

2019 Q3 Financial Results

Corporate Services Committee
December 4, 2019

Agenda

Background



Deliverables



Q3 Forecasts - Levy



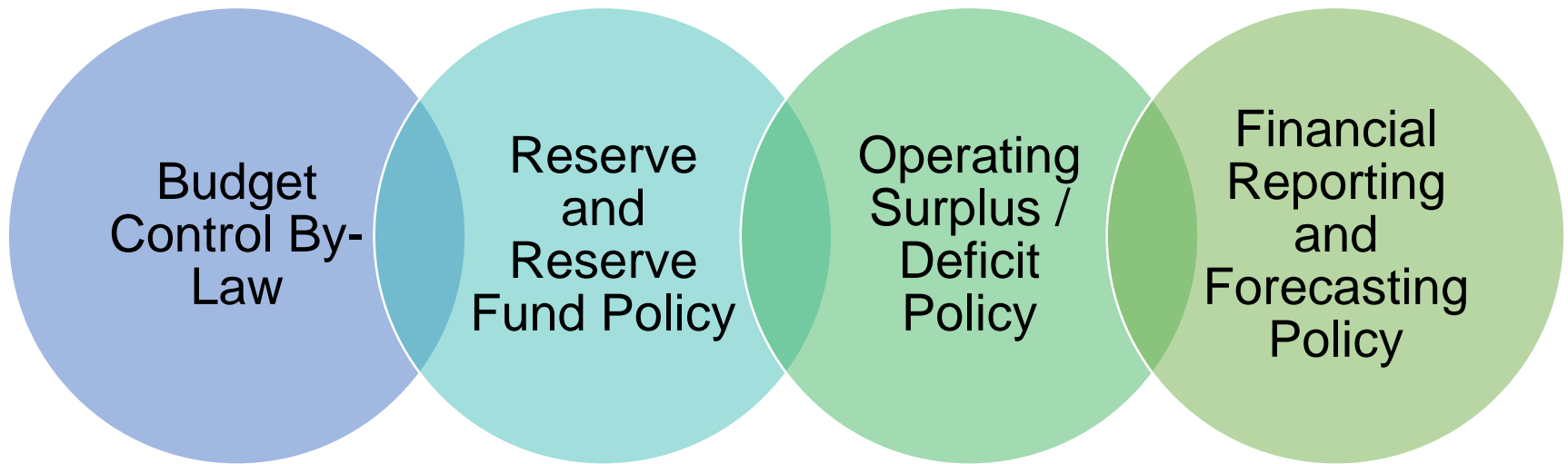
Q3 Forecasts - Rate



Q3 Capital Results

Background

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



Deliverables

2019 Q3 Financial Update is available on the Niagara Region's external website

The report contains information on:

Operating
Results
(YTD Actuals
and Forecasts)

Capital Project
Reporting

Reserves,
Deferred
Revenue
Balances &
Activity

Debt Report

Investment
Report

Consolidated
Statement of
Financial
Position

Q3 Summary Results

Forecasted surplus in levy supported programs of \$1.2M at year-end

(in thousands)	Forecasted Surplus / (Deficit) (before indirect allocations)		Forecasted Surplus / (Deficit) (after indirect allocations)		Percentage of Gross Budget
Regional Departments and General Government	\$	87	\$	698	0.14%
ABC's	\$	972	\$	455	0.19%
Total Levy Supported	\$	1,059	\$	1,152	0.15%


Forecasted deficit in rate supported programs of \$2.4M at year-end

(in thousands)	(Deficit) (after indirect allocations)		(Deficit) (after indirect allocations)		Percentage of Gross Budget
Water and Wastewater	\$	(1,129)	\$	(1,171)	1.35%
Waste Management	\$	(1,201)	\$	(1,252)	2.46%
Total Rate Supported	\$	(2,330)	\$	(2,423)	1.76%

