	**$1,899**	**$-300**	**$0**	**$73**	**$44,259**	**$566**	**$-100**	**$30**	**$0**	**$44,756**
Total (Excluding Deferred Revenues)	**$285,855**	**$57,564**	**$-20,337**	**$-76,717**	**$1,829**	**$248,194**	**$11,356**	**$-12,931**	**$758**	**$-4,230**	**$243,147**

Deferred Revenue Summary (in thousands of dollars)

Description	Balances at December 31, 2017	Year to Date Transfers from Revenues	Year to Date Transfers to Operating	Year to Date Transfers from/(to) Capital	Interest allocation	Balance at September 30, 2018	Forecasted Transfers from Revenues	Forecasted interest	Capital Commitments *	**Balance Available at December 31, 2018**
Development Charges-General Government	$844	$249	$0	-$6	$11	$1,099	$85	$5	-$16	**$1,171**
Development Charges-Police Services	$763	$423	$0	-$72	$11	$1,125	$167	$5	-$1	**$1,296**
Development Charges-Roads	$42,254	$7,038	$0	-$7,317	$492	$42,468	$2,356	$204	-$27,313	**$17,715**
Development Charges-Sewer	$31,871	$4,615	-$542	-$726	$392	$35,610	$1,544	$163	-$7,067	**$30,251**
Development Charges-Water	$19,293	$3,142	$0	-$345	$242	$22,332	$1,028	$100	-$16,504	**$6,956**
Development Charges-Emergency Medical	$985	$155	$0	-$244	$11	$906	$49	$5	-$959	**$1**
Development Charges-LT Care	$504	$1,019	$0	$0	$12	$1,535	$306	$5	$0	**$1,845**
Development Charges-POA	$34	$60	$0	$0	$1	$95	$21	$0	$0	**$116**
Development Charges-Health	$66	$128	$0	$0	$2	$196	$39	$1	$0	**$235**
Development Charges-Social Housing	$370	$922	$0	$0	$10	$1,301	$265	$4	-$1,575	**-$4**
Development Charges-Waste Division	$213	$353	$0	-$100	$4	$471	$114	$2	-$123	**$464**
Subtotal Development Charges	**$97,197**	**$18,104**	**-$542**	**-$8,809**	**$1,188**	**$107,138**	**$5,974**	**$492**	**-$53,559**	**$60,045**
Federal Gas Tax	$18,081	$6,869	$13	-$18,329	$144	$6,779	$6,869	$60	-$13,484	**$224**
Provincial Gas Tax	$1,043	$677	-$1,024	$0	$10	$706	$0	$4	$0	**$710**
Subtotal Gas Tax	**$19,124**	**$7,546**	**-$1,011**	**-$18,329**	**$155**	**$7,485**	**$6,869**	**$64**	**-$13,484**	**$934**
Total	**$116,321**	**$25,650**	**-$1,553**	**-$27,137**	**$1,342**	**$114,623**	**$12,843**	**$556**	**-$67,043**	**$60,980**

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

Operating Reserve Transfer Reconciliation (in thousands of dollars)

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

Reserve Description	Year to Date Transfer (to)/from Reserves	October - December Forecast	Annual Forecast Transfer to Reserves	Transfer Description
Council approved net operating transfers to reserves, including interest allocation to reserves	**- $46,070**	**- $8,045**	**- $54,115**	
Additional operating reserve transfers (to)/from reserves:				
All Rate Reserves	- $500	- $315	**- $815**	Interest income allocation to reserve above budget - Per reserve policy
2017 Encumbrance	$9,519	$7,862	**$17,381**	2017 Encumbrance (CSD 10-2018)
Ambulance Communication	$169	$101	**$270**	Niagara EMS System Changes CSD 17-2018
Ambulance Communication	$0	- $26	**- $26**	Software license contract discontinued - Funds not required
Wastewater Capital	- $1,500	$1,500	**$0**	Timing delay related to CSO program
Capital Levy	- $668	$71	**- $597**	Proceeds on Sale of Surplus Properties
Capital Levy	$0	- $250	**- $250**	Forecasted unused funds - Waterfront Improvement Program PDS 16-2018
Capital Levy	$0	- $80	**- $80**	Forecasted unused funds - LAM Drainage Assessment
Investment Income Stabilization	- $6	$0	**- $6**	Truing up reserve balance for capital gains (CSD112-2012)
Net operating transfers to reserves	**- $39,056**	**$818**	**- $38,238**	

Capital Reserve Transfer Reconciliation (in thousands of dollars)

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

Reserve Description	Year to Date Transfer (to)/from Reserves	October - December Forecast (to)/from Reserves	Annual Forecast Transfer (to)/from Reserves	Transfer Description
Council approved net capital transfers per 2018 Budget	**$72,714**	**$1,275**	**$73,989**	Reserve Transfers to capital projects
Capital reserve transfer commitments from prior to 2018 Budget	$4,394	$2,955	**$7,349**	
Additional capital reserve transfers:				
NRH Owned Units	- $391	$0	**- $391**	Project close out - Funds returned to reserve
Net capital transfers	**$76,717**	**$4,230**	**$80,947**	

Capital Summary (in thousands of dollars)

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

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

Capital Budget Reconciliation

The capital budget managed by Niagara Region has declined by $74,105 since Q2 2018. The decrease is primarily caused by budget reductions ($6,838) and project closures of ($74,771). This decrease is slightly mitigated by gross budget adjustments ($1,900) and transfers to capital projects ($5,605).

Sixteen capital projects of the 553 capital sub-projects, with budgets totalling approximately $65,402 (levy $63,557 / rate $1,845) remain uninitiated at September 30, 2018. A summary of the levy and rate impact of Niagara Regions total capital budget during the year is presented below:

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

* 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 Q3 2018 per the budget control policy 2017-63.

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Community Services	LTC Homes - 2015 Capital Improvements	$593			- $43	General Levy CV	$550
Community Services	LTC Homes - 2016 Capital Improvements	$557			- $144	General Levy CV	$413
Community Services	LTC Homes - 2016 Equipment Replacement	$467			- $42	General Levy CV	$425
Community Services	LTC Homes - 2016 Roof Replacement	$140			- $21	General Levy CV	$119
Community Services	LTC Homes - 2017 Capital Improvements	$375			- $79	General Levy CV	$296
Community Services	LTC Homes - 2017 Equipment Replacement	$430			- $104	General Levy CV	$326
Community Services	LTC Homes - 2017 Roof Replacement	$367			- $91	General Levy CV	$275
Corporate Services	Niagara Health Systems Land Purchase 2018	$100	$0	$75			$175
Corporate Services	Financial Management System	$12,940			- $300	General Levy CV	$12,640
Corporate Services	Code & Compliance Upgrade - 2016	$220			- $123	General Levy CV	$97
Corporate Services	Code & Compliance Upgrade - 2017	$100			- $69	General Levy CV	$31
Corporate Services	Energy Conservation Program - 2017	$523			- $332	General Levy CV	$191
Corporate Services	Annual Building HQ Space Accommodations - 2018	$642	$20	$245			$907
Corporate Services	Council Chambers Renovations	$0		$137			$137
Corporate Services	Committee Room 4 Renovations	$0		$50			$50
Niagara Regional Housing	Unit Capital - 2017	$4,665			- $200	General Levy CV	$4,465
Niagara Regional Housing	Building Capital - 2017	$1,987			- $159	General Levy CV - 145K, NRH Owned Units - 13K	$1,828
Public Works - Levy	Roads Resurfacing - 2013	$3,430			- $616	General Levy CV	$2,814
Public Works - Levy	Roads Resurfacing - 2016	$10,091			- $2,300	General Levy CV	$7,791

