
Subject: 2019 Year End Results and Transfer Report

Report to: Corporate Services Committee

Report date: Wednesday, March 11, 2020

Recommendations

1. That the unaudited summarized financial results of the Niagara Region as detailed in Appendix 1, **BE RECEIVED**;
2. That the 2019 year end operating surplus for levy supported programs including agencies, boards and commissions of \$3,453 thousand **BE TRANSFERRED** as follows:
 - \$48 thousand **BE TRANSFERRED** to the Ontario Police Video Training Alliance (OPVTA) Reserve as per NRPS recommendation to their Board in Appendix 6
 - \$89 thousand **BE TRANSFERRED** to the Police Services Board Contingency Reserve as per NRPS recommendation to their Board in Appendix 6
 - \$204 thousand **BE TRANSFERRED** to the Police Contingency Reserve as per NRPS recommendation to their Board in Appendix 6
 - \$580 thousand **BE TRANSFERRED** to the NRH Owned Units Reserve to fund heat control system upgrades in owned units to be completed in 2020 as per NRH recommendation to their Board in Appendix 7
 - \$250 thousand **BE TRANSFERRED** to the Niagara Regional Housing Reserve to fund the Affordable Housing Master Plan to be completed in 2020 as per NRH recommendation to their Board in Appendix 7
 - \$355 thousand **BE TRANSFERRED** to the Niagara Regional Housing Reserve to be utilized for new capital development opportunities to reduce the housing waitlist as per NRH recommendation to their Board in Appendix 7
 - \$177 thousand surplus related to the 2019 SNIP program **BE TRANSFERRED** to the Taxpayer Relief Reserve to fund the 2020 SNIP program as directed by Council at December 5, 2019 BRCOTW
 - \$1,750 thousand **BE TRANSFERRED TO** the Taxpayer Relief Reserve;
3. That the 2019 year end operating deficit for rate supported programs of \$2,840 thousand **BE TRANSFERRED** from reserves as follows:
 - \$1,156 thousand **BE TRANSFERRED** from the Waste Management Stabilization Reserve in order to fund the operating deficit relating to Waste Management service
 - \$507 thousand **BE TRANSFERRED** from the Water Stabilization Reserve in order to fund the operating deficit related to Water services

- \$1,177 thousand **BE TRANSFERRED** from the Wastewater Stabilization Reserve in order to fund the operating deficit relating to Wastewater services;
- 4. That encumbrances of \$16,377 thousand (Appendix 2), **BE RECEIVED** for information and that the deferral of these expenditures be included in the 2020 operating budget; and
- 5. That the transfers of \$8,446 thousand from the capital variance project to Capital Reserves **BE RECEIVED** for information.

Key Facts

- Overall, the unaudited results of Niagara Region's 2019 budget is a surplus of \$3,453 thousand in the levy supported programs and deficit of \$2,840 thousand in the rate supported programs.

	2019 Surplus/(Deficit) after indirect allocations (in thousands)	2019 Percentage of Budgeted Gross Expenditures	2018 Surplus/Deficit Percentage of Budgeted Gross Expenditures
Regional Depts. & General Government	\$878	0.16%	0.35%
Court Services	\$444	7.24%	8.10%
NRH	\$1,327	2.03%	4.65%
NRPS	\$798	0.44%	0.34%
NPCA	\$6	0.13%	0.06%
Total Levy Supported Surplus	\$3,453	0.44%	0.26%
Water	(\$507)	1.13%	10.67%
Wastewater	(\$1,684)	1.46%	0.63%
Waste Management	(\$1,156)	2.13%	3.13%
Total Rate Supported Deficit	(\$2,840)	1.58%	2.76%

- The Niagara Region continues to tightly manage its operating surplus/deficits in year with overall variances as a percentage of gross budgeted expenditure remaining low. A 5 year summary of the surplus/deficit can be found in Appendix 3.
- The recommendations included in this report have been guided by the Operating Surplus/Deficit Policy approved by Council in July 2018, which states that "yearend surpluses will be allocated to those areas that have been identified as underfunded per the Reserve and Reserve Fund Policy and/or one time funding needs as recommended by Council".

