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**Subject:** 2019 Budget-Water and Wastewater Operating Budget, Rate Setting and Requisition - **REVISED**

**Report to:** Budget Review Committee of the Whole

**Report date:** Thursday, January 24, 2019

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## Recommendations

1. That the 2019 net Water & Wastewater operating budget increase of \$1,667,883 or 1.50% over 2018 operating budget **BE APPROVED** in accordance with Council approved guidance;
2. That the 2019 net Water & Wastewater operating budget be increased by an additional \$555,961 for 0.50% over 2018 operating **BE APPROVED** in accordance with Council approved additional guidance;
3. That the total 2019 net Water & Wastewater operating budget be increased by an additional \$3,502,611 or 3.15% above Council guidance, **BE APPROVED**;
4. That the 2019 gross Water Operations operating budget of \$44,652,514 and net budget in the amount of \$44,238,899 as outlined in Appendix VI to report CSD 8-2019 for the Water Budget, Rates and Requisition **BE APPROVED**;
5. That the proposed fixed water requisition shown in Table 3 of report CSD 8-2019, based on 25% of the Region's water net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the serviced Local Area Municipalities starting January 1, 2019, apportioned based on their previous 8 year's average water supply volumes, **BE APPROVED**;
6. That the Region's proposed 2019 variable water rate of \$0.580, shown in Table 4 of report CSD 8-2019, to be effective January 1, 2019 and calculated by taking 75% of the Region's water net operating budget and dividing by the estimated supply volume, to be billed on a monthly basis to each serviced Local Area Municipality based on the previous month's metered flows, **BE APPROVED**;
7. That the 2019 gross Wastewater Operations operating budget of 76,105,449 and net budget in the amount of \$72,679,758 as outlined in Appendix VI to report CSD 8-2019 for the Wastewater Budget, Rates and Requisition **BE APPROVED**;
8. That the proposed 2019 fixed wastewater requisition as shown in Table 5 of report CSD 8-2019, based on 100% of the Region's net operating budget for the year and divided by 12 to determine the monthly charge, to be billed to each of the Local Area

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Municipalities starting January 1, 2019, apportioned based on their previous 3 year's average wastewater supply volumes, **BE APPROVED**;

9. That the 2019 wastewater monthly bills **INCLUDE** reconciliation for the 2017 net requisition allocation based on actual wastewater flows versus the estimated flows, as shown in Table 6 of report CSD 8-2019;
10. That the necessary by-laws **BE PREPARED** and **PRESENTED** to Council for consideration; and
11. That a copy of Report CSD 8-2019 **BE CIRCULATED** to the Local Area Municipalities.

## Key Facts

- Council provided base guidance of 1.5%, which is not enough to support infrastructure requirements. The proposed 2019 budget cannot accommodate an enhanced investment in sustainability of infrastructure as determined through the Safe Drinking Water Act (SDWA) requirements within additional guidance of 2.0%.
- The combined Water and Wastewater net based budget represents a \$5.73 million increase or 5.15% over 2018, as shown in **Table 1**.
- The Asset Management Plan (AMP) identified a current backlog of \$360 million and current annual funding deficit of \$77 million per year. Recommendation 3 will provide an additional \$3.65 million which will assist in reducing annual funding deficit.
- The proposed net Water budget represents a \$1.19 million increase, or 2.77% over 2018; the proposed net Wastewater budget represents a \$4.53 million increase, or 6.65% over 2018.
- The requisition methodology conforms to Council approved cost recovery methodology from 2011, which was reaffirmed through report CSD 61-2015, on July 2, 2015. The methodology apportions to the local area municipalities water at 75% variable rate and 25% as a fixed component and wastewater 100% fixed.
- The proposed variable water rate is increased by 2.5% to \$0.580 (2018 = \$0.566) attributed to the budget increase offset in part by an increase in projected water flows of 250 ML.
- The SDWA specifies that in order to be compliant the Region must have in place a sustainable Financial Plan (O.Reg 453/07).

## Financial Considerations

The Water and Wastewater Division's proposed 2019 net budget amount of \$116.92 million represents a \$5.73 million net increase or 5.15% from the 2018 budget, as shown in Table 1. \$72.68 million of this total net cost is related to the Wastewater program, representing a net increase of \$4.53 million, or 6.65% from 2018. The

remaining \$44.24 million relates to the Water program, which has increased by \$1.19 million, or 2.77% from 2018. The proposed gross budget and comparison to the 2018 net budget are outlined in Table 1.

**Table 1 – Summary of Proposed Water and Wastewater Base Budgets**

<b>2019 Proposed Budget - Gross &amp; Net</b>			
	<b>Water</b>	<b>Wastewater</b>	<b>Total</b>
<b>Total Operating</b>	<b>22,066,520</b>	<b>46,759,369</b>	<b>68,825,889</b>
Business Support	1,644,378	2,630,469	4,274,847
Reserve Transfer & Debt Charges	20,941,616	26,715,611	47,657,227
<b>Gross 2019 Budget Total</b>	<b>44,652,514</b>	<b>76,105,449</b>	<b>120,757,963</b>
Less: Revenues	(413,615)	(3,425,691)	<b>(3,839,306)</b>
Less: Reserve Funding	-	-	-
<b>Net 2019 Budget Requisition</b>	<b>44,238,899</b>	<b>72,679,758</b>	<b>116,918,657</b>
<b>Net 2018 Budget Requisition</b>	<b>43,046,531</b>	<b>68,145,671</b>	<b>111,192,202</b>
<b>% Change in Net Budget Requisition</b>	<b>2.77%</b>	<b>6.65%</b>	<b>5.15%</b>

## Analysis

The 2019 Water and Wastewater budgets were developed giving consideration to historical results (2017 actuals, 2018 forecast), operational concerns, legislative compliance, standard operating procedures, collaborations with LAMs, and cross-divisional and corporate business support costs. Information from the SDWA has also been incorporated in the 2019 budgets.

The total program cost includes both operating expenditures (representing 57% of total program costs), as well as transfers to reserve and debt charges in support of the capital program (representing 39% of the total program costs) with the remaining as business support (4%).

## Budget Pressures

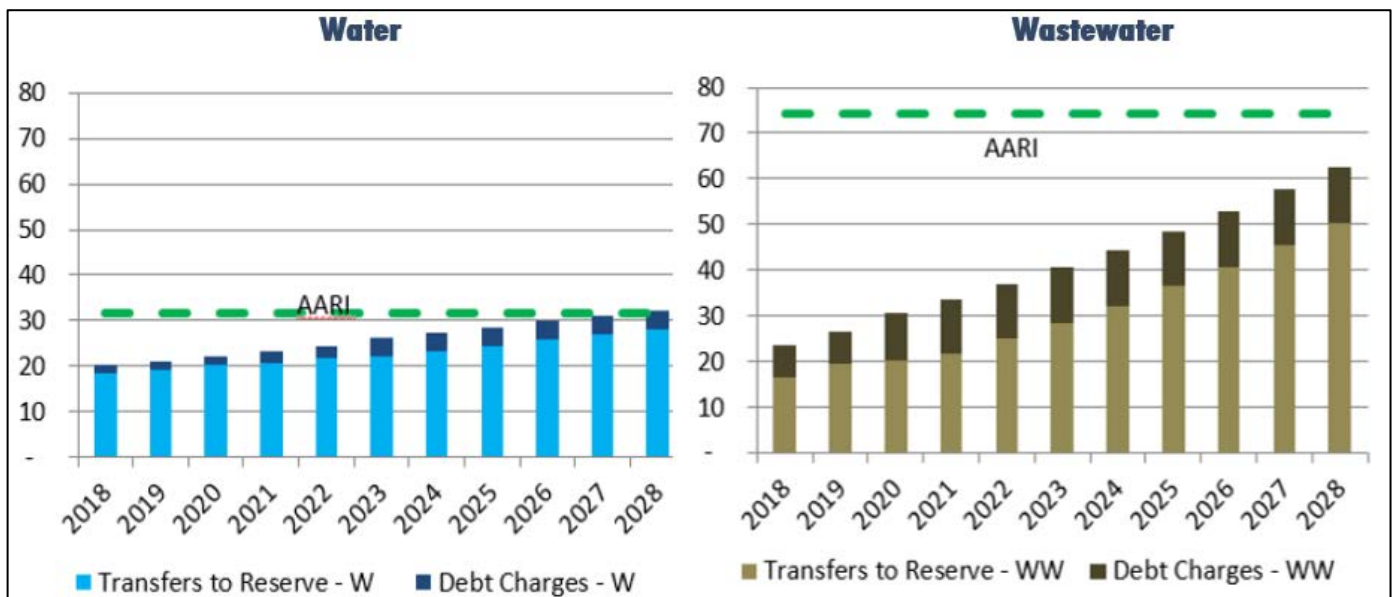
### *Capital/Infrastructure*

In 2017 the Region completed, and Council approved, a comprehensive Asset Management Plan (AMP). The detailed information available in this AMP was utilized in the 2019 capital budget preparation. This annual investment would address the average 10 year requirement and backlog as of December 2016. The consultant reviewed the 10 year budget and established that even if the entire available capital dollars were applied against the replacement and rehabilitation of exiting assets the Region's annual funding gap would be \$77M (10 year AARI).