Q3 Results By Department

(in thousands)	Forecasted Surplus / (Deficit) (before indirect allocations)		Forecasted Surplus / (Deficit) (after indirect allocations)		Percentage of Gross Budget
Regional Departments					
Governance	\$	163	\$	152	
General Government	\$	(929)	\$	(929)	
Corporate Admin	\$	874	\$	632	
ERMS	\$	(325)	\$	-	
Corporate Services	\$	669	\$	274	
Community Services	\$	(347)	\$	356	
Public Health & Emergency Services	\$	(1,618)	\$	(1,503)	
Public Works - Transportation	\$	1,495	\$	1,511	
Planning & Development	\$	104	\$	203	
Total Regional Departments	\$	87	\$	698	0.14%
Agencies, Boards and Commissions (ABCs)					
Court Services	\$	306	\$	362	6.48%
NRH	\$	166	\$	265	0.46%
NRPS	\$	499	\$	(177)	0.10%
NPCA	\$	(0)	\$	4	0.08%
Total ABCs	\$	972	\$	455	0.19%
Total Levy Supported Programs	\$	1,059	\$	1,152	0.15%
Water and Wastewater	\$	(1,129)	\$	(1,171)	1.35%
Waste Management	\$	(1,201)	\$	(1,252)	2.46%
Total Rate Supported Programs	\$	(2,330)	\$	(2,423)	1.76%

Levy - Regional Departments

(in thousands)	Forecasted Surplus / (Deficit) (before indirect allocations)		Forecasted Surplus / (Deficit) (after indirect allocations)		Percentage of Gross Budget
Regional Departments and General Government	\$	87	\$	698	0.14%
Agencies, Boards and Commissions (ABCs)	\$	972	\$	455	0.19%
Total Levy Supported Programs	 (Ctrl) ▾	1,059	\$	1,152	0.15%

Factors impacting Regional Departments (Surplus of \$698):

- Development Charge exemptions (\$4,766)
- Salary Gapping (\$3,180)
- Supplemental tax revenue (\$1,525)
- Utilities (\$1,346)
- Workplace Safety Insurance Board costs (\$1,020)
- Provincial Funding (\$770)

Factors driving 2019 results have been incorporated into 2020 budget where applicable

Levy - ABCs

(in thousands)	Forecasted Surplus / (Deficit) (before indirect allocations)		Forecasted Surplus / (Deficit) (after indirect allocations)		Percentage of Gross Budget
Agencies, Boards and Commissions (ABCs)					
Court Services	\$	306	\$	362	6.48%
NRH	\$	166	\$	265	0.46%
NRPS	\$	499	\$	(177)	0.10%
NPCA	\$	(0)	\$	4	0.08%
Total ABCs	\$	972	\$	455	0.19%

Factors impacting ABCs (Surplus of \$455):

- NRH – Subsidy payments to providers and rent supplement (\$1,729), heat control system upgrades (\$1,200)
- Court Services – Salary gapping (\$181), revenues (\$218)
- NRPS – Compensation (\$300), Provincial funding (\$357), self insurance claim payouts (\$934)

Factors driving 2019 results have been incorporated into 2020 budget where applicable

Rate – Water & Wastewater


(in thousands)	Forecasted Surplus / (Deficit) (before indirect allocations)		Forecasted Surplus / (Deficit) (after indirect allocations)		Percentage of Gross Budget
Water and Wastewater	\$	(1,129)	\$	(1,171)	1.35%
Waste Management	\$	(1,201)	\$	(1,252)	2.46%
Total Rate Supported Programs	\$	(2,330)	\$	(2,423)	1.76%

Factors Impacting Water & Wastewater (Deficit of \$1,171):

- Utilities (\$1,691)
- R&M (inclusive of emergency repairs) (\$1,687)
- Water sales (\$786)
- Salary gapping (\$548)
- Chemical costs (\$546)

Factors driving 2019 results have been incorporated into 2020 budget where applicable

Rate - Waste Management

(in thousands)	Forecasted Surplus / (Deficit) (before indirect allocations)		Forecasted Surplus / (Deficit) (after indirect allocations)		Percentage of Gross Budget
Water and Wastewater	\$	(1,129)	\$	(1,171)	1.35%
Waste Management	\$	(1,201)	\$	(1,252) 	2.46%
Total Rate Supported Programs	\$	(2,330)	\$	(2,423)	1.76%

Factors Impacting Waste Management (Deficit of \$1,252):





- Decrease in net recycling sales as a result of lower commodity prices (\$2,298)
- Tipping fees (\$174)
- Issuance of liquidated damages (\$246)

Factors driving 2019 results have been incorporated into 2020 budget where applicable

Year End Recommendations

Report will be brought forward in early 2020 with recommendations on how to fund year end deficits and where to transfer any surpluses.