Capital Budget Adjustments (in thousands of dollars) - Continued

Department	Project Description	Total Budget	Gross Budget Adjustment	Transfer from Capital Variance	Budget Reduction	Treatment of Reduction	Adjusted Budget
Public Works - Levy	Roads Resurfacing - 2017	$12,750			- $967	General Levy CV - 717K, Debt - 250K	$11,783
Public Works - Levy	Unit #595 Transportation Engine	$0		$40			$40
Public Works - Levy	Vehicles - 2016	$3,455		$10			$3,465
Public Works - Levy	Structural Rehabilitation - Reece Bridge	$9,033		$950			$9,983
Public Works - Levy	Capacity Improvements - Charnwood - McLeod	$4,700	$680				$5,380
Public Works - Levy	Niagara Stone Road at Field Road	$0	$302				$302
Public Works - Levy	Annual Development Project - 2018	$1,000	- $200				$800
All Levy Departments		**$68,564**	**$802**	**$1,507**	**- $5,587**		**$65,285**
Waste Management	Niagara Road 12 - Cell 4 Construction & ManHole Rehabilitation	$2,400		$100			$2,500
Wastewater	Sewer & Forcemain Program - Park Road	$12,740			- $250	Wastewater CV	$12,490
Wastewater	Wastewater Treatment Plant Upgrade Program - Primary Digester #2 - Niagara Falls	$2,000			- $1,000	Wastewater CV	$1,000
Wastewater	Chippawa Sewer CSO Tank Design	$9,511	$70				$9,581
Wastewater	St. Davids PS Surge Valve	$0	$80			Transfer from Operating	$80
Wastewater	Miscellaneous Program - Garner Road	$3,500		$1,742			$5,242
Wastewater	Sewer & Forcemain Program - Stamford Centre	$7,650	$823	$2,089			$10,562
Wastewater	Dain City Forcemain Replacement	$220		$30			$250
Water	Welland Water Treatment Plant Upgrade	$23,609			- $1	Water CV	$23,608
Water	New Pelham Elevated Tank	$185	$125	$125			$435
Water	Water Security Improvement - Rosehill	$110		$4			$114
Water	Water Security Improvement - Decew	$30		$2			$32
Water	Water Security Improvement - Grimsby	$128		$7			$134
All Rate Departments		**$62,083**	**$1,098**	**$4,098**	**- $1,251**		**$66,027**

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
Niagara Regional Police Services	Vehicles - 2015	$1,400	- $2				$1,398
Niagara Regional Police Services	Vehicles - 2016	$1,400	- $26				$1,374
Niagara Regional Police Services	Vehicles - 2017	$1,400	- $40				$1,360
Niagara Regional Police Services	Vehicles - 2018	$1,400	$68				$1,468
Wastewater	NOTL Wastewater Treatment Plant	$46,732	$400				$47,132
Wastewater	Pump Station Improvement Program - NOTL, Garrison Rd, William St	$3,685	- $400				$3,285
Corporate Services	Code & Compliance Upgrade - 2018	$350	- $30				$320
Corporate Services	Welland NRPS Elevator	$0	$30				$30
All Inter-Project Transfers		**$56,366**	**$0**	**$0**	**$0**		**$56,366**
All Departments	**Total**	**$ 187,013**	**$1,900**	**$5,605**	**- $6,838**		**$187,679**

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 61 projects were closed during July 18 to October 23, 2018.

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Community Services	Annual - Capital Improvement - 2016	$413	$413	$0	$0	CV Levy	3
Community Services	Annual - Machinery/Equipment - 2016	$425	$425	$0	$0	CV Levy	3
Community Services	Annual - Roof Upgrades - 2016	$119	$119	$0	$0	CV Levy	3
Corporate Services	Annual - Miscellaneous Property - 2017	$250	$0	$250	$250	CV Levy	2
Corporate Services	Annual - Survey Equipment - 2017	$76	$46	$30	$30	CV Levy	2
Corporate Services	Asset Replacement - 2016	$3,169	$2,801	$368	$368	CV Levy	3
Corporate Services	EMS Welland Roof Upgrade	$208	$206	$2	$2	CV Levy	3
Corporate Services	ePerformance Software Upgrade - 2017	$500	$0	$500	$500	CV Levy	2
Corporate Services	Ontario Works Equipment	$24	$23	$1	$1	CV Levy	2
Corporate Services	Public Works Service Centre Parking Lot	$355	$283	$73	$73	CV Levy	4
Corporate Services	Real Estate Date Management Software	$300	$0	$300	$300	CV Levy	7
Corporate Services	Regional Headquarters Emergency System	$300	$0	$300	$300	CV Levy	4
Corporate Services	Regional Headquarters HVAC Upgrade	$956	$802	$154	$154	CV Levy	4
Corporate Services	Regional Headquarters Parking Lot Lighting	$101	$55	$46	$46	CV Levy	4
Niagara Regional Housing	Units Capital - 2015	$2,124	$2,022	$102	$102	CV Levy	4
Public Works - Levy	Annual - Guide Rail Improvement - 2014	$320	$264	$56	$56	CV Levy	5
Public Works - Levy	Annual - Guide Rail Improvement - 2015	$350	$147	$203	$203	CV Levy	4
Public Works - Levy	Annual - Guide Rail Improvement - 2016	$350	$156	$194	$194	CV Levy	3
Public Works - Levy	Annual - Illumination Upgrades - 2016	$300	$300	$0	$0	CV Levy	3
Public Works - Levy	Annual - Railway Crossing Upgrades - 2014	$50	$49	$1	$1	CV Levy	5
Public Works - Levy	Annual - Railway Crossing Upgrades - 2015	$300	$106	$194	$194	CV Levy	4
Public Works - Levy	Annual - Railway Crossing Upgrades - 2016	$100	$2	$98	$98	CV Levy	3
Public Works - Levy	Annual - Roads Property - 2014	$115	$89	$25	$25	CV Levy	5

Capital Project Closures (in thousands of dollars) - Continued

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Public Works - Levy	Annual - Roads Property - 2015	$196	$95	$101	$101	CV Levy	4
Public Works - Levy	Annual - Roads Property - 2016	$200	$0	$200	$200	CV Levy	3
Public Works - Levy	Annual - Storm Sewer Program - 2014	$350	$333	$17	$17	CV Levy	5
Public Works - Levy	Annual - Storm Sewer Program - 2015	$300	$0	$300	$300	CV Levy	4
Public Works - Levy	Capacity Improvements - Reconstruct RR89 Homer/NOTG	$2,808	$2,382	$426	$51	CV Levy	5
Public Works - Levy	Intersection - Hwy20 @ Wellspring	$256	$254	$2	$2	CV Levy	2
Public Works - Levy	Roads Facility Program - 2009	$1,500	$306	$1,194	$1,194	CV Levy	10
Public Works - Levy	Roads Reconstruction - RR42 Welland/Lake	$1,030	$1,030	$0	$0	CV Levy	2
Public Works - Levy	Roads Reconstruction - RR57 Thorold Road Extension Phase II	$60	$58	$2	$2	CV Levy	2
Public Works - Levy	Vehicles - 2015	$556	$531	$25	$25	CV Levy	3
Public Works - Levy	Vehicles - Skid Steer Mower - Unit #730	$18	$18	$0	$0	CV Levy	1
Public Works - Levy	Vehicles - Skid Steer Mower - Unit #731	$18	$18	$0	$0	CV Levy	1
Total Levy Projects Closed		**$18,495**	**$13,332**	**$5,163**	**$4,787**	**CV Levy**	
Waste Management	Recycling Centre - Facility Improvements Optical	$2,718	$2,674	$44	$44	CV WMT	5
Total Waste Management Projects Closed and removed from Project Listing		**$2,718**	**$2,674**	**$44**	**$44**	**CV WMT**	
Wastewater	Combined Sewer Overflow (CSO) - Tank Construction - Chippawa	$9,581	$9,337	$243	$243	CV SEW	7
Wastewater	Meter Replacement Program - 2013	$400	$210	$190	$190	CV SEW	6
Wastewater	Miscellaneous Program - Baker Road Roof Replacement	$198	$192	$6	$6	CV SEW	4
Wastewater	Miscellaneous Program - Niagara Falls Roof Replacement	$52	$51	$1	$1	CV SEW	4
Wastewater	Miscellaneous Program - Roof Replacement - 2017	$250	$0	$250	$250	CV SEW	2
Wastewater	Pump Station Improvement Program - Clarke Street	$1,900	$1,752	$148	$131	CV SEW	7
Wastewater	Pump Station Improvement Program - Fretz Street	$1,760	$1,741	$19	$17	CV SEW	7
Wastewater	Pump Station Improvement Program - Jordan Valley	$1,610	$1,523	$87	$66	CV SEW	8
Wastewater	Pump Station Improvement Program - Ontario Street	$4,643	$4,598	$46	$40	CV SEW	14
Wastewater	Security Improvement Program - 2016	$150	$0	$150	$150	CV SEW	3
Wastewater	Security Improvement Program - Glendale Flume	$5	$0	$5	$5	CV SEW	4