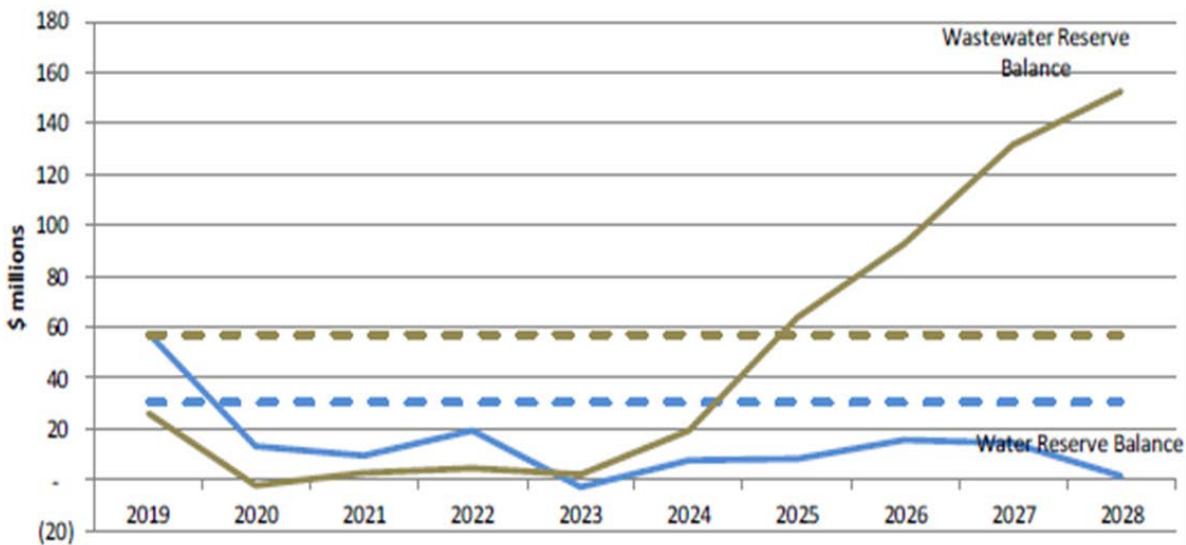
The total capital financing (transfer to capital reserve plus debt charges) included in the proposed budget to fund Regional infrastructure has increased to \$47.7 million from \$45.9 million in 2018. The chart below shows the approved 2018 and forecasted 2019 to 2028 trend of operating dollars used to fund infrastructure.

The recently completed SDWA Financial Plan identified increasing capital financing as an urgent need in order to address the current infrastructure gap. As a result, a proposed increase is recommended in the combined water and wastewater transfer from operating to capital of \$3M annually.

**Chart 1 – Operating Budget Supporting Infrastructure (\$ 000,000)**



While an increase in funding towards the capital program is proposed, significant challenges are still expected as a result of declining forecasts in reserves as follows. The following chart is inclusive of the additional \$3M in capital funding (as per recommendation 3). Debt will need to be utilized in the interim as the reserve balances decline. As presented within report PW 4-2019 Financial Plan for O.Reg. 453/07, staff proposed as a guiding principle that a minimum reserve balances of 2% of current asset value be maintained. The dotted lines on the below chart illustrate the 2% target compared against the forecasted reserve balance for each year. The wastewater reserve starts below the target balance but by 2025 starts to exceed the target balance as a result of a built in contingency to mitigate uncertainty around future upper level government grants provided for specific future projects.



#### *Other Budget Pressures:*

The Water and Wastewater division is currently experiencing maintenance challenges with its existing infrastructure. Many assets are being operated past their planned lifecycles and being run to failure. Most maintenance performed is reactive in nature due to the increasing burden and workload on existing maintenance staff. Equipment failures also increases the risk of non-compliance with provincial and federal legislation. There is currently one such non-compliance order due to equipment failure at the Niagara Falls Wastewater Treatment Plant. A proposed increase of 6 FTEs for maintenance staff at a total cost of \$440K is included for consideration within Council approved guidance. These additional resources will help with the increasing reactive and emergency type of repairs that are happening, while also increasing much needed preventative maintenance to keep infrastructure operating properly. To compliment the additional staff an increase for Equipment Repair & Maintenance costs of \$601K is also included in the base budget.

Included in the base budget is a program change to increase the water and wastewater operations staff by 5 FTEs, with a total cost of \$382K. The purpose of this program change is to implement the 3-man shift schedule throughout all of water and wastewater. The schedule is currently being piloted in area 1 wastewater and has seen to have decreased overtime, increased the cross training of existing staff and has standardized the operational tasks each operator is responsible for. This ultimately leads to lower operational risk.

Included in the base budget is a program change to convert a temporary Quality Management System (QMS) Analyst to a permanent Water Wastewater QMS Specialist at a cost of \$15K. This is required to support the continued maintenance of the Region's Drinking Water Quality Management System. This will also allow for further

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development, implementation, and application of the QMS system. Use of a QMS system is a legislated requirement under the Safe Drinking Water Act.

Included in the base budget is a program change to add an additional 2 Environmental Enforcement Officers (EEOs). EEOs are responsible for enforcing the sewer use by-law, providing spill response, administering the hauled sewage programs, and inspecting restaurant grease traps. The current complement of 2 EEO's cannot perform all of the testing, sampling, and inspections that are required. It is anticipated that the 2 additional positions would generate revenue in excess of their salary costs and provide a net savings in 2019 of \$139K.

Included in the base budget is a program change for a full time Energy Project Manager. Currently water wastewater has an embedded ERMS Energy Consultant; however, that resource is not being provided to water wastewater by ERMS after the end of 2018. The annual water wastewater utility budget is in excess of \$10M. There are currently several funding programs for energy efficiency and savings that could be taken advantage of. It is anticipated that after rebates and cost avoidance from efficiencies that this position will provide a net savings in 2019 of \$38K.

Other pressures included in the budget include an addition \$359K for sludge haulage and cake disposal. A portion of this is from contractual price escalations based on inflation and diesel fuel costs, however a large portion also relates to increase truck costs due to the equipment failures at the Niagara Falls Wastewater Treatment Plant.

Included in the base budget is increased debt servicing costs for a combined Water and Wastewater annual impact of \$1.86 million over 2018 in the base budget (included in the 1.5%) to support capital financing requirements of upcoming capital projects.

### Water Requisition

#### *Fixed Water Requisition*

As per Council's approved methodology, \$11,059,725 (25%) of the net Water budget will be recovered from fixed monthly requisitions to the local municipalities based on historical flows. The historical water flows and percentages utilized are included in **Appendix I and II**. This annual amount based on the historical flows is then divided by 12 to determine the monthly charge to be billed to each of the services Local Area Municipalities starting January 1, 2019. Also included as part of **Appendix I** is the annual impact on the fixed water requisition amount between 2018 and 2019 for each LAM. Table 3 summarizes the fixed amounts to be billed to each LAM based on the above methodology.

**Table 3 – Fixed Water Requisition for 2019 Net Budget**

Fixed Water Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	8.05%	\$890,784	\$74,232
Grimsby	5.59%	\$618,466	\$51,539
Lincoln	4.00%	\$442,040	\$36,837
Niagara Falls	26.50%	\$2,930,350	\$244,196
Niagara-on-the-Lake	5.42%	\$598,960	\$49,913
Pelham	2.18%	\$240,636	\$20,053
Port Colborne	5.31%	\$587,731	\$48,978
St. Catharines	26.39%	\$2,918,570	\$243,214
Thorold	3.58%	\$395,686	\$32,974
Welland	11.50%	\$1,271,541	\$105,962
West Lincoln	1.40%	\$164,962	\$13,747
<b>Total</b>	<b>100.00%</b>	<b>\$11,059,725</b>	<b>\$921,644</b>

**Table 3 – Fixed Water Requisition for 2019 Net Budget - REVISED**

Fixed Water Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
<b>Fort Erie</b>	<b>8.06%</b>	<b>\$891,561</b>	<b>\$74,297</b>
<b>Grimsby</b>	<b>5.60%</b>	<b>\$619,814</b>	<b>\$51,651</b>
<b>Lincoln</b>	<b>3.98%</b>	<b>\$440,441</b>	<b>\$36,703</b>
<b>Niagara Falls</b>	<b>26.53%</b>	<b>\$2,934,620</b>	<b>\$244,552</b>
<b>Niagara-on-the-Lake</b>	<b>5.41%</b>	<b>\$598,784</b>	<b>\$49,899</b>
<b>Pelham</b>	<b>2.18%</b>	<b>\$240,909</b>	<b>\$20,076</b>
<b>Port Colborne</b>	<b>5.32%</b>	<b>\$588,466</b>	<b>\$49,039</b>
<b>St. Catharines</b>	<b>26.41%</b>	<b>\$2,920,423</b>	<b>\$243,369</b>
<b>Thorold</b>	<b>3.57%</b>	<b>\$395,051</b>	<b>\$32,921</b>
<b>Welland</b>	<b>11.44%</b>	<b>\$1,265,722</b>	<b>\$105,477</b>
<b>West Lincoln</b>	<b>1.48%</b>	<b>\$163,933</b>	<b>\$13,661</b>
<b>Total</b>	<b>100.00%</b>	<b>\$11,059,725</b>	<b>\$921,644</b>

**Variable Water Rate**

The remaining \$33,179,174 (75%) will be charged through the variable water rates.

