

2019 Q2 Financial Results

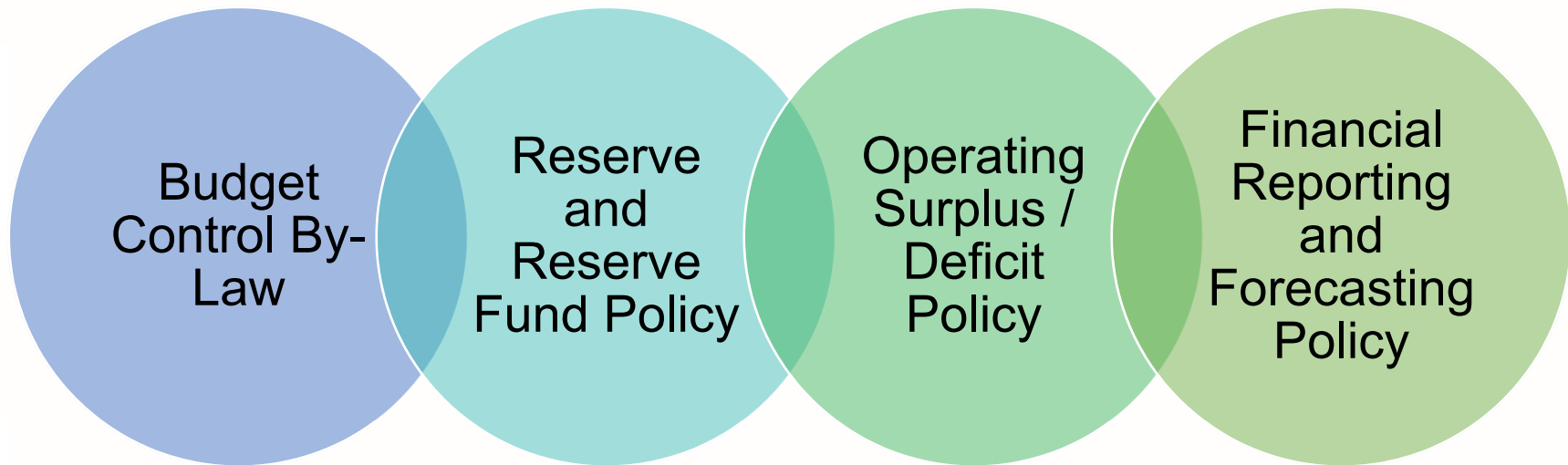
Corporate Services Committee
September 11, 2019

Agenda



Background

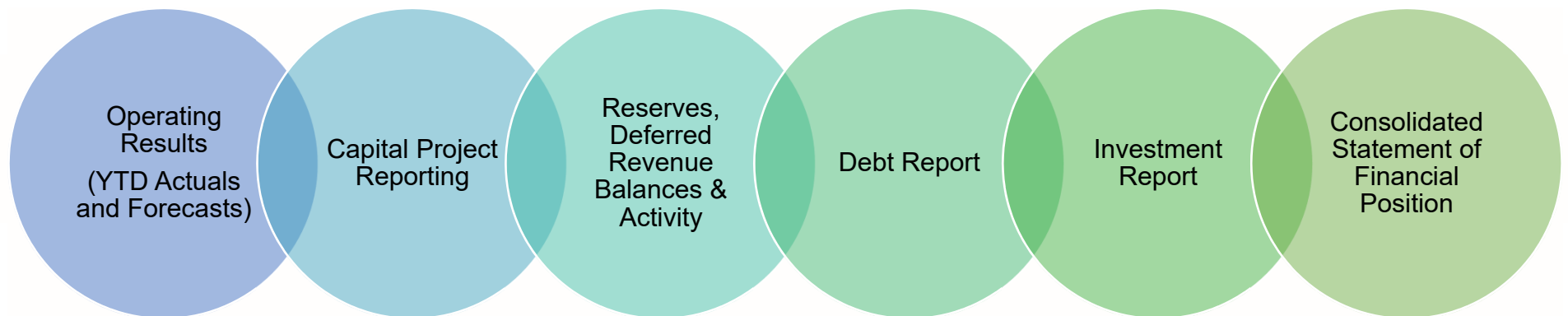
Policies & By-Laws that guide our financial reporting requirements:



Deliverables

2019 Q2 Financial Update is available on the Niagara Region's external website

The report contains information on:



Q2 Summary Results

Forecasted surplus in levy supported programs of \$0.9M at year-end

(in thousands)	Forecasted Surplus / (Deficit) (after indirect allocations)	Percentage of Gross Budget
Regional Departments and General Government	\$ (747)	0.15%
ABCs	\$ 1,663	0.70%
Total Levy Supported	\$ 916 ←	0.12%

Forecasted deficit in rate supported programs of \$2.0M at year-end

(in thousands)	Forecasted Surplus / (Deficit) (after indirect allocations)	Percentage of Gross Budget
Water and Wastewater	\$ (737)	0.85%
Waste Management	\$ (1,259)	2.48%
Total Rate Supported	\$ (1,996) ←	1.45%