Capital Project Closures (in thousands of dollars) - Continued

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Wastewater	Security Improvement Program - Niagara Falls & Queenston	$70	$0	$70	$70	CV SEW	4
Wastewater	Sewer & Forcemain Program - Stevensville	$850	$765	$85	$85	CV SEW	7
Wastewater	Wastewater Treatment Plant Equipment Upgrades - Baker Road	$11	$0	$11	$11	CV SEW	2
Wastewater	Wastewater Treatment Plant Equipment Upgrades - Niagara Falls	$11	$0	$11	$11	CV SEW	2
Wastewater	Wastewater Treatment Plant Upgrade Program - Laneway Upgrades - Port Dalhousie	$1,850	$1,806	$44	$44	CV SEW	6
Wastewater	Wastewater Treatment Plant Upgrade Roof Replacement Program - 2016	$250	$0	$250	$250	CV SEW	3
Total Wastewater Projects Closed and removed from Project Listing		**$23,590**	**$21,975**	**$1,615**	**$1,569**	**CV SEW**	
Water Works	Decommissioning obsolete equipment	$1,207	$1,176	$31	$31	CV WAT	9
Water Works	Security Improvement Program - 2015	$70	$0	$70	$70	CV WAT	4
Water Works	Security Improvement Program - 2016	$100	$0	$100	$100	CV WAT	3
Water Works	Water Treatment Plant Upgrade - Decew Falls - 2014	$620	$390	$230	$146	CV WAT	5
Water Works	Water Treatment Plant Upgrade - Niagara Falls - 2013	$3,659	$3,654	$5	$5	CV WAT	6
Water Works	Water Treatment Plant Upgrade - Raw Water Screen - Niagara Falls	$654	$570	$84	$84	CV WAT	3
Water Works	Water Treatment Plant Upgrade - Roof Upgrade - Decew Falls	$50	$0	$50	$50	CV WAT	3
Water Works	Water Treatment Plant Upgrade - Welland - 2008	$23,608	$23,312	$296	$296	CV WAT	11
Total Water Projects Closed and removed from Project Listing		**$29,968**	**$29,103**	**$865**	**$781**	**CV WAT**	
Total Rate Projects Closed and removed from Project Listing		**$56,276**	**$53,752**	**$2,524**	**$2,394**		
Total Projects Closed		**$74,771**	**$67,084**	**$7,687**	**$7,182**		

Capital Project Closures by Transfer (in thousands of dollars)

Projects may be required to be closed throughout the year from transfers to other active capital projects. Transfers allow staff to fiscally manage the projects initiative and scope through the procurement and reporting process. Transfers to projects are shown on the Capital Budget Adjustments page. Closed projects may be required to be opened to complete subsequent transactions received for invoices or accounting adjustments. The following projects were closed during July 18 to October 23, 2018.

Department	Project Description	Total Budget	Closure	Transfers	Adjusted Budget	Surplus (Deficit)	Destination of Transfer
Corporate Services	2018 Annual Misc Levy Properties	$100	- $100		$0	$0	CV LEVY
Corporate Services	Niagara Health Systems Land Purchase 2018	$0		$100	$100		
Public Works - Levy	2018 Annual Traffic Signals	$2,000	- $2,000		$0	$0	CV LEVY
Public Works - Levy	RR12 Christie/Mountain @ RR81 Main	$0		$180	$180		
Public Works - Levy	RR50 Glenridge @ RR91 Westchester	$0		$300	$300		
Public Works - Levy	RR102 Stanley @ Portage	$0		$300	$300		
Public Works - Levy	RR25 Netherby @ RR116 Sodom	$0		$300	$300		
Public Works - Levy	RR24Victoria @ RR63 Canborough	$0		$10	$10		
Public Works - Levy	RR27 Schisler @ RR98 Montrose	$0		$10	$10		
Public Works - Levy	RR36 South Pelham @ Thorold Rd	$0		$10	$10		
Public Works - Levy	RR24 Victoria @RR81 Old Hwy 8	$0		$10	$10		
Public Works - Levy	2018 Intelligent Transport System	$0		$274	$274		
Public Works - Levy	2018 Signal Upgrades Program	$0		$606	$606		
Public Works - Levy	RR19 Gilmore@RR122 Thompson FE	$180	- $180		$0	$0	CV LEVY
Public Works - Levy	RR24 Victoria Ave@South Svc Rd	$0		$180	$180		
Wastewater	Wastewater Operations and Main Vehicle	$250	- $250		$0	$0	CV SEW
Public Works - Levy	#589 2018 GMC Savana 2500 Wastewater	$0		$50	$50		
Public Works - Levy	#593 2018 GMC Canyon Extnd Wastewater	$0		$35	$35		
Public Works - Levy	#594 2019 GVW Crane Truck Wastewater	$0		$165	$165		
Capital Projects Closed Upon Transfers & Capital Project Adjustments		**$2,530**	**- $2,530**	**$2,530**	**$2,530**		

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 $1,115,361 capital budget managed by Niagara Region, representing 553 sub-projects, total capital spending to date of $617,760 and budget remaining of $414,519, after commitments of $83,082.

This chart represents (in aggregate), currently active and uninitiated projects managed by Niagara Region. Capital project detail for 160 projects with budgets greater than $1 million are discussed on subsequent pages.

Departments and Boards with projects with budgets greater than $1 million	Adjusted Budget	Project-to-date Actuals	Budget Remaining	Outstanding Commitments (Purchase Orders)	Budget Remaining After Commitments
Community Services	$2,301	$102	$2,199	$469	$1,730
Corporate Services	$171,873	$110,726	$61,147	$3,780	$57,367
Enterprise Resource Management Services	$11,450	$0	$11,450	$0	$11,450
Niagara Regional Housing	$34,954	$21,003	$13,952	$8,466	$5,486
Niagara Regional Police Services Board	$39,618	$34,155	$5,463	$870	$4,593
Planning	$2,359	$106	$2,253	$54	$2,199
Public Health	$6,173	$5,403	$770	$4	$766
Public Works - Levy	$402,120	$267,254	$134,866	$26,719	$108,147
Waste Management	$16,485	$7,507	$8,978	$1,956	$7,022
Wastewater	$193,581	$103,286	$90,296	$14,604	$75,692
Water Works	$121,972	$33,052	$88,920	$16,764	$72,156
Total Projects with budgets greater than $1 million	$1,002,886	$582,593	$420,293	$73,685	$346,608
Total Projects with budgets less than $1 million	$108,285	$35,167	$73,118	$9,397	$63,721
Total Projects with budgets less than $1 million Uninitiated	$4,190	$0	$4,190	$0	$4,190
Total Capital Projects	**$1,115,361**	**$617,760**	**$497,601**	**$83,082**	**$414,519**

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 160 projects totaling $1,002,886 of adjusted capital budget. Project spending to date on these sub-projects amounts to $582,593, representing 58.1 per cent of the adjusted capital budget on these sub-projects.