Staff is recommending that the variable rate be set at \$0.580 per cubic metre as outlined in Table 4 using a water forecast based on the average flow volumes that have been realized over the past three years. This marginally increases the flow volumes that was used for the purpose of 2019 variable water rate setting, minimizing the risk of unpredictable and weather related flows. An overview of the water trends and relate risk is outlined in more detail in **Appendix II**. Rate increase of 2.5% as a result of increased budget (2.8%) offset by increased water flow of 250 ML (0.4%).

**Table 4 – Variable Water Rate for 2019 Net Budget**

2019 Variable Water Rate	
Variable Allocation (75% x \$44,238,900)	\$ 33,179,174
2019 Water Flow Forecast (m <sup>3</sup> )	57,250,000
Variable Rate (\$/m <sup>3</sup> )	\$ 0.580

Wastewater Requisition

100% of the net wastewater requisition will be recovered from fixed monthly requisitions to the local municipalities. The historical wastewater flows and percentages utilized are included in **Appendix III**. This annual amount based on the historical flows is then divided by 12 to determine the monthly charge to be billed to each of the services Local Area Municipalities starting January 1, 2019. Also included as part of **Appendix III** is the annual impact of the fixed wastewater requisition amount between 2018 and 2019 for each LAM. Table 5 summarizes the fixed amounts to be billed to each LAM based on the above methodology.

**Table 5 – Fixed wastewater Requisition for 2019 Net Budget**

Fixed Wastewater Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	10.52%	\$7,644,115	\$637,010
Grimsby	4.72%	\$3,430,731	\$285,894
Lincoln	3.88%	\$2,822,606	\$235,217
Niagara Falls	20.08%	\$14,593,536	\$1,216,128
Niagara-on-the-Lake	4.04%	\$2,933,683	\$244,474
Pelham	1.84%	\$1,340,527	\$111,711
Port Colborne	5.66%	\$4,112,836	\$342,736
St. Catharines	28.47%	\$20,694,560	\$1,724,547
Thorold	4.89%	\$3,555,726	\$296,311
Welland	14.29%	\$10,383,458	\$865,288
West Lincoln	1.61%	\$1,167,978	\$97,332
<b>Total</b>	<b>100.00%</b>	<b>\$72,679,758</b>	<b>\$6,056,647</b>

**Table 5 – Fixed wastewater Requisition for 2019 Net Budget - REVISED**

Fixed Wastewater Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
<i>Fort Erie</i>	10.45%	\$7,596,338	\$633,028
<i>Grimsby</i>	4.57%	\$3,324,124	\$277,010
<i>Lincoln</i>	3.90%	\$2,837,406	\$236,450
<i>Niagara Falls</i>	20.26%	\$14,727,578	\$1,227,298
<i>Niagara-on-the-Lake</i>	4.07%	\$2,960,936	\$246,745
<i>Pelham</i>	1.86%	\$1,353,523	\$112,794
<i>Port Colborne</i>	5.61%	\$4,076,742	\$339,729
<i>St. Catharines</i>	28.54%	\$20,740,949	\$1,728,412
<i>Thorold</i>	4.86%	\$3,535,506	\$294,626
<i>Welland</i>	14.26%	\$10,363,446	\$863,621
<i>West Lincoln</i>	1.60%	\$1,163,210	\$96,934
<b>Total</b>	100.00%	\$72,679,758	\$6,056,647

As per Council's approved cost recovery methodology, the 2019 monthly Wastewater charges will include reconciliation of the 2017 Wastewater requisition payments. Municipalities 2017 rebated or charged will be based on their respective share of actual flows versus the estimated share used to initially allocate the 2017 charges. This reconciliation results in a total of \$2,076,584 in payments to, and \$2,076,584 in rebates from, the local municipalities. Tables outlining the calculation of the reconciliation have been included as **Appendix IV**, and the total charge including the 2019 requisition and 2017 reconciliation by local municipality has been included as **Appendix V**.

**Table 6 – Wastewater Reconciliation for 2017 included in 2019 Requisition**

Wastewater Reconciliation (2017)			
Municipality	Reconciliation (\$)	Monthly Rebate (\$)	Monthly Payment (\$)
Fort Erie	327,701		27,308
Grimsby	165,037		13,753
Lincoln	230,524		19,210
Niagara Falls	804,814		67,068
Niagara-on-the-Lake	337,962		28,163
Pelham	(64,988)	(5,416)	
Port Colborne	(180,933)	(15,078)	
St. Catharines	(1,426,851)	(118,904)	
Thorold	179,016		14,918
Welland	(403,812)	(33,651)	
West Lincoln	31,529		2,627
<b>Total</b>	<b>0</b>	<b>(173,049)</b>	<b>173,049</b>

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### Risks

- Water revenue is weather dependant and therefore subject to fluctuation that are outside the Region's control.
- Wastewater costs can also be weather dependent and therefore subject to fluctuation that are outside the Region's control.
- Unanticipated equipment failure which may impact operating expenditures.
- Unanticipated new provincial standards that may create operational pressures.
- Limited operational financial flexibility until the budget fully addresses the asset management plan/SDWA and may create further pressure on the already forecasted decline in reserves.

### **Alternatives Reviewed**

1. *That the 2019 net Water & Wastewater operating budget increase be limited to \$1,667,883 or 1.5% over 2018 operating budget in accordance with Council approved guidance.* This alternative is **NOT RECOMMENDED**. This alternative, if adopted, would require removal of the following from the 2019 Water & Wastewater operating budget:
  - a. **Eliminate proposed Capital Reserve transfers increase (\$3,070,366).** The recently completed Safe Drinking Water Act Financial Plan identified increasing capital financing as an urgent need in order to address the current infrastructure gap. The infrastructure gap was identified as part of the Region's most recent Asset Management Plan (AMP) as being over \$360M.
  - b. **Eliminate the Asset Management Program Change Increase (\$406,554).** Enterprise Resource Management Services (ERMS) has included a program change in the Levy budget for resources related to increasing Asset Management. ERMS fully recovers all costs through allocations from other Regional divisions. This represents the amount allocated to water and wastewater.
  - c. **Reduction of the current Combined Sewer Overflow (CSO) Program (\$1,200,000).** The region currently provides \$4M in grant funding to local area municipalities (LAMs) as part of the Region's CSO program. The program is funded 50% through the wastewater operating budget, and 50% through development charges. A reduction of \$1.2M would limit the amount available for the LAMs to \$2.8M and provide a net \$600,000 reduction to the wastewater budget. This will however put further pressure on the LAMs to fund local projects designed to reduce inflow and infiltration (I&I) of storm water into the sanitary sewer system. Reducing I&I is a key step in limiting the amount of untreated sewage that escapes into the environment and also helps to limit basement flooding events. In the event the above ERMS program change for Asset Management does not proceed, those funds could be used to re-increase the CSO budget by \$823,362 with a net impact to the

operating budget of \$411,682 after applying the development charges portion of 50%.

Under Alternative 1, the revised Water and Wastewater Requisition amounts are as follows. Under this alternative Tables 7, 8 & 9 identified below would replace Tables 3, 4 & 5 contained within the Analysis section of this report. Recommendations 4, 6 & 7 would also be updated accordingly.