Q2 Results By Department

(in thousands)	Annual Forecast (After Indirect Allocations)			
	Annual Budget	Annual Forecast	Annual Variance	% of Budgeted Expenditures
Regional Departments				
Corporate Administration	\$ 5,736	\$ 5,172	\$ 564	
Corporate Services	\$ 1,783	\$ 1,664	\$ 119	
ERMS	\$ -	\$ -	\$ -	
Community Services	\$ 43,829	\$ 43,949	\$ (120)	
PW - Transportation	\$ 72,966	\$ 73,161	\$ (195)	
Governance	\$ 2,413	\$ 2,290	\$ 123	
Planning & Development	\$ 4,400	\$ 4,211	\$ 189	
Public Health	\$ 38,675	\$ 39,806	\$ (1,131)	
Subtotal - Regional Departments	\$ 169,802	\$ 170,253	\$ (451)	
General Government	\$ (370,336)	\$ (370,040)	\$ (296)	
Total Regional Depts. & Gen. Government	\$ (200,534)	\$ (199,787)	\$ (747)	0.15%
Agencies, Boards and Commissions (ABCs)				
Court Services	\$ (605)	\$ (968)	\$ 363	
NRH	\$ 35,405	\$ 33,670	\$ 1,735	
NRPS	\$ 161,528	\$ 161,966	\$ (438)	
NPCA	\$ 4,206	\$ 4,203	\$ 3	
Subtotal - ABCs	\$ 200,534	\$ 198,871	\$ 1,663	0.70%
Total Levy Supported Programs	\$ -	\$ (916)	\$ 916	0.12%
Rate Supported Departments				
Water & Wastewater	\$ -	\$ 737	\$ (737)	0.85%
Waste Management	\$ -	\$ 1,259	\$ (1,259)	2.48%
Total Rate Supported	\$ -	\$ 1,996	\$ (1,996)	1.45%

Levy - Regional Departments

(in thousands)	Annual Forecast (After Indirect Allocations)			
	Annual Budget	Annual Forecast	Annual Variance	% of Budgeted Expenditures
Regional Departments	\$ 169,802	\$ 170,253	\$ (451)	
General Government	\$ (370,336)	\$ (370,040)	\$ (296)	
Regional Departments & Gen. Government	\$ (200,534)	\$ (199,787)	\$ (747)	0.15%
ABCs	\$ 200,534	\$ 198,871	\$ 1,663	0.70%
Total Levy Supported Programs	\$ -	\$ (916)	\$ 916	0.12%

Factors impacting Regional Dept.'s and Gen. Government (Deficit of \$747):

- Workplace Safety Insurance Board costs (\$854)
- Social Assistance Ontario Works Admin funding (\$455)
- Development Charge exemptions (\$4,917)
- Utilities (\$1,232)
- Supplemental tax revenue (\$2,309)
- Salary Gapping (\$1,216)

Factors driving 2019 results will be incorporated into 2020 budget

Levy - ABCs

(in thousands)	Annual Forecast (After Indirect Allocations)			
	Annual Budget	Annual Forecast	Annual Variance	% of Budgeted Expenditures
Regional Departments	\$ 169,802	\$ 170,253	\$ (451)	
General Government	\$ (370,336)	\$ (370,040)	\$ (296)	
Regional Departments & Gen. Government	\$ (200,534)	\$ (199,787)	\$ (747)	0.15%
ABCs	\$ 200,534	\$ 198,871	\$ 1,663	0.70%
Total Levy Supported Programs	\$ -	\$ (916)	\$ 916	0.12%

Factors impacting ABCs (Surplus of \$1,663):

- NRH – Subsidy payments to non-profit and co-op providers (\$1,372)
- Court Services – Collection enforcement activity/larger fine payments (\$196)
- NRPS – Savings in benefit premium costs, uniform salaries, offset by increased sick-leave payment (\$571) and forecasted shortfall in provincial grant funding (\$357), higher than budgeted self-insurance claim payouts (\$925)

Factors driving 2019 results will be incorporated into 2020 budget

Rate – Water & Wastewater

(in thousands)	Annual Forecast (After Indirect Allocations)			
	Annual Budget	Annual Forecast	Annual Variance	% of Budget
Water & Wastewater	\$ -	\$ 737	\$ (737)	0.85%
Waste Management	\$ -	\$ 1,259	\$ (1,259)	2.48%
Total Rate Supported Programs	\$ -	\$ 1,996	\$ (1,996)	1.45%

Factors Impacting Water & Wastewater (Deficit of \$737):

- Water sales (\$603)
- R&M (inclusive of emergency watermain repairs) (\$939)
- Utilities (\$1,554)
- Salary Gapping (\$470)