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	2018 Forecasted Cashflows	Beyond 2018 Forecasted Cashflows	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Annual - Capital Improvement - 2018		$1,026	$99	$926	$532	$394	2019	$395
Expansion St Catharines Child Care Facility		$1,275	$2	$1,273	$1,273	$0	2019	$74
Total Community Services		**$2,301**	**$102**	**$2,199**	**$1,805**	**$394**		**$469**
Asset Replacement - 2017		$2,500	$1,046	$1,454	$1,454	$0	2019	$133
Asset Replacement - 2018		$3,147	$843	$2,304	$446	$1,858	2019	$552
Court Facilities Renewal		$13,390	$11,708	$1,682	$459	$0	Unknown	$546
Court Facilities Renewal	Uninitiated	$13,210	$0	$13,210	$0	$0	Unknown	$0
Customer Service Strategic Priority		$1,685	$109	$1,576	$0	$1,576	2019	- $1
Emergency Medical Services Central Hub	Uninitiated	$3,895	$0	$3,895	$0	$3,895	2019	$0
Emergency Medical Services Facility		$3,100	$1,783	$1,317	$33	$954	2019	$33
Environmental Centre Expansion *		$2,000	$97	$1,903	$92	$1,811	2019	$42
Financial Management System		$12,640	$12,340	$300	$5	$295	2019	$5
Health Facilities - Niagara Region		$7,305	$1,630	$5,675	$1,500	$4,175	2019	$1,049
Health Facilities - Niagara Region	Uninitiated	$860	$0	$860	$0	$0	2019	$0
Information Technology Server Building		$3,945	$3,816	$129	$100	$29	2019	$85
Long-term Accommodations - NRPS Headquarters D2		$83,227	$69,275	$13,952	$995	$12,957	2020	$621
Longterm Care Home Redevelopment - 2015		$15,635	$4,829	$10,806	$899	$9,907	2022	$665
Northland Pointe Siding Replacement		$3,344	$3,244	$100	$2	$50	2019	$0
Regional Headquarters Generator Replacement		$1,990	$5	$1,985	$1,985	$0	2019	$50
Total Corporate Services		**$171,873**	**$110,726**	**$61,147**	**$7,970**	**$37,508**		**$3,780**
2021 Canada Summer Games	Uninitiated	$9,700	$0	$9,700	$0	$9,700	2019	$0
Expansion of Social Housing Units (Alternative Service Delivery Model)	Uninitiated	$1,750	$0	$1,750	$0	$1,750	2019	$0
Total Enterprise Resource Management Services		**$11,450**	**$0**	**$11,450**	**$0**	**$11,450**		**$0**

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	2018 Forecasted Cashflows	Beyond 2018 Forecasted Cashflows	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Building Capital - 2017		$1,828	$1,706	$122	$122	$0	2019	$122
Building Capital - 2018		$4,673	$1,046	$3,627	$800	$2,800	2019	$828
Expansion, Roach Avenue, Welland		$2,758	$29	$2,729	$400	$2,300	2019	$2,598
Grounds Capital - 2017		$1,053	$987	$66	$61	$0	2019	$61
New Build, Carlton Street, St. Catharines		$15,771	$11,443	$4,328	$2,000	$2,300	2019	$3,484
Social Housing Assistance Improvement Program - 2018		$1,608	$388	$1,220	$600	$600	2019	$1,099
Social Housing Improvement Program - 2016		$1,200	$1,128	$72	$65	$0	2019	$28
Unit Capital - 2017		$4,465	$4,269	$196	$195	$0	2019	$195
Unit Capital - 2018		$1,600	$7	$1,593	$51	$1,500	2019	$51
Total Niagara Regional Housing		**$34,954**	**$21,003**	**$13,952**	**$4,294**	**$9,500**		**$8,466**
Communications Unit Back-up		$1,000	$0	$1,000	$0	$1,000	2020	$0
Communications Unit Back-up	Uninitiated	$1,250	$0	$1,250	$0	$1,250	2020	$0
Communications Unit Equipment		$4,500	$4,472	$28	$28	$0	2019	$22
Information Technology & Equipment Replacement		$1,100	$97	$1,003	$269	$734	2019	$89
Information Technology Continuity Plan		$1,500	$566	$934	$0	$934	2019	$0
S.P.I.R.I.T. (Supporting Police in Records Information Technology)		$8,630	$8,431	$199	$0	$144	2019	$0
Vehicles - 2013		$1,300	$1,300	$0	$0	$0	2019	$0
Vehicles - 2014		$1,423	$1,423	$0	$0	$0	2019	$0
Vehicles - 2015		$1,398	$1,398	$0	$0	$0	2019	$0
Vehicles - 2016		$1,374	$1,374	$0	$0	$0	2019	$0
Vehicles - 2017		$1,360	$1,359	$0	$0	$0	2019	$0
Vehicles - 2018		$1,468	$611	$858	$858	$0	2019	$758
Voice Radio System		$13,315	$13,124	$190	$0	$190	2019	$0
Total Niagara Regional Police Services		**$39,618**	**$34,155**	**$5,463**	**$1,155**	**$4,252**		**$870**
Regional Headquarters Landscape Master Plan		$2,359	$106	$2,253	$54	$2,199	2019	$54
Total Planning		**$2,359**	**$106**	**$2,253**	**$54**	**$2,199**		**$54**

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	2018 Forecasted Cashflows	Beyond 2018 Forecasted Cashflows	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Ambulance & Equipment - 2016		$1,766	$1,763	$3	$0	$0	2018	$0
Ambulance & Equipment - 2017		$1,812	$1,779	$33	$24	$0	2018	$24
Ambulance & Equipment - 2018		$2,595	$1,861	$734	$200	$534	2019	- $21
Total Public Health		**$6,173**	**$5,403**	**$770**	**$224**	**$534**		**$4**
Annual - Storm Sewer Program		$1,750	$1,075	$675	$250	$425	2019	$216
Annual - Transportation Master Plans		$1,386	$1,335	$51	$0	$0	2019	$0
Capacity Improvements - Charnwood - McLeod		$5,380	$16	$5,364	$0	$5,364	2021	$9
Capacity Improvements - New Escarpment Crossing		$2,200	$691	$1,509	$0	$1,509	2019	$3
Capacity Improvements - Reconstruct Hwy 406 @ Third Interchange		$1,460	$727	$733	$0	$733	2020	$0
Capacity Improvements - Reconstruct QEW @ Glendale Ave Interchange		$1,000	$11	$989	$989	$0	2019	$0
Capacity Improvements - Reconstruct RR49 Concession 6/Eastwest Line		$4,591	$2,616	$1,975	$249	$1,727	2020	$596
Capacity Improvements - Reconstruct RR49 McLeod, Montrose to Stanley		$7,838	$7,342	$496	$496	$0	2019	$366
Capacity Improvements - RR10 Livingston/QEW-GR		$1,750	$316	$1,434	$500	$934	2019	$885
Capacity Improvements - RR54 Hwy 20/Merritt		$8,600	$1,073	$7,527	$3,000	$4,527	2019	$5,660
Interchange Sir Isaac Brock Way @ 406 Hwy		$2,800	$0	$2,800	$1,000	$1,800	2019	$0
Intersection - King at Greenlane and Durham Roundabout		$3,039	$2,547	$492	$32	$0	2019	$0
Intersection - RR20 Industrial Park/South Grimsby Road 6		$2,802	$2,444	$357	$121	$236	2019	$125
Intersection - RR46 Geneva/St. Paul		$7,000	$879	$6,121	$2,000	$4,121	2019	$4,014
Intersection - RR89 Jacobsen/Burleigh		$6,500	$5,237	$1,263	$250	$1,013	2019	$237
Replacement of Burgoyne Bridge		$93,344	$93,342	$2	$0	$0	2019	$0
Roads Facility Program - Patrol Yard Improvement - 2018		$1,000	$0	$1,000	$0	$1,000	2019	$0