**Table 7 – Fixed Water Requisition for 2019 Net Budget – Alternative 1**

Fixed Water Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	8.05%	\$872,182	\$72,682
Grimsby	5.59%	\$605,551	\$50,463
Lincoln	4.00%	\$432,809	\$36,067
Niagara Falls	26.50%	\$2,869,156	\$239,096
Niagara-on-the-Lake	5.42%	\$586,452	\$48,871
Pelham	2.18%	\$235,610	\$19,634
Port Colborne	5.31%	\$575,457	\$47,955
St. Catharines	26.39%	\$2,857,622	\$238,135
Thorold	3.58%	\$387,422	\$32,285
Welland	11.50%	\$1,244,987	\$103,749
West Lincoln	1.49%	\$161,517	\$13,460
<b>Total</b>	<b>100.00%</b>	<b>\$10,828,766</b>	<b>\$902,397</b>

**Table 7 – Fixed Water Requisition for 2019 Net Budget – Alternative 1 – REVISED**

Fixed Water Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
<b>Fort Erie</b>	<b>8.06%</b>	<b>\$872,943</b>	<b>\$72,745</b>
<b>Grimsby</b>	<b>5.60%</b>	<b>\$606,871</b>	<b>\$50,573</b>
<b>Lincoln</b>	<b>3.98%</b>	<b>\$431,244</b>	<b>\$35,937</b>
<b>Niagara Falls</b>	<b>26.53%</b>	<b>\$2,873,337</b>	<b>\$239,445</b>
<b>Niagara-on-the-Lake</b>	<b>5.41%</b>	<b>\$586,279</b>	<b>\$48,857</b>
<b>Pelham</b>	<b>2.18%</b>	<b>\$235,878</b>	<b>\$19,657</b>
<b>Port Colborne</b>	<b>5.32%</b>	<b>\$576,177</b>	<b>\$48,015</b>
<b>St. Catharines</b>	<b>26.41%</b>	<b>\$2,859,436</b>	<b>\$238,286</b>
<b>Thorold</b>	<b>3.57%</b>	<b>\$386,802</b>	<b>\$32,233</b>
<b>Welland</b>	<b>11.44%</b>	<b>\$1,239,290</b>	<b>\$103,274</b>
<b>West Lincoln</b>	<b>1.48%</b>	<b>\$160,509</b>	<b>\$13,376</b>
<b>Total</b>	<b>100.00%</b>	<b>\$10,828,766</b>	<b>\$902,397</b>

**Table 8 – Variable Water Rate for 2019 Net Budget – Alternative 1**

2019 Variable Water Rate	
Variable Allocation (75% x \$44,238,900)	\$ 32,486,297

2019 Water Flow Forecast (m <sup>3</sup> )	57,250,000
Variable Rate (\$/m <sup>3</sup> )	\$ 0.567

**Table 9 – Fixed wastewater Requisition for 2019 Net Budget – Alternative 1**

Fixed Wastewater Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	10.52%	\$7,312,489	\$609,374
Grimsby	4.72%	\$3,281,895	\$273,491
Lincoln	3.88%	\$2,700,152	\$225,013
Niagara Falls	20.08%	\$13,960,421	\$1,163,368
Niagara-on-the-Lake	4.04%	\$2,806,410	\$233,868
Pelham	1.84%	\$1,282,371	\$106,864
Port Colborne	5.66%	\$3,934,408	\$327,867
St. Catharines	28.47%	\$19,796,763	\$1,649,730
Thorold	4.89%	\$3,401,467	\$283,456
Welland	14.29%	\$9,932,990	\$827,749
West Lincoln	1.61%	\$1,117,308	\$93,109
<b>Total</b>	<b>100.00%</b>	<b>\$69,526,674</b>	<b>\$5,793,890</b>

**Table 9 – Fixed wastewater Requisition for 2019 Net Budget – Alternative 1 - REVISED**

Fixed Wastewater Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
<b>Fort Erie</b>	<b>10.45%</b>	<b>\$7,266,784</b>	<b>\$605,565</b>
<b>Grimsby</b>	<b>4.57%</b>	<b>\$3,179,912</b>	<b>\$264,993</b>
<b>Lincoln</b>	<b>3.90%</b>	<b>\$2,714,310</b>	<b>\$226,192</b>
<b>Niagara Falls</b>	<b>20.26%</b>	<b>\$14,088,647</b>	<b>\$1,174,054</b>
<b>Niagara-on-the-Lake</b>	<b>4.07%</b>	<b>\$2,832,481</b>	<b>\$236,040</b>
<b>Pelham</b>	<b>1.86%</b>	<b>\$1,294,803</b>	<b>\$107,900</b>
<b>Port Colborne</b>	<b>5.61%</b>	<b>\$3,899,880</b>	<b>\$324,990</b>
<b>St. Catharines</b>	<b>28.54%</b>	<b>\$19,841,140</b>	<b>\$1,653,428</b>
<b>Thorold</b>	<b>4.86%</b>	<b>\$3,382,124</b>	<b>\$281,844</b>
<b>Welland</b>	<b>14.26%</b>	<b>\$9,913,847</b>	<b>\$826,154</b>
<b>West Lincoln</b>	<b>1.60%</b>	<b>\$1,112,746</b>	<b>\$92,729</b>
<b>Total</b>	<b>100.00%</b>	<b>\$69,526,674</b>	<b>\$5,793,890</b>

2. That the 2019 net Water & Wastewater operating budget increase be limited to \$1,667,883 or 1.5% plus an additional \$555,961 or 0.5% over 2018 operating budget in accordance with Council approved additional guidance. This alternative is **NOT RECOMMENDED**. This alternative, if adopted, would require removal of the following from the 2019 Water & Wastewater operating budget:

- a. **Eliminate proposed Capital Reserve transfers increase (\$3,070,366).**  
The recently completed Safe Drinking Water Act Financial Plan identified

increasing capital financing as an urgent need in order to address the current infrastructure gap. The infrastructure gap was identified as part of the Region's most recent Asset Management Plan (AMP) as being over \$360M.

- b. **Reduction of the current Combined Sewer Overflow (CSO) Program (\$911,440).** The region currently provides \$4M in grant funding to local area municipalities (LAMs) as part of the Region's CSO program. The program is funded 50% through the wastewater operating budget, and 50% through development charges. A reduction of \$911,440 would limit the amount available for the LAMs to \$3,088,560 and provide a net \$455,720 reduction to the wastewater budget. This will however put further pressure on the LAMs to fund local projects designed to reduce inflow and infiltration (I&I) of storm water into the sanitary sewer system. Reducing I&I is a key step in limiting the amount of untreated sewage that escapes into the environment and also helps to limit basement flooding events

Under Alternative 2, the revised Water and Wastewater Requisition amounts are as follows. Under this alternative Tables 10, 11 & 12 identified below would replace Tables 3, 4 & 5 contained within the Analysis section of this report. Recommendations 4, 6 & 7 would also be updated accordingly.

***Table 10—Fixed Water Requisition for 2019 Net Budget—Alternative 2***

Fixed Water Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
Fort Erie	8.05%	\$875,116	\$72,926
Grimsby	5.59%	\$607,588	\$50,632
Lincoln	4.00%	\$434,265	\$36,189
Niagara Falls	26.50%	\$2,878,808	\$239,901
Niagara-on-the-Lake	5.42%	\$588,425	\$49,035
Pelham	2.18%	\$236,403	\$19,700
Port Colborne	5.31%	\$577,393	\$48,116
St. Catharines	26.39%	\$2,867,235	\$238,936
Thorold	3.58%	\$388,726	\$32,394
Welland	11.50%	\$1,249,175	\$104,098
West Lincoln	1.49%	\$162,060	\$13,505
<b>Total</b>	<b>100.00%</b>	<b>\$10,865,194</b>	<b>\$905,433</b>

**Table 10 – Fixed Water Requisition for 2019 Net Budget – Alternative 2 - REVISED**

Fixed Water Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
<i>Fort Erie</i>	8.06%	\$875,879	\$72,990
<i>Grimsby</i>	5.60%	\$608,912	\$50,743
<i>Lincoln</i>	3.98%	\$432,694	\$36,058
<i>Niagara Falls</i>	26.53%	\$2,883,002	\$240,250
<i>Niagara-on-the-Lake</i>	5.41%	\$588,252	\$49,021
<i>Pelham</i>	2.18%	\$236,672	\$19,723
<i>Port Colborne</i>	5.32%	\$578,115	\$48,176
<i>St. Catharines</i>	26.41%	\$2,869,055	\$239,088
<i>Thorold</i>	3.57%	\$388,103	\$32,342
<i>Welland</i>	11.44%	\$1,243,459	\$103,622
<i>West Lincoln</i>	1.48%	\$161,049	\$13,421
<b>Total</b>	100.00%	\$10,865,194	\$905,433

**Table 11 – Variable Water Rate for 2019 Net Budget – Alternative 2**

2019 Variable Water Rate	
Variable Allocation (75% x \$44,238,900)	\$ 32,595,581
2019 Water Flow Forecast (m <sup>3</sup> )	57,250,000
Variable Rate (\$/m <sup>3</sup> )	\$ 0.569