Factors driving 2019 results will be incorporated into 2020 budget

Rate - Waste Management

(in thousands)	Annual Forecast (After Indirect Allocations)			
	Annual Budget	Annual Forecast	Annual Variance	% of Budget
Water & Wastewater	\$ -	\$ 737	\$ (737)	0.85%
Waste Management	\$ -	\$ 1,259	\$ (1,259)	2.48%
Total Rate Supported Programs	\$ -	\$ 1,996	\$ (1,996)	1.45%

Factors Impacting Waste Management (Deficit of \$1,259):

- Decrease in net recycling sales as a result of lower commodity prices (\$2,203)
- Tipping fees (\$373)
- Issuance of liquidated damages (\$281)

Factors driving 2019 results will be incorporated into 2020 budget

Recommendations to Address Deficits

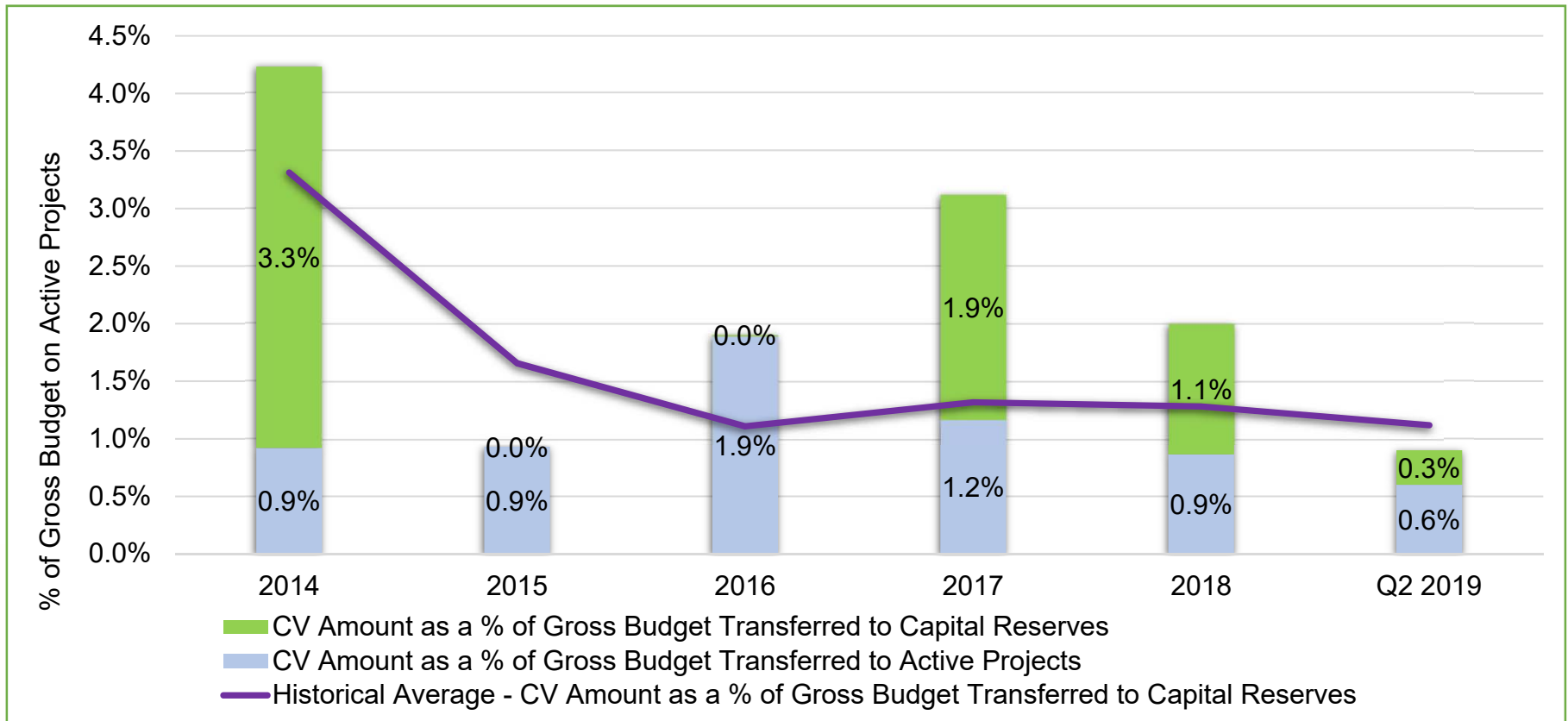
Levy Supported Programs

- In-year mitigation strategies
- Fund deficit as a result of DC exemptions from DC reserve payback

Rate Supported Programs

- In-year mitigation strategies
- Fund deficit(s) from stabilization reserves

Capital Variance Projects (CVP)



More funding has been returned to capital reserves over the past five years than to funding of active capital project variances.

CV Levy Balance as of June 30, 2019 is \$4.79M, of which \$4M is committed to the 2020 Capital Budget

Questions?

Beth Brens
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