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	2018 Forecasted Cashflows	Beyond 2018 Forecasted Cashflows	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Roads Reconstruction - RR20 Station/Rice		$3,793	$3,473	$320	$0	$320	2020	$0
Roads Reconstruction - RR38 QEW/Fourth		$11,990	$6,926	$5,064	$2,088	$2,977	2020	$1,989
Roads Reconstruction - RR50 Thorold/Riverbank		$2,400	$1,898	$502	$0	$502	2020	$0
Roads Reconstruction - St Davids Road East		$1,766	$156	$1,610	$0	$1,610	2019	$26
Roads Rehabiliation - RR27 Prince Charles Dr to Lincoln St		$1,800	$246	$1,554	$0	$1,554	2020	$46
Roads Rehabiliation - RR63 Baldwin/Coffee Bridge		$3,035	$241	$2,794	$423	$2,371	2019	$428
Roads Rehabiliation - RR69 Wessel/Centre Phase 3		$1,000	$150	$850	$12	$838	2020	$15
Roads Rehabilitation - RR1 Albert/Lakeshore		$2,165	$544	$1,621	$0	$1,621	2019	$22
Roads Rehabilitation - RR1 Dominion Road, Burleigh/Buffalo		$12,165	$9,870	$2,295	$923	$1,372	2019	$1,233
Roads Rehabilitation - RR14 RR20/Townline		$6,880	$6,842	$37	$0	$0	2019	$0
Roads Rehabilitation - RR18 Mountain Rd, George to King		$8,245	$7,786	$459	$459	$0	2019	$378
Roads Rehabilitation - RR45 RR4/RR63		$1,775	$311	$1,464	$50	$1,414	2020	$90
Roads Rehabilitation - RR49 Hydro Power Canal to Wilson Cres Phase 2		$1,050	$1	$1,049	$50	$999	2021	$0
Roads Rehabilitation - RR57		$13,300	$8,463	$4,837	$0	$4,777	2021	$8
Roads Rehabilitation - RR57 Stanley Whirlpool/Valleyway		$15,233	$14,751	$482	$0	$456	2020	$97
Roads Rehabilitation - RR69 Effingham/Wessel Phase 2		$9,100	$397	$8,703	$52	$8,651	2019	$55
Roads Rehabilitation - RR87 Lake/Geneva		$6,841	$6,401	$440	$0	$440	2019	$260
Roads Rehabilitation - RR87 Lakeport/Lake		$5,638	$5,584	$53	$53	$0	2019	$71
Roads Rehabilitation - RR87 Third/Seventh		$1,500	$415	$1,085	$234	$851	2019	$43
Roads Rehabilitation - RR87 Townline/Four Mile Creek		$8,500	$1,746	$6,754	$0	$6,754	2021	$3,423
Roads Resurfacing - 2013		$4,308	$4,189	$120	$0	$120	2019	$0

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	2018 Forecasted Cashflows	Beyond 2018 Forecasted Cashflows	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Roads Resurfacing - 2016		$7,791	$7,259	$533	$0	$533	2020	$173
Roads Resurfacing - 2017		$11,783	$9,542	$2,241	$0	$500	2019	$2,244
Roads Resurfacing - 2018		$9,500	$6,882	$2,618	$0	$2,618	2020	$2,247
Stabilization RR14 Canboro Rd at Warner		$5,090	$3,956	$1,134	$1,133	$250	2019	$808
Structural Rehabilitation - 2016 Program		$3,700	$184	$3,516	$99	$3,416	2019	$28
Structural Rehabilitation - Central Ave Bridge over CNR		$16,940	$16,949	- $9	$0	$0	2019	$0
Structural Rehabilitation - Main Street Bridge		$4,703	$4,434	$269	$0	$269	2019	$83
Structural Rehabilitation - Ontario Power Generation Bridges over Gibson Lake		$8,100	$7,989	$111	$0	$111	2020	$17
Structural Rehabilitation - Reece Bridge		$9,983	$710	$9,272	$2,000	$7,272	2020	$213
Structural Rehabilitation - RR81 St Paul West CNR Bridge		$1,500	$56	$1,444	$300	$1,144	2019	$10
Vehicles - 2016		$3,465	$3,189	$276	$0	$276	2019	$273
Public Works - Roads & Fleet		**$357,480**	**$261,194**	**$96,286**	**$16,765**	**$77,403**		**$26,392**
GO Transit		$10,598	$5,001	$5,597	$3,766	$1,831	2023	$96
GO Transit	Uninitiated	$29,402	$0	$29,402	$0	$29,402	2023	$0
Total GO Transit		**$40,000**	**$5,001**	**$34,999**	**$3,766**	**$31,233**		**$96**
Inter-Municipal Transit Capital Acquisition - 2015		$1,340	$1,059	$281	$0	$65	2019	$231
Inter-Municipal Transit Capital Acquisition - 2017		$3,300	$0	$3,300	$0	$3,300	2019	$0
Total IMT Transit		**$4,640**	**$1,059**	**$3,581**	**$0**	**$3,365**		**$231**
Total Public Works - Levy		**$402,120**	**$267,254**	**$134,866**	**$20,531**	**$112,000**		**$26,719**
Bridge St - Public Drop Off Depot Improvement	Uninitiated	$1,145	$0	$1,145	$0	$1,125	2021	$0
Humberstone - Landfill Expansion (Environmental Protection & Ontario Water Resources Acts)		$5,736	$537	$5,199	$50	$5,100	2020	$766
Humberstone - Landfill Gas Collection		$4,674	$4,350	$324	$0	$0	2019	$59
Niagara Road 12 - Cell 4 Construction & ManHole Rehabilitation		$2,500	$1,362	$1,138	$300	$836	2019	$1,112

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	2018 Forecasted Cashflows	Beyond 2018 Forecasted Cashflows	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Niagara Road 12 & Park Road - Pump Station Upgrades		$1,307	$279	$1,028	$100	$900	2019	$15
Recycling Centre - Facility Improvements Groundwater		$1,123	$979	$144	$25	$113	2020	$4
Total Waste Management		**$16,485**	**$7,507**	**$8,978**	**$475**	**$8,074**		**$1,956**
Combined Sewer Overflow (CSO) - Grimsby		$1,725	$222	$1,503	$1,503	$0	2019	$0
Miscellaneous Program - Garner Road		$5,242	$81	$5,161	$1,032	$4,129	2019	$72
Pump Station Capacity Expansion Program - Odour Control - Smithville		$1,500	$699	$801	$150	$651	2019	$207
Pump Station Improvement Program - Carleton Street		$1,503	$1,475	$28	$20	$8	2019	$9
Pump Station Improvement Program - Design		$5,750	$4,980	$770	$270	$150	2019	$270
Pump Station Improvement Program - Haulage Road		$2,150	$145	$2,005	$10	$1,995	2020	$32
Pump Station Improvement Program - NOTL, Garrison Rd, William St		$3,285	$3,117	$168	$15	$153	2019	$0
Pump Station Improvement Program - Old Orchard		$2,050	$1,928	$122	$122	$0	2019	$6
Pump Station Improvement Program - Park Lane		$1,400	$89	$1,311	$50	$1,261	2020	$124
Pump Station Improvement Program - South Side High Lift		$6,651	$6,365	$286	$120	$0	2019	$147
Pump Station Improvement Program - Wellandvale		$2,124	$1,361	$763	$40	$723	2019	$44
Pump Station Improvement Program - Woodsview		$2,420	$272	$2,148	$48	$2,100	2020	$0
Sewer & Forcemain Program - Highway 406 Trunk		$1,450	$0	$1,450	$1,450	$0	2019	$0
Sewer & Forcemain Program - Oaks Park Trunk		$2,264	$100	$2,164	$500	$1,664	2019	$2,023
Sewer & Forcemain Program - Park Road		$12,490	$12,168	$322	$0	$0	2018	$316
Sewer & Forcemain Program - Stamford Centre		$10,562	$211	$10,351	$1,500	$8,851	2019	$2
Sewer & Forcemain Program - Victoria Ave		$3,750	$3,696	$54	$0	$0	2018	$0
Sewer Relining Program		$1,453	$1,326	$127	$10	$117	2019	$2