**Table 12 – Fixed wastewater Requisition for 2019 Net Budget – Alternative 2**

Fixed Wastewater Requisition for 2019 Net Budget			
Municipality	3-Year Avg. (%)	Allocation (\$)	Monthly (\$)
<i>Fort Erie</i>	10.52%	\$7,355,098	\$612,925
<i>Grimsby</i>	4.72%	\$3,301,018	\$275,085
<i>Lincoln</i>	3.88%	\$2,715,886	\$226,324
<i>Niagara Falls</i>	20.08%	\$14,041,767	\$1,170,147
<i>Niagara-on-the-Lake</i>	4.04%	\$2,822,763	\$235,230
<i>Pelham</i>	1.84%	\$1,289,843	\$107,487
<i>Port Colborne</i>	5.66%	\$3,957,333	\$329,778
<i>St. Catharines</i>	28.47%	\$19,912,116	\$1,659,343
<i>Thorold</i>	4.89%	\$3,421,287	\$285,107
<i>Welland</i>	14.29%	\$9,990,868	\$832,572
<i>West Lincoln</i>	1.61%	\$1,123,818	\$93,652
<b>Total</b>	100.00%	\$69,931,797	\$5,827,650

**Table 12 – Fixed wastewater Requisition for 2019 Net Budget – Alternative 2 - REVISED**

<b>Fixed Wastewater Requisition for 2019 Net Budget</b>			
<b>Municipality</b>	<b>3-Year Avg. (%)</b>	<b>Allocation (\$)</b>	<b>Monthly (\$)</b>
<i>Fort Erie</i>	<i>10.45%</i>	<i>\$7,309,127</i>	<i>\$609,094</i>
<i>Grimsby</i>	<i>4.57%</i>	<i>\$3,198,441</i>	<i>\$266,537</i>
<i>Lincoln</i>	<i>3.90%</i>	<i>\$2,730,126</i>	<i>\$227,510</i>
<i>Niagara Falls</i>	<i>20.26%</i>	<i>\$14,170,740</i>	<i>\$1,180,895</i>
<i>Niagara-on-the-Lake</i>	<i>4.07%</i>	<i>\$2,848,986</i>	<i>\$237,415</i>
<i>Pelham</i>	<i>1.86%</i>	<i>\$1,302,347</i>	<i>\$108,529</i>
<i>Port Colborne</i>	<i>5.61%</i>	<i>\$3,922,604</i>	<i>\$326,884</i>
<i>St. Catharines</i>	<i>28.54%</i>	<i>\$19,956,751</i>	<i>\$1,663,063</i>
<i>Thorold</i>	<i>4.86%</i>	<i>\$3,401,832</i>	<i>\$283,486</i>
<i>Welland</i>	<i>14.26%</i>	<i>\$9,971,613</i>	<i>\$830,968</i>
<i>West Lincoln</i>	<i>1.60%</i>	<i>\$1,119,230</i>	<i>\$93,269</i>
<i>Total</i>	<i>100.00%</i>	<i>\$69,931,797</i>	<i>\$5,827,650</i>

### **Relationship to Council Strategic Priorities**

The 2019 Water and Wastewater proposed budgets support Council's strategic priorities of organizational excellence, by meeting or exceeding legislative requirements and having 39% of the total program costs related to infrastructure renewal and replacement.

### **Other Pertinent Reports**

CSD 21-2017	Asset Management Plan
CSD 63-2017	Regional Development Charges and Proposed By-law
PDS 37-2016	Niagara 2041 Growth Strategy – Local Municipal Growth Allocations
PW 22-2017	2016 Water & Wastewater Master Servicing Plan Update
PW 5-2019	Safe Drinking Water Act Financial Plan

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**Prepared by:**

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**Recommended by:**

Todd Harrison, CPA, CMA  
Commissioner/Treasurer  
Enterprise Resource Management  
Services

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**Submitted by:**

Ron Tripp, P. Eng  
Acting, Chief Administrative Officer

*This report was prepared by Rob Fleming, Senior Tax & Revenue Analyst, in consultation with Michael Leckey, Program Financial Specialist and Reviewed by Margaret Murphy, Associate Director, Budget Planning & Strategy, and Ron Tripp, Commissioner, Public Works.*

**Appendices**

Appendix I	Water Flows and Fixed Water Requisition by Local Area Municipality - <b>REVISED</b>
Appendix II	Water Volume Analysis
Appendix III	Wastewater Flows and Fixed Wastewater Requisition by Local Area Municipality - <b>REVISED</b>
Appendix IV	2017 By-law Wastewater Reconciliation
Appendix V	Fixed Wastewater Requisition including Reconciliation by Local Area Municipality - <b>REVISED</b>
Appendix VI	Water and Wastewater Schedule of Revenues and Expenditures by Object of Expenditure

## Appendix I – Water Flows and Fixed Water Requisition by Local Area Municipality

Table 1 – Water Flows by Municipality

Municipality	3 Year Avg. per 2018 By-law		3 Year Avg. per 2019 By-law	
	Megalitres	%	Megalitres	%
Fort Erie	4,704	8.18%	4,681	8.05%
Grimsby	3,476	6.04%	3,250	5.59%
Lincoln	2,284	3.97%	2,323	4.00%
Niagara Falls	15,480	26.91%	15,398	26.50%
Niagara-on-the-Lake	3,109	5.40%	3,147	5.42%
Pelham	1,314	2.28%	1,264	2.18%
Port Colborne	3,048	5.30%	3,088	5.31%
St. Catharines	14,892	25.89%	15,336	26.39%
Thorold	1,983	3.45%	2,079	3.58%
Welland	6,385	11.10%	6,682	11.50%
West Lincoln	851	1.48%	867	1.49%
<b>Total</b>	<b>57,525</b>	<b>100%</b>	<b>58,116</b>	<b>100%</b>

Table 2 – Fixed Water Requisition by Municipality

Municipality	Fixed Requisition			
	2018 (\$000)	2019 (\$000)	Difference	
			\$000s	%
Fort Erie	880	891	10	1.18%
Grimsby	650	618	(32)	-4.91%
Lincoln	427	442	15	3.52%
Niagara Falls	2,896	2,930	34	1.19%
Niagara-on-the-Lake	582	599	17	2.91%
Pelham	246	241	(5)	-2.18%
Port Colborne	570	588	18	3.11%
St. Catharines	2,786	2,919	133	4.76%
Thorold	371	396	25	6.65%
Welland	1,194	1,272	78	6.49%
West Lincoln	159	165	6	3.75%
<b>Total</b>	<b>10,762</b>	<b>11,060</b>	<b>298</b>	<b>2.77%</b>

**Appendix I - Water Flows and Fixed Water Requisition by Local Area  
Municipality**

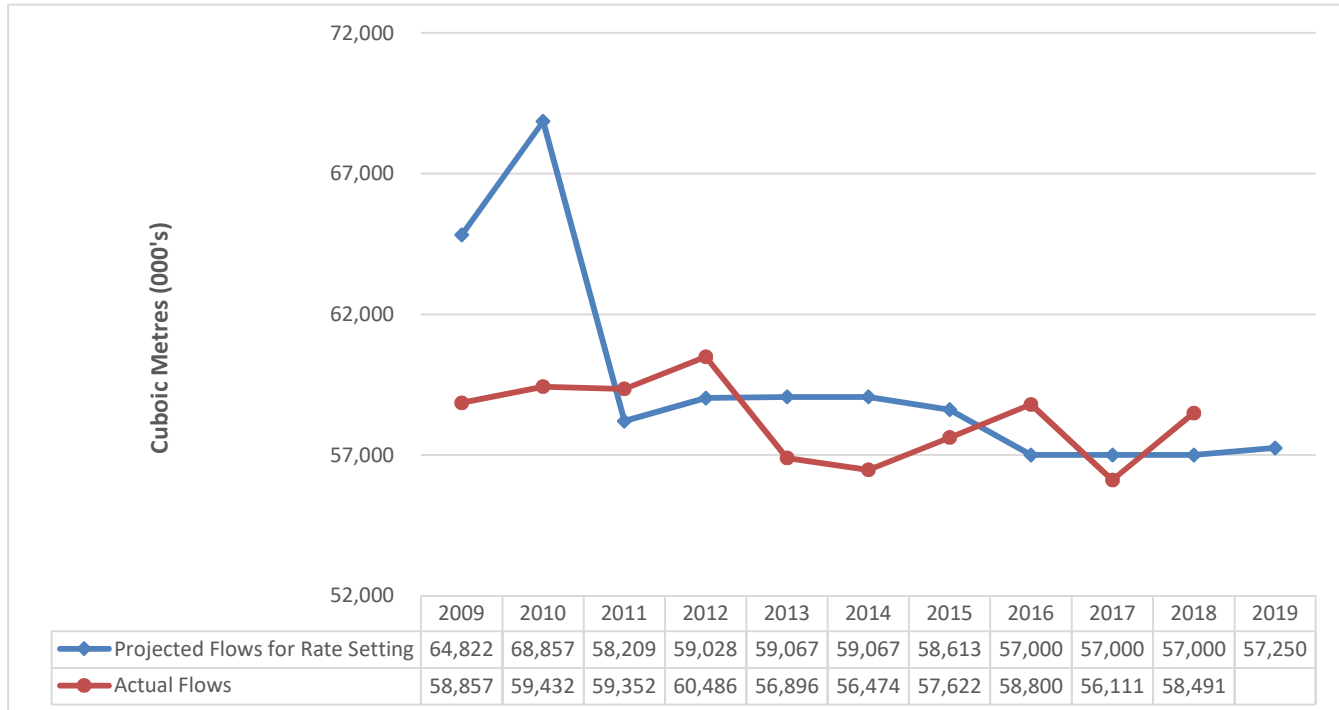
**Table 1 - Water Flows by Municipality**