Based on current year end forecasted results, the recommendations and results on the respective reserves would be as follows:

Program	Forecasted Surplus/(Deficit) (in thousands)	Recommendations	Forecasted Reserve Balance		Target Balance	
			Before YE Recommendation	After YE Recommendation	Low	High
Levy	\$ 1,152	transfer to Taxpayer Relief Reserve	\$ 21,753	\$ 22,905 	\$ 51,098	\$ 76,647
Water	\$ 155	transfer to Water Capital Reserve	\$ 3,511	\$ 3,666 	\$ 2,010	\$ 3,016
Wastewater	\$ (1,326)	transfer from Wastewater Stabilization Reserve	\$ 3,042	\$ 1,716 	\$ 5,629	\$ 8,444
Waste Management	\$ (1,252)	transfer from Waste Management Stabilization	\$ 7,240	\$ 5,988 	\$ 5,085	\$ 7,628

Capital Project Status Overview

LEVY

PROJECT BUDGETS SPENT AND/OR
COMMITTED AT QUARTER END

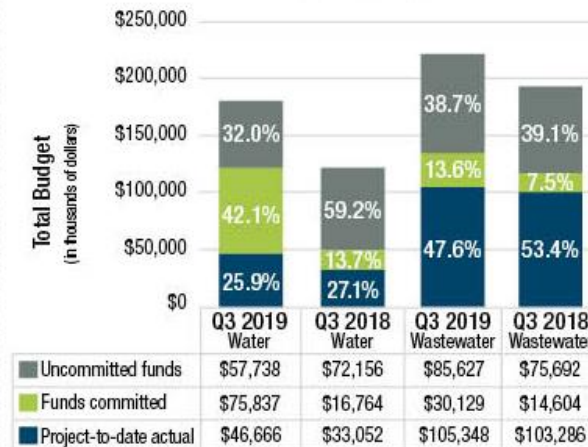
Total projects with remaining budgets greater than \$1M.



WATER & WASTEWATER

PROJECT BUDGETS SPENT AND/OR
COMMITTED AT QUARTER END

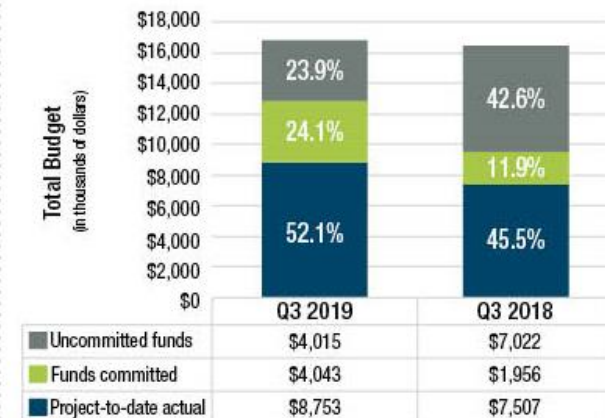
Total projects with remaining budgets greater than \$1M.



WASTE MANAGEMENT

PROJECT BUDGETS SPENT AND/OR
COMMITTED AT QUARTER END

Total projects with remaining budgets greater than \$1M.



Capital Variance Project Transfers

LEVY

CAPITAL VARIANCE PROJECT TRANSFERS
AT QUARTER END



WATER & WASTEWATER

CAPITAL VARIANCE PROJECT TRANSFERS
AT QUARTER END



WASTE MANAGEMENT

CAPITAL VARIANCE PROJECT TRANSFERS
AT QUARTER END



Questions?

Beth Brens

Acting Associate Director, Reporting & Analysis