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	2018 Forecasted Cashflows	Beyond 2018 Forecasted Cashflows	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Wastewater Treatment Plant - Capacity Expansion - Niagara-on-the-Lake		$47,832	$46,779	$1,052	$375	$677	2020	$615
Wastewater Treatment Plant - Capacity Expansion - South Niagara Falls		$2,500	$29	$2,471	$100	$2,371	2020	$7
Wastewater Treatment Plant Digester/Sludge Management		$1,000	$929	$71	$0	$0	2019	$2
Wastewater Treatment Plant Upgrade - Garner Road		$2,200	$102	$2,098	$0	$2,098	2020	$60
Wastewater Treatment Plant Upgrade - Niagara Falls		$2,100	$78	$2,022	$500	$1,522	2019	$835
Wastewater Treatment Plant Upgrade - Port Weller		$9,900	$435	$9,465	$0	$9,465	2021	$23
Wastewater Treatment Plant Upgrade - Port Weller 2017		$1,310	$745	$565	$465	$100	2019	$551
Wastewater Treatment Plant Upgrade - Welland		$21,166	$14,280	$6,886	$5,165	$1,722	2019	$6,798
Wastewater Treatment Plant Upgrade Program - Aeration - Seaway		$1,236	$128	$1,107	$100	$1,007	2019	$1,000
Wastewater Treatment Plant Upgrade Program - Bar Screen - Port Weller		$1,230	$49	$1,181	$15	$1,166	2020	$118
Wastewater Treatment Plant Upgrade Program - Fine Bubble Aeration - Port Dalhousie		$29,500	$1,138	$28,362	$72	$28,289	2023	$78
Wastewater Treatment Plant Upgrade Program - Grit System - Grimsby		$1,725	$219	$1,506	$100	$1,406	2019	$1,224
Wastewater Treatment Plant Upgrade Program - Primary Digester #2 - Niagara Falls		$1,000	$0	$1,000	$100	$900	2019	$0
Wastewater Treatment Plant Upgrade Program - Secondary Clarifier - Seaway		$3,115	$140	$2,975	$20	$2,955	2019	$40
Total Wastewater		**$193,581**	**$103,286**	**$90,296**	**$13,851**	**$75,480**		**$14,604**
Meter Replacement Program		$3,550	$348	$3,202	$150	$3,052	2020	$1,588
Miscellaneous Program - Elevated Tank Painting		$2,780	$230	$2,550	$25	$2,525	2019	$27

Capital Project Forecast (in thousands of dollars) - Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals	Budget Remaining	2018 Forecasted Cashflows	Beyond 2018 Forecasted Cashflows	Estimated Year of Completion	Outstanding Commitments (Purchase Orders)
Miscellaneous Program - Evalution & Replacement		$1,100	$1,057	$43	$35	$0	2019	$36
Miscellaneous Program - Granular Activated Carbon Replacement		$1,760	$1	$1,759	$10	$1,749	2019	$0
Miscellaneous Program - Pressure Booster		$1,158	$980	$178	$80	$98	2019	$50
Miscellaneous Program - System Storage - Grimsby		$15,339	$603	$14,736	$200	$14,536	2020	$241
Miscellaneous Program - System Storage - Port Colborne		$11,800	$11,600	$200	$30	$0	2019	$11
Rehabilitation - Elevated Tank Thorold South		$2,365	$2	$2,363	$5	$2,358	2019	$0
Water Treatment Plant Raw Water Intake - Niagara Falls		$10,750	$71	$10,679	$0	$10,679	2020	$0
Water Treatment Plant Roadway & Parking Lot - Grimsby		$1,180	$44	$1,136	$20	$1,116	2020	$69
Water Treatment Plant Upgrade - Decew Falls - 2016		$1,250	$355	$895	$80	$815	2019	$481
Water Treatment Plant Upgrade - Niagara Falls - 2015		$3,495	$242	$3,253	$500	$2,753	2019	- $1
Water Treatment Plant Upgrade - Niagara Falls - 2017		$4,915	$175	$4,740	$0	$4,740	2020	$24
Water Treatment Plant Upgrade - Port Colborne		$8,600	$551	$8,049	$30	$8,019	2021	$81
Water Treatment Plant Upgrade - Rosehill		$15,000	$3,838	$11,162	$500	$10,662	2020	$10,558
Water Treatment Plant Upgrade - Welland - 20017		$5,000	$26	$4,974	$60	$4,914	2020	$1,383
Watermain Program - Along CNR Grimsby		$13,400	$259	$13,141	$241	$12,900	2020	$392
Watermain Program - Fort Erie, Dominion Road		$10,615	$9,166	$1,449	$600	$849	2019	$431
Watermain Program - Hwy406 Cross Trans		$1,715	$10	$1,705	$1,705	$0	2019	$190
Watermain Program - Welland East and West		$6,200	$3,493	$2,707	$1,200	$1,507	2019	$1,204
Total Water Works		**$121,972**	**$33,052**	**$88,920**	**$5,470**	**$83,272**		**$16,764**
Total Projects with remaining budgets greater than $1 million		**$1,002,886**	**$582,593**	**$420,293**	**$55,829**	**$344,663**		**$73,685**

Capital Variance Project Summary (in thousands of dollars)

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

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

The excess funds greater than $1,000 in the Levy Programs CV project have been identified as a funding source for the 2019 Capital Budget and will be transferred to the reserve at year end. The excess funds in the Waste Management, Wastewater and Water Works CV projects will be transferred to the respective capital reserves for use in the long-term capital affordability strategy. Approximately $13,000 in the Levy Programs CV project has been committed for the forecasted 2019 Capital Budget.

Capital Variance Project Reconciliation	Levy Programs	Waste Management	Wastewater	Water Works	Total Programs
Balance at December 31, 2017	**$1,000**	**$1,000**	**$1,000**	**$1,000**	**$4,000**
Transfer to Active Capital Projects	- $1,104	- $200	- $852	- $357	- $2,512
Budget Reductions on Active Capital Projects	$2,148	$400	$2,337	$0	$4,885
Transfers (to)/from Closed Capital Projects	$2,858	$172	$386	$0	$3,415
Adjustments to Previously Closed Projects	- $74	$0	- $455	$0	- $529
Balance at July 18, 2018	**$4,828**	**$1,372**	**$2,416**	**$643**	**$9,259**
Transfer to Active Capital Projects	- $1,507	- $100	- $3,860	- $138	- $5,605
Budget Reductions on Active Capital Projects	$5,324	$0	$1,250	$0	$6,574
Transfers (to)/from Closed Capital Projects	$4,787	$44	$1,569	$781	$7,182
Adjustments to Previously Closed Projects	$13				$13
Balance at October 23, 2018	**$13,445**	**$1,316**	**$1,375**	**$1,287**	**$17,422**

Investment Report (in thousands of dollars)

Year to date gross investment income on the primary portfolio amounted to $13,230, which includes $1,781 on the cash balance. Total gross investment income for 2018 is favourable when compared to the budget by $1,944 and investment gains of $211 increase the overall surplus before transfers to $2,155.

The third quarter annualized yield on the investment and cash portfolio was 3.06 per cent vs. 2.80 per cent in Q2 2018. At September 30, 2018 the portfolio had unrealized market losses (market value vs. book value) of $7,750, however this is not expected to materialize because the Region is in a position to hold all investments to maturity. Net transfers to Development Charge/Rate Reserves are $1,928 greater than budget, however net investment income compared to budget for 2018 is still favourable by $228.