Municipality	3-Year Avg. per 2018 By-law		3-Year Avg. per 2019 By-law	
	Megalitres	%	Megalitres	%
Fort Erie	4,704	8.18%	4,686	8.06%
Grimsby	3,476	6.04%	3,258	5.60%
Lincoln	2,284	3.97%	2,315	3.98%
Niagara Falls	15,480	26.91%	15,424	26.53%
Niagara-on-the-Lake	3,109	5.40%	3,147	5.41%
Pelham	1,314	2.28%	1,266	2.18%
Port Colborne	3,048	5.30%	3,093	5.32%
St. Catharines	14,892	25.89%	15,350	26.41%
Thorold	1,983	3.45%	2,076	3.57%
Welland	6,385	11.10%	6,653	11.44%
West Lincoln	851	1.48%	862	1.48%
<b>Total</b>	<b>57,525</b>	<b>100%</b>	<b>58,130</b>	<b>100%</b>

**Table 2 - Fixed Water Requisition by Municipality**

Municipality	Fixed Requisition			
	2018 (\$000)	2019 (\$000)	Difference	
			\$000s	%
Fort Erie	880	892	11	1.27%
Grimsby	650	620	(31)	-4.70%
Lincoln	427	440	13	3.15%
Niagara Falls	2,896	2,935	39	1.33%
Niagara-on-the-Lake	582	599	17	2.88%
Pelham	246	241	(5)	-2.07%
Port Colborne	570	588	18	3.24%
St. Catharines	2,786	2,920	134	4.82%
Thorold	371	395	24	6.48%
Welland	1,194	1,266	72	6.01%
West Lincoln	159	164	5	3.10%
<b>Total</b>	<b>10,762</b>	<b>11,060</b>	<b>298</b>	<b>2.77%</b>

## Appendix II - Water Volume Analysis



The 2018 actual flows are estimate to finish the year approximately 2.67% higher than project flows.

The water volume forecast for 2019 has been prepared giving consideration to historical trends and input received from some local area municipalities. the forecasted water usage in 2018 totalled approximately 58,520 ML.

The volume forecast for 2019 is below the 3-year average of 57,810 ML and 5-year average of 57,505 ML. This includes 2014 which was cool and wet compared to normal and 2015 which was a more typical summer weather year. 2016 experienced drought conditions during the summer and 2017 has experienced a very wet summer. The 2019 estimate reflects a slight increase over previous year's projections as a result of current growth trends within Niagara.

### Appendix III – Wastewater Flows and Fixed Requisition By Local Area Municipality

Table 1 – Wastewater Flows by Municipality

Municipality	3 Year Avg. per 2018 By-law		3 Year Avg. per 2019 By-law	
	Megalitres	%	Megalitres	%
Fort Erie	7,159	10.44%	7,515	10.52%
Grimsby	3,143	4.58%	3,373	4.72%
Lincoln	2,575	3.76%	2,775	3.88%
Niagara Falls	14,018	20.44%	14,348	20.08%
Niagara-on-the-Lake	2,655	3.87%	2,884	4.04%
Pelham	1,299	1.89%	1,318	1.84%
Port Colborne	3,934	5.74%	4,044	5.66%
St. Catharines	19,583	28.56%	20,346	28.47%
Thorold	3,183	4.64%	3,496	4.89%
Welland	9,951	14.51%	10,209	14.29%
West Lincoln	1,072	1.56%	1,148	1.61%
<b>Total</b>	<b>68,571</b>	<b>100%</b>	<b>71,455</b>	<b>100%</b>

Tables 2 – Fixed Wastewater Requisition by Municipality

Municipality	Fixed Requisition			
	2018 (\$000)	2019 (\$000)	Difference	
			\$000s	%
Fort Erie	7,114	7,644	531	7.46%
Grimsby	3,123	3,431	308	9.87%
Lincoln	2,559	2,823	264	10.30%
Niagara Falls	13,930	14,594	664	4.76%
Niagara-on-the-Lake	2,639	2,934	295	11.17%
Pelham	1,291	1,341	50	3.84%
Port Colborne	3,910	4,113	203	5.19%
St. Catharines	19,462	20,695	1,233	6.33%
Thorold	3,163	3,556	393	12.42%
Welland	9,890	10,383	493	4.99%
West Lincoln	1,066	1,168	102	9.57%
<b>Total</b>	<b>68,146</b>	<b>72,680</b>	<b>4,534</b>	<b>6.65%</b>

### Appendix III - Wastewater Flows and Fixed Requisition By Local Area Municipality

Table 1 - Wastewater Flows by Municipality

Municipality	3-Year Avg. per 2018 By-law		3-Year Avg. per 2019 By-law	
	Megalitres	%	Megalitres	%
Fort Erie	7,159	10.44%	7,348	10.45%
Grimsby	3,143	4.58%	3,216	4.57%
Lincoln	2,575	3.76%	2,745	3.90%
Niagara Falls	14,018	20.44%	14,247	20.26%
Niagara-on-the-Lake	2,655	3.87%	2,864	4.07%
Pelham	1,299	1.89%	1,309	1.86%
Port Colborne	3,934	5.74%	3,944	5.61%
St. Catharines	19,583	28.56%	20,064	28.54%
Thorold	3,183	4.64%	3,420	4.86%
Welland	9,951	14.51%	10,025	14.26%
West Lincoln	1,072	1.56%	1,125	1.60%
Total	68,571	100%	70,306	100%

Tables 2 - Fixed Wastewater Requisition by Municipality

Municipality	Fixed Requisition			
	2018 (\$000)	2019 (\$000)	Difference	
			\$000s	%
Fort Erie	7,114	7,596	483	6.79%
Grimsby	3,123	3,324	202	6.45%
Lincoln	2,559	2,837	278	10.88%
Niagara Falls	13,930	14,728	798	5.73%
Niagara-on-the-Lake	2,639	2,961	322	12.20%
Pelham	1,291	1,354	63	4.84%
Port Colborne	3,910	4,077	167	4.26%
St. Catharines	19,462	20,741	1,279	6.57%
Thorold	3,163	3,536	373	11.78%
Welland	9,890	10,363	473	4.79%
West Lincoln	1,066	1,163	97	9.12%
Total	68,146	72,680	4,534	6.65%

#### Appendix IV - 2017 By-law Wastewater Reconciliation

Wastewater Flows (Mega Litres)		
Municipality	Prior 3-Yr Avg	2017 By-Law Period Actual Flows <sup>1</sup>
Fort Erie	7,171	8,225
Grimsby	3,316	3,818
Lincoln	2,524	3,027
Niagara Falls	13,715	15,933
Niagara-on-the-Lake	2,602	3,235
Pelham	1,330	1,381
Port Colborne	4,200	4,389
St. Catharines	20,509	20,809
Thorold	3,174	3,679
Welland	10,478	11,004
West Lincoln	1,077	1,214
<b>Total</b>	<b>70,095</b>	<b>76,715</b>

Wastewater Fixed Allocation Percentages			
Municipality	Prior 3-Yr Avg	2017 By-Law Period Actual Flows <sup>1</sup>	Difference
Fort Erie	10.2%	10.7%	0.5%
Grimsby	4.7%	5.0%	0.2%
Lincoln	3.6%	3.9%	0.3%
Niagara Falls	19.6%	20.8%	1.2%
Niagara-on-the-Lake	3.7%	4.2%	0.5%
Pelham	1.9%	1.8%	-0.1%
Port Colborne	6.0%	5.7%	-0.3%
St. Catharines	29.3%	27.1%	-2.1%
Thorold	4.5%	4.8%	0.3%
Welland	14.9%	14.3%	-0.6%
West Lincoln	1.5%	1.6%	0.0%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Wastewater Fixed Allocation charge (\$000)			
Municipality	2017 By-Law Charges <sup>1,2</sup>	Charges Based on Actual Flows <sup>1</sup>	Underpayment/ (Overpayment) <sup>3</sup>
Fort Erie	\$ 6,839	\$ 7,167	\$ 328
Grimsby	3,162	3,327	165
Lincoln	2,407	2,638	231
Niagara Falls	13,079	13,884	805
Niagara-on-the-Lake	2,481	2,819	338
Pelham	1,268	1,203	(65)
Port Colborne	4,005	3,824	(181)
St. Catharines	19,559	18,132	(1,427)
Thorold	3,027	3,206	179
Welland	9,992	9,589	(404)
West Lincoln	1,027	1,058	32
<b>Total</b>	<b>\$ 66,847</b>	<b>\$ 66,847</b>	<b>\$ 0</b>

Sum of Overpayment:	(2,077)
Percentage of Requisition	3.11%

#### Notes:

1. 2017 By-Law period consists of the 12 month period from January 2017 to December 2017
2. Charges paid excluded payments made/rebates received for 2014 reconciliation.
3. Underpayments/(Overpayments) based on comparing 2 difference allocation methodologies (3-yr average vs. actual flows during By-law period).