Institution	Type of Investment	Balance of Investment by Institution	Percentage Holdings
Corporate	Investment	$251,444	42.5%
Municipal	Investment	$76,790	13.0%
Provincial	Investment	$257,394	43.5%
Region of Niagara	Investment	$5,968	1.0%
Total	Investment	$591,596	100.0%
General Chequing *	Cash	$32,865	Not applicable
Savings	Cash	$55,518	Not applicable
Sinking Fund	Cash	$11	Not applicable
Total	**Cash & Investments**	**$679,991**	**Not applicable**

*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 1.2945.

Funds	**Book Value**	**Weight**
Cash	$88,383	13.0%
Cash Equivalents < 1 Year	$41,700	6.1%
2 Year	$39,723	5.8%
3 Year	$37,401	5.5%
4 Year	$23,020	3.4%
5+ Year	$435,839	64.1%
Sinking Fund (Incl. Cash)	$13,925	2.0%
Total Portfolio	**$679,991**	**100.0%**

Quarterly Gross Investment Income

Budget vs Actual/Forecast	Q1	Q2	Q3	Q4	Total
2018 Budget (Gross)	$3,532	$3,837	$4,193	$4,659	$16,222
Net Budget Transfers	$-497	$-497	$-497	$-497	$-1,990
Budgeted Foreign exchange gain/loss	$0	$0	$0	$0	$0
2018 Budget (Net)	$3,035	$3,340	$3,696	$4,161	$14,232
2018 Actual/Forecast (Gross)	$3,879	$4,430	$4,922	$4,936	$18,166
Net Actual/Forecast Transfers	$-795	$-851	$-1,100	$-1,172	$-3,918
Actual Foreign exchange gain/loss	$202	$68	$-58	$0	$211
2018 Actual/Forecast (Net)	$3,286	$3,646	$3,764	$3,764	$14,460
Variance	**$251**	**$306**	**$69**	**$-398**	**$228**

Note: Net transfers of $1,990 are after budgeted transfers from Investment Income Stabilization Reserve ($568), as well as transfers of interest income to the Development Charge/Rate Reserves ($2,558). Year to date actual transfers to Development Charge/Rate Reserves amount to $3,171 and annual forecasted amount to $4,485. The increased net transfers are a result of the increases to the Bank Rate, which in turn supports growth in the Development Charge/Rate Reserves. Year to date investment income includes foreign exchange gains of $211 on USD cash balances.

Amounts reflected in this report do not include the NRH investment portfolio or sinking fund investment portfolios.

Investment Detail (in thousands of dollars)

Institution	Type of Investment	Balance of Investment by Institution	Percentage Holdings *
Bank of Montreal	Corporate	$52,000	8.8%
Bank of Nova Scotia	Corporate	$70,200	11.9%
HSBC Bank Canada	Corporate	$16,500	2.8%
National Bank of Canada	Corporate	$62,600	10.6%
Royal Bank of Canada	Corporate	$50,144	8.5%
Total	**Corporate**	**$251,444**	**42.5%**
City of London	Municipal	$1,000	0.2%
City of Montreal	Municipal	$3,086	0.5%
City of Ottawa	Municipal	$5,663	1.0%
City of Quebec	Municipal	$2,290	0.4%
City of Saskatoon	Municipal	$3,332	0.6%
City of Toronto	Municipal	$13,705	2.3%
County of Wellington	Municipal	$851	0.1%
Municipal Finance Authority of BC	Municipal	$5,033	0.9%
New Brunswick Municipal Finance Authority	Municipal	$5,856	1.0%
Region of Halton	Municipal	$1,518	0.3%
Region of Peel	Municipal	$3,519	0.6%
Region of Waterloo	Municipal	$15,093	2.6%
Region of York	Municipal	$9,658	1.6%
York Region District School Board	Municipal	$4,385	0.7%
York Sinking Fund Debenture	Municipal	$1,800	0.3%
Total	**Municipal**	**$76,790**	**13.0%**
Newfoundland and Labrador Hydro	Provincial	$701	0.1%
Ontario Hydro	Provincial	$31,084	5.3%
Province of Alberta	Provincial	$1,275	0.2%
Province of British Columbia	Provincial	$6,777	1.1%
Province of Manitoba	Provincial	$33,573	5.7%
Province of New Brunswick	Provincial	$1,730	0.3%
Province of Newfoundland	Provincial	$50,194	8.5%
Province of Nova Scotia	Provincial	$16,361	2.8%
Province of Ontario	Provincial	$50,201	8.5%
Province of Prince Edward Island	Provincial	$2,688	0.5%
Province of Quebec	Provincial	$44,121	7.5%
Province of Saskatchewan	Provincial	$5,191	0.9%
Quebec Hydro	Provincial	$13,500	2.3%
Total	**Provincial**	**$257,394**	**43.5%**
Region of Niagara Debentures	**Municipal**	**$5,968**	**1.0%**
TOTAL excluding Cash	**All**	**$591,596**	**100.0%**
Cash and Cashable GICs		$88,395	
TOTAL including Cash		**$679,991**	

* Note: Holdings by security percentages exclude cash balances.

Policy Percentage Limits

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

Debt Report (in thousands of dollars)

S&P (Standard & Poor's) has had Niagara rated AA with a stable outlook since April 5, 2001 when S&P and CBRS (Canadian Bond Rating Service) merged their ratings. S&P affirmed Niagara's AA rating with stable outlook on October 10, 2018. The ratings reflect S&P's opinion of Niagara's exceptional liquidity, very strong budgetary performance, strong financial management, and moderate debt burden. The stable outlook reflects S&P's expectations that Niagara will post near-balanced after-capital budgetary results; its tax-supported debt will be about 77% of consolidated operating revenues, and its liquidity will remain exceptional in the next two years. Niagara continually strives to improve our credit rating, as it sends a strong, positive message to investors, and directly impacts our cost of borrowing in the capital markets.

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

Department	Total Debt as at December 31, 2017 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at September 30, 2018 including Sinking Fund Assets	Forecasted Principal Payments	Unissued Debt *	Total Debt & Unissued Debt As at December 31, 2018	Annual Repayment Limits **
General Government	$25,014	$0	$-1,862	$-40	$23,112	$0	$12,350	$35,462	
Niagara Regional Police	$85,144	$1,675	$-2,980	$-151	$83,688	$-654	$11,080	$94,115	
Roads	$112,719	$19,744	$-10,661	$-174	$121,628	$0	$52,114	$173,742	
Public Health	$8,821	$8,256	$-2,759	$0	$14,318	$0	$6,537	$20,855	
Community Services	$24,469	$0	$-2,420	$0	$22,049	$0	$16,135	$38,184	
Niagara Regional Housing	$19,798	$6,769	$-2,259	$0	$24,308	$-102	$4,964	$29,169	
Planning	$93	$0	$-30	$0	$63	$0	$0	$63	
Total Levy	$276,057	$36,443	$-22,970	$-366	$289,164	$-756	$109,531	$397,939	
Wastewater	$58,971	$0	$-2,034	$-773	$56,163	$0	$17,150	$73,313	
Water	$9,214	$2,555	$-265	$-192	$11,311	$0	$8,845	$20,156	
Waste Management	$2,290	$0	$-733	$0	$1,558	$0	$0	$1,558	
Total Rate	$70,475	$2,555	$-3,032	$-966	$69,032	$0	$25,995	$95,027	
Total Niagara Region	**$346,533**	**$38,998**	**$-26,003**	**$-1,332**	**$358,196**	**$-756**	**$135,526**	**$492,966**	6.86%