**Appendix V—Fixed Wastewater Requisition Including Reconciliation by Municipality Comparison**

Municipality	Requisition		Reconciliation Payment / (Refund)		Total Charge (Requisition + Reconciliation)			
	2018 By-Law	2019 By-Law	2018 (2016 Rec.)	2019 (2017 Rec.)	2018 By-Law	2019 By-Law	Difference	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	%
Fort Erie	7,114	7,644	698	328	7,812	7,972	160	2.04%
Grimsby	3,123	3,431	(294)	165	2,830	3,596	766	27.07%
Lincoln	2,559	2,823	204	231	2,762	3,053	291	10.53%
Niagara Falls	13,930	14,594	342	805	14,273	15,398	1,125	7.89%
Niagara-on-the-Lake	2,639	2,934	76	338	2,715	3,272	557	20.52%
Pelham	1,291	1,341	85	(65)	1,375	1,276	(100)	-7.24%
Port Colborne	3,910	4,113	(544)	(181)	3,366	3,932	566	16.82%
St. Catharines	10,462	20,695	(117)	(1,427)	10,344	19,268	(77)	-0.40%
Thorold	3,163	3,556	142	179	3,305	3,735	430	13.02%
Welland	9,890	10,383	(666)	(404)	9,224	9,980	756	8.19%
West Lincoln	1,066	1,168	74	32	1,140	1,200	59	5.20%
<b>Total</b>	<b>68,146</b>	<b>72,680</b>	<b>-</b>	<b>-</b>	<b>68,146</b>	<b>72,680</b>	<b>4,534</b>	<b>6.65%</b>

**Appendix V - Fixed Wastewater Requisition Including Reconciliation by Municipality Comparison**

Municipality	Requisition		Reconciliation Payment / (Refund)		Total Charge (Requisition + Reconciliation)			
	2018 By-Law	2019 By-Law	2018 (2016 Rec.)	2019 (2017 Rec.)	2018 By-Law	2019 By-Law	Difference	
	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	(\$000)	%
Fort Erie	7,114	7,596	698	328	7,812	7,924	112	1.43%
Grimsby	3,123	3,324	(294)	165	2,830	3,489	659	23.30%
Lincoln	2,559	2,837	204	231	2,762	3,068	306	11.07%
Niagara Falls	13,930	14,728	342	805	14,273	15,532	1,260	8.82%
Niagara-on-the-Lake	2,639	2,961	76	338	2,715	3,299	584	21.53%
Pelham	1,291	1,354	85	(65)	1,375	1,289	(87)	-6.29%
Port Colborne	3,910	4,077	(544)	(181)	3,366	3,896	530	15.74%
St. Catharines	19,462	20,741	(117)	(1,427)	19,344	19,314	(30)	-0.16%
Thorold	3,163	3,536	142	179	3,305	3,715	410	12.41%
Welland	9,890	10,363	(666)	(404)	9,224	9,960	736	7.98%
West Lincoln	1,066	1,163	74	32	1,140	1,195	55	4.78%
<b>Total</b>	<b>68,146</b>	<b>72,680</b>	<b>-</b>	<b>-</b>	<b>68,146</b>	<b>72,680</b>	<b>4,534</b>	<b>6.65%</b>

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	2017 Actual	2018		2019						
	Total	Q3 Forecast Total	Budget Total	Base Services	Base Variance	Base Variance %	Budget Total Program Changes	Total	Total Variance	Total Variance %
A_40000AB Compensation	21,104,726	21,915,914	21,843,369	23,724,200	1,880,831	8.6%	-	23,724,200	1,880,831	8.6%
A_41000AB Administrative	2,330,687	1,933,599	2,969,753	2,317,200	(652,553)	(22.0%)	-	2,317,200	(652,553)	(22.0%)
A_44000AB Operational & Supply	12,284,087	12,806,984	12,440,500	12,709,326	268,825	2.2%	-	12,709,326	268,825	2.2%
A_50000AB Occupancy & Infrastructure	15,538,164	15,802,419	17,816,986	17,650,464	(166,522)	(0.9%)	-	17,650,464	(166,522)	(0.9%)
A_52000AB Equipment, Vehicles,Technology	6,332,384	6,387,262	5,450,875	6,142,880	692,005	12.7%	-	6,142,880	692,005	12.7%
A_54000AB Community Assistance	-	153	-	-	-	-	-	-	-	-
A_56000AB Partnership, Rebate, Exemption	1,523,364	16,665,352	4,015,000	4,015,000	-	-	-	4,015,000	-	-
A_58000AB Financial Expenditures	571	430	-	-	-	-	-	-	-	-
A_75100AC Transfers To Funds	49,919,051	38,017,710	37,137,710	33,967,191	(3,170,519)	(8.5%)	3,070,365	37,037,556	(100,154)	(0.3%)
A_60000AC Allocation Between Departments	1,738,573	1,789,253	1,811,823	1,823,753	11,930	0.7%	-	1,823,753	11,930	0.7%
A_60260AC Allocation Within Departments	406	(1)	-	0	0	-	-	0	0	-
<b>Gross Expenditure Subtotal</b>	<b>110,772,013</b>	<b>115,319,076</b>	<b>103,486,015</b>	<b>102,350,013</b>	<b>(1,136,002)</b>	<b>(1.1%)</b>	<b>3,070,365</b>	<b>105,420,379</b>	<b>1,934,363</b>	<b>1.9%</b>
A_30000AB Taxation	(108,965,230)	(112,021,023)	(111,192,202)	(113,436,612)	(2,244,410)	2.0%	(3,482,046)	(116,918,658)	(5,726,456)	5.2%
A_32400AB By-Law Charges & Sales	(1,264,501)	(1,196,923)	(1,088,600)	(1,358,200)	(269,600)	24.8%	-	(1,358,200)	(269,600)	24.8%
A_34950AB Other Revenue	(1,277,490)	(5,957,132)	(2,420,382)	(2,481,106)	(60,724)	2.5%	-	(2,481,106)	(60,724)	2.5%
A_75000AC Transfers From Funds	(13,283,675)	(11,520,980)	(2,025,000)	-	2,025,000	(100.0%)	-	-	2,025,000	(100.0%)
<b>Gross Revenue Subtotal</b>	<b>(124,790,896)</b>	<b>(130,696,057)</b>	<b>(116,726,184)</b>	<b>(117,275,918)</b>	<b>(549,734)</b>	<b>0.5%</b>	<b>(3,482,046)</b>	<b>(120,757,964)</b>	<b>(4,031,780)</b>	<b>3.5%</b>
<b>Net Expenditure (revenue) before indirect allocations</b>	<b>(14,018,883)</b>	<b>(15,376,981)</b>	<b>(13,240,168)</b>	<b>(14,925,904)</b>	<b>(1,685,736)</b>	<b>12.7%</b>	<b>(411,681)</b>	<b>(15,337,585)</b>	<b>(2,097,417)</b>	<b>15.8%</b>
A_70000AC Indirect Allocation	6,494,746	3,473,196	3,807,798	3,970,155	162,357	4.3%	411,681	4,381,836	574,038	15.1%
A_70200AC Capital Financing Allocation	7,434,439	9,411,650	9,432,370	10,955,749	1,523,379	16.2%	-	10,955,749	1,523,379	16.2%
<b>Allocation Subtotal</b>	<b>13,929,185</b>	<b>12,884,846</b>	<b>13,240,168</b>	<b>14,925,904</b>	<b>1,685,736</b>	<b>12.7%</b>	<b>411,681</b>	<b>15,337,585</b>	<b>2,097,417</b>	<b>15.8%</b>
<b>Net Expenditure (revenue) after indirect allocations</b>	<b>(89,698)</b>	<b>(2,492,135)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>
FTE - Reg			246.6	261.6	15.0		-	261.6	15.0	
FTE - Temp			6.6	4.5	(2.1)		-	4.5	(2.1)	

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	2017 Actual	2018		2019						
	Total	Q3 Forecast Total	Budget Total	Base Services	Base Variance	Base Variance %	Budget Total Program Changes	Total	Total Variance	Total Variance %
A_40000AB Compensation	6,893,686	7,068,107	7,037,532	7,882,004	844,472	12.0%	-	7,882,004	844,472	12.0%
A_41000AB Administrative	901,253	713,785	921,708	791,210	(130,498)	(14.2%)	-	791,210	(130,498)	(14.2%)
A_44000AB Operational & Supply	1,688,949	1,941,430	1,877,750	1,845,026	(32,724)	(1.7%)	-	1,845,026	(32,724)	(1.7%)
A_50000AB Occupancy & Infrastructure	5,331,271	5,467,504	5,928,138	6,011,924	83,786	1.4%	-	6,011,924	83,786	1.4%
A_52000AB Equipment, Vehicles, Technology	723,867	1,089,177	1,011,315	1,014,880	3,565	0.4%	-	1,014,880	3,565	0.4%
A_56000AB Partnership, Rebate, Exemption	20,091	15,000	15,000	15,000	-	-	-	15,000	-	-
A_58000AB Financial Expenditures	653	163	-	-	-	-	-	-	-	-
A_75100AC Transfers To Funds	19,668,620	18,414,458	18,414,458	17,646,954	(767,504)	(4.2%)	778,125	18,425,078	10,620	0.1%
A_60000AC Allocation Between Departments	572,901	603,183	598,791	605,396	6,606	1.1%	-	605,396	6,606	1.1%
A_60260AC Allocation Within Departments	3,975,392	3,809,323	4,127,410	3,899,825	(227,585)	(5.5%)	1,255	3,901,080	(226,330)	(5.5%)
<b>Gross Expenditure Subtotal</b>	<b>39,776,683</b>	<b>39,122,131</b>	<b>39,932,102</b>	<b>39,712,219</b>	<b>(219,883)</b>	<b>(0.6%)</b>	<b>779,380</b>	<b>40,491,598</b>	<b>559,497</b>	<b>1.4%</b>
A_30000AB Taxation	(42,118,483)	(43,875,352)	(43,046,530)	(43,312,997)	(266,467)	0.6%	(925,902)	(44,238,899)	(1,192,369)	2.8%
A_32400AB By-Law Charges & Sales	(30,642)	(12,048)	(5,000)	(5,000)	-	-	-	(5,000)	-	-
A_34950AB Other Revenue	(793,723)	(664,935)	(385,391)	(408,615)	(23,224)	6.0%	-	(408,615)	(23,224)	6.0%
A_75000AC Transfers From Funds	(806,404)	(29,108)	(25,000)	-	25,000	(100.0%)	-	-	25,000	(100.0%)
<b>Gross Revenue Subtotal</b>	<b>(43,749,252)</b>	<b>(44,581,442)</b>	<b>(43,461,921)</b>	<b>(43,726,612)</b>	<b>(264,691)</b>	<b>0.6%</b>	<b>(925,902)</b>	<b>(44,652,514)</b>	<b>(1,190,593)</b>	<b>2.7%</b>
<b>Net Expenditure (revenue) before indirect allocations</b>	<b>(3,972,570)</b>	<b>(5,459,312)</b>	<b>(3,529,820)</b>	<b>(4,014,394)</b>	<b>(484,574)</b>	<b>13.7%</b>	<b>(146,522)</b>	<b>(4,160,916)</b>	<b>(631,097)</b>	<b>17.9%</b>
A_70000AC Indirect Allocation	1,327,862	1,265,546	1,472,148	1,379,900	(92,248)	(6.3%)	146,522	1,526,422	54,274	3.7%
A_70200AC Capital Financing Allocation	1,199,301	2,067,368	2,057,672	2,634,494	576,822	28.0%	-	2,634,494	576,822	28.0%
<b>Allocation Subtotal</b>	<b>2,527,163</b>	<b>3,332,913</b>	<b>3,529,820</b>	<b>4,014,394</b>	<b>484,574</b>	<b>13.7%</b>	<b>146,522</b>	<b>4,160,916</b>	<b>631,097</b>	<b>17.9%</b>
<b>Net Expenditure (revenue) after indirect allocations</b>	<b>(1,445,407)</b>	<b>(2,126,398)</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>-</b>

FTE - Reg	75.0	83.0	8.0	-	83.0	8.0
FTE - Temp	4.0	2.0	(2.0)	-	2.0	(2.0)

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	2017 Actual	2018		2019						
	Total	Q3 Forecast Total	Budget Total	Base Services	Base Variance	Base Variance %	Budget Total Program Changes	Total	Total Variance	Total Variance %
A_40000AB Compensation	8,824,765	9,507,209	9,396,541	10,317,875	921,334	9.8%	-	10,317,875	921,334	9.8%
A_41000AB Administrative	966,012	739,487	1,083,885	956,490	(127,395)	(11.8%)	-	956,490	(127,395)	(11.8%)
A_44000AB Operational & Supply	10,060,850	10,534,869	10,141,250	10,496,800	355,550	3.5%	-	10,496,800	355,550	3.5%
A_50000AB Occupancy & Infrastructure	9,702,889	9,841,945	11,161,848	11,283,540	121,692	1.1%	-	11,283,540	121,692	1.1%
A_52000AB Equipment, Vehicles,Technology	3,346,081	3,205,701	2,471,060	3,088,500	617,440	25.0%	-	3,088,500	617,440	25.0%
A_54000AB Community Assistance	-	153	-	-	-	-	-	-	-	-
A_56000AB Partnership, Rebate, Exemption	1,503,274	16,650,352	4,000,000	4,000,000	-	-	-	4,000,000	-	-
A_58000AB Financial Expenditures	(281)	285	-	-	-	-	-	-	-	-
A_75100AC Transfers To Funds	30,250,431	19,603,252	18,723,252	16,320,237	(2,403,015)	(12.8%)	2,292,241	18,612,478	(110,774)	(0.6%)
A_60000AC Allocation Between Departments	850,588	866,075	867,360	893,415	26,054	3.0%	-	893,415	26,054	3.0%
A_60260AC Allocation Within Departments	5,802,306	5,598,218	6,093,096	5,720,763	(372,333)	(6.1%)	1,987	5,722,749	(370,347)	(6.1%)
<b>Gross Expenditure Subtotal</b>	<b>71,306,914</b>	<b>76,547,547</b>	<b>63,938,293</b>	<b>63,077,620</b>	<b>(860,673)</b>	<b>(1.3%)</b>	<b>2,294,227</b>	<b>65,371,847</b>	<b>1,433,555</b>	<b>2.2%</b>
A_30000AB Taxation	(66,846,747)	(68,145,671)	(68,145,671)	(70,123,614)	(1,977,943)	2.9%	(2,556,144)	(72,679,759)	(4,534,087)	6.7%
A_32400AB By-Law Charges & Sales	(1,232,538)	(1,182,619)	(1,083,600)	(1,353,200)	(269,600)	24.9%	-	(1,353,200)	(269,600)	24.9%
A_34950AB Other Revenue	(445,507)	(5,290,971)	(2,034,991)	(2,072,491)	(37,500)	1.8%	-	(2,072,491)	(37,500)	1.8%
A_75000AC Transfers From Funds	(12,477,271)	(11,491,872)	(2,000,000)	-	2,000,000	(100.0%)	-	-	2,000,000	(100.0%)
<b>Gross Revenue Subtotal</b>	<b>(81,002,063)</b>	<b>(86,111,132)</b>	<b>(73,264,262)</b>	<b>(73,549,305)</b>	<b>(285,043)</b>	<b>0.4%</b>	<b>(2,556,144)</b>	<b>(76,105,450)</b>	<b>(2,841,187)</b>	<b>3.9%</b>
<b>Net Expenditure (revenue) before indirect allocations</b>	<b>(9,695,150)</b>	<b>(9,563,585)</b>	<b>(9,325,970)</b>	<b>(10,471,685)</b>	<b>(1,145,715)</b>	<b>12.3%</b>	<b>(261,917)</b>	<b>(10,733,602)</b>	<b>(1,407,633)</b>	<b>15.1%</b>
A_70000AC Indirect Allocation	4,836,675	1,900,180	1,997,786	2,187,747	189,961	9.5%	261,917	2,449,665	451,879	22.6%
A_70200AC Capital Financing Allocation	6,214,183	7,297,668	7,328,183	8,283,938	955,754	13.0%	-	8,283,938	955,754	13.0%
<b>Allocation Subtotal</b>	<b>11,050,859</b>	<b>9,197,848</b>	<b>9,325,970</b>	<b>10,471,685</b>	<b>1,145,715</b>	<b>12.3%</b>	<b>261,917</b>	<b>10,733,602</b>	<b>1,407,633</b>	<b>15.1%</b>
<b>Net Expenditure (revenue) after indirect allocations</b>	<b>1,355,709</b>	<b>(365,737)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
FTE - Reg			105.6	115.6	10.0		-	115.6	10.0	
FTE - Temp			1.6	0.5	(1.1)		-	0.5	(1.1)	