Debt Report (in thousands of dollars) - Continued

Department	Total Debt as at December 31, 2017 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at September 30, 2018 including Sinking Fund Assets	Forecasted Principal Payments	Unissued Debt *	Total Debt & Unissued Debt As at December 31, 2018	Annual Repayment Limits **
Fort Erie	$8,406	$0	$-917	$0	$7,489	$-106	$0	$7,383	2.65%
Grimsby	$3,821	$0	$-167	$0	$3,654	$-169	$0	$3,485	1.69%
Lincoln	$4,948	$0	$-458	$0	$4,490	$-6	$0	$4,485	2.77%
NOTL	$2,823	$0	$-598	$0	$2,226	$-1	$0	$2,225	2.27%
Niagara Falls	$51,859	$0	$-3,126	$0	$48,733	$-515	$0	$48,219	3.46%
Pelham	$31,906	$0	$-1,723	$0	$30,182	$-94	$0	$30,089	14.10%
Port Colborne	$24,426	$6,145	$-1,593	$0	$28,978	$-229	$0	$28,749	9.26%
St. Catharines	$108,921	$16,524	$-10,975	$-181	$114,289	$-287	$0	$114,002	8.96%
Thorold	$1,176	$0	$-71	$0	$1,105	$-40	$0	$1,065	0.59%
Wainfleet	$20	$250	$-5	$0	$266	$0	$0	$266	0.08%
Welland	$45,622	$10,022	$-4,977	$0	$50,667	$-621	$0	$50,046	8.70%
West Lincoln	$0	$15,289	$-264	$0	$15,025	$0	$0	$15,025	2.88%
NPCA	$1,460	$0	$-760	$0	$700	$0	$0	$700	
Separate School Board	$0	$0	$0	$0	$0	$0	$0	$0	
Debt Assumed for Others (External)	**$285,389**	**$48,230**	**$-25,634**	**$-181**	**$307,804**	**$-2,067**	**$0**	**$305,737**	
Total Niagara Region & External	**$631,922**	**$87,228**	**$-51,637**	**$-1,512**	**$666,001**	**$-2,823**	**$135,526**	**$798,703**	

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

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

- By-law 2018-13: Infrastructure Ontario for $15,000, 30 years, 3.53% for Town of West Lincoln.
- By-law 2018-14: Infrastructure Ontario $289, 10 years, 3.16% for Town of West Lincoln.
- By-law 2018-11: Infrastructure Ontario $5,500, 30 years, 3.56% for City of Port Colborne.
- By-law 2018-12: Infrastructure Ontario $645, 10 years, 3.18% for City of Port Colborne
- By-law 2018-55: Capital Markets $65,794, 25 years, 3.207% for Niagara Region, City of Welland, City of St. Catharines, and Town of Wainfleet

Accounts Receivable Aging Report (in thousands of dollars)

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

Customer Name	Over 120	Explanation of Account	Recommendation
Bell Canada	$375	Project Cost Sharing for Burgoyne Bridge. Public Works staff still in discussions with customer regarding costs.	In dispute
Casino Niagara	$348	2011 short payment of $126 and 2012 short payment of $222 relating to the Casino/NRPS contract. Requested for write-off at 2013 year-end. Write-off request denied by Corporate Services Committee June 4, 2014; allowance for the uncollectible amount was recorded in 2013. Will be re-submitting write off request at 2018 year end.	To write off
City of St. Catharines	$1,933	Project Cost Sharing for Burgoyne Bridge. Final reconciliation of City funding amount is in progress.	Collection to continue
City of St. Catharines	$100	Transportation Master Plan (TMP) invoice; request to write off will be submitted in year-end report to Council with alternative method of charging local area municipalities for data requested from the TMP.	To write off
City of Welland	$50	Transportation Master Plan (TMP) invoice; revised fee agreed upon is $5,000 (not yet received). Balance will be submitted for write off in year-end report to Council with alternative method of charging local area municipalities for data requested from the TMP.	To write off
Merritton Mills Redevelopment Corp	$603	2007 Landfill tipping fees related to three redevelopment sites. Niagara Region will offset these with the Tax Increment Grants (TIG) as the agreements between the City of St. Catharines and the developer are signed. The Niagara Region has a Letter of Credit (LOC) in the amount of $472 related to the receivable for one site and the other two sites now have active tax increment grants starting in 2017 for 2016 tax year.	Pending 2018 TIG agreements
Seniors Resident	$35	Resident still active. Many attempts have been made to the family to collect. On-going efforts to mitigate risk.	Collection to continue
Town of Fort Erie	$1,453	Project Cost Sharing for Central Avenue Bridge. Final reconciliation of Town funding is underway with collection anticipated in Q4 of 2018.	Collection to continue

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

Customer Name	Over 120	Explanation of Account	Recommendation
Town of Grimsby	$50	Transportation Master Plan (TMP) invoice; request to write off will be submitted in year-end report to Council with alternative method of charging local area municipalities for data requested from the TMP.	To write off
Trisura Guarantee Insurance	$30	The invoice is requesting payment for work completed by our Completion Contractor in accordance with our contract with them and the payment terms with the Bonding Co.	Collection to continue
Total	**$4,977**		

Consolidated Statement of Financial Position (in thousands of dollars)

The consolidated statement of financial position is prepared in accordance with Canadian public sector accounting standards ("PSAS"). This includes all unfunded liabilities, impacts of amortization and capital fund activity.

	Q3	Q2	2017
FINANCIAL ASSETS			
Cash	**$ 104,990**	$ 138,977	$ 143,765
Investments	**584,181**	524,541	480,130
Accounts receivable	**53,016**	50,228	78,582
Other current assets	**360**	327	212
Tangible capital assets held for sale	**759**	759	3,515
Debt Recoverable from others	**307,804**	305,018	285,412
	1,051,110	1,019,850	991,616
FINANCIAL LIABILITIES			
Accounts payable and accrued liabilities	**102,455**	108,985	122,221
Employee future benefits and post-employment liabilities	**101,403**	101,403	101,403
Deferred revenue	**148,623**	151,252	142,222
Landfill closure and post-closure liability	**79,191**	79,191	79,191
Long-term liabilities	**665,621**	648,538	631,922
	1,097,293	1,089,369	1,076,959
Net debt	**(46,183)**	(69,519)	(85,343)
NON-FINANCIAL ASSETS			
Tangible capital assets	**1,746,402**	1,730,441	1,731,150
Inventory	**7,050**	7,251	7,319
Prepaid expenses	**8,752**	8,527	17,172
	1,762,204	1,746,219	1,755,641
Accumulated surplus	**$ 1,716,021**	$ 1,676,700	$ 1,670,298

Accumulated surplus reconciliation:

	Q3	Q2	2017
Operating surplus	**$ 16,117**	$ 13,798	$ 2,118
Invested in tangible capital assets	**1,388,585**	1,386,922	1,383,133
Capital fund – unexpended capital financing	**258,403**	234,406	189,895
Operating fund	**(13,195)**	(13,286)	(10,667)
Unfunded landfill closure & post-closure liability	**(79,191)**	(79,191)	(79,191)
Unfunded employee future benefits & post-employment liabilities	**(100,192)**	(100,192)	(100,234)
Total surplus	**1,470,527**	1,442,457	1,349,610
Total reserves and reserves funds (page 50)	**245,494**	234,243	285,855
Total accumulated surplus	**$ 1,716,021**	$ 1,676,700	$ 1,670,298

Explanation of Statement of Operations

The statements of operations provided in the preceding pages summarize the Niagara Region's financial activity as of September 30, 2018. These statements have been compiled by Enterprise Resource Management Services and the departments have validated the information and provided commentary.

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

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

Report Columns

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

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

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

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

Annual Forecast - the year to date actual plus the year to go forecast for October to December. It is intended to project expected organization results at the end of the current year based on information available at September 30, 2018. As noted, actual operating results may vary from the forecasted information presented.

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

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

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.

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).

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.

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.

Niagara Region

Q3 Financial Update | September 2018