- ABC's have made their own recommendations based on their strategic objectives and their assessment of underfunded areas.
- As the Surplus/Deficit Policy applies to all departments, agencies, boards and commissions the recommendation to transfer the full levy supported surplus to the Taxpayer Relief Reserve is preferred by Niagara Region staff in consideration of the Niagara Regions' overall sustainability and credit rating. More information on this is presented in the Alternatives Reviewed section of the report.
- Funding of \$16,377 thousand has been set aside in the encumbrance reserve as of December 31, 2019. \$12,683 thousand (77.4%) of the total encumbrance amount is related to various incentive and grant programs such as Combined Sewer Overflow (CSO) Program, Smarter Niagara Incentive Program (SNIP), Public Realm Investment Program (PRIP), Gateway Tax Increment Grant (TIG) and the Waterfront Investment Program (WIP). For the amounts encumbered, a spending obligation (in the form of a purchase order, contract or other legally binding commitment) has been made against the 2019 operating budget, however, the product or service has not been received in the year. The budgeted funds will be transferred to the 2020 operating budget when the product or service is received and the related budgeted expense will be grossed up for the year.
- In accordance with the Budget Control By-Law, capital variance projects (CVP) are allocated surplus from capital projects and used for funding capital project deficits in the year. The CVP are maintained at a target balance of \$1 million at the beginning of each year per the Capital Asset Management Policy. Balances greater than \$1 million are transferred to capital reserves at year end. Transfers to the General Capital Levy of \$5,449 thousand, Wastewater capital of \$945 thousand, Water capital of \$1,172 thousand and Waste Management Capital of \$1,100 thousand were completed at year end. Some of this funding was utilized in the 2020 capital budget and some will be leveraged in the long-term capital affordability strategy.

Financial Considerations

The recommendations in this report will fully allocate the 2019 year end operating surplus to reserves. Full explanations for the surpluses and deficits can be found in Appendix 4 and are summarized on the *Consolidated Year End Funding Surplus/(Deficit) Review* in Appendix 1.

Analysis

Full analysis and explanation of the rate and levy supported programs can be found in the Annual Financial Update in Appendix 4 and on the Region's website. The report is Accessibility for Ontarians with Disabilities Act compliant. Hard copies of the report can be made available upon request.

[December 2019 Financial Report](https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx)

(<https://www.niagararegion.ca/business/finance/quarterly-reports/default.aspx>)

Reserve Impacts Based on Report Recommendations

The Niagara Region's Operating Surplus/Deficit Policy outlines how annual operating surpluses or deficits are addressed at year end, giving consideration to affordability, sustainability and Niagara Region's credit rating. This Policy applies to all departments, agencies, boards and commissions consolidated within the Niagara Region.

The Policy states that year end surpluses will be allocated to those areas that have been identified as underfunded per the Reserve and Reserve Funds Policy and/or one time funding needs as recommended by Council. The Policy states that for corporate stabilization reserves, the minimum balance target is 10% to 15% of Operating Expenses.

The chart below shows a summary of the transfers recommended in this report and shows the reserve balance before and after the recommended transfers.

Reserve Description	Reserve Balance Before Transfer (in thousands)	Recommended Transfer to/(from) Reserve (in thousands)	Reserve Balance After Transfer (in thousands)
Stabilization Reserves			
Taxpayer Relief	\$21,831	\$1,925	\$23,757
Water Stabilization	\$3,492	(\$507)	\$2,986
Wastewater Stabilization	\$3,026	(\$1,177)	\$1,848
Waste Management Stabilization	\$7,200	(\$1,156)	\$6,043
Police Contingency	\$250	\$204	\$454
Police Services Board Contingency	\$152	\$89	\$252
Capital Reserves			
Ontario Police Video Training Alliance	\$61	\$48	\$109
Niagara Regional Housing	\$7,623	\$605	\$8,228
Niagara Owned Units	\$5,408	\$580	\$5,987

The following shows the balance of the reserves (after the recommended transfers included in this report) and amount over or below the minimum target balances as outlined in the Reserve and Reserve Funds Policy.

Reserve Description	Reserve Balance After Transfer (in thousands)	Target Balance (in thousands)	
		Low (10%)	High (15%)
Stabilization Reserves			
Taxpayer Relief	\$23,757	\$55,968	\$83,952
Water Stabilization	\$2,986	\$2,359	\$3,359
Wastewater Stabilization	\$1,848	\$6,342	\$9,513
Waste Management Stabilization	\$6,043	\$5,085	\$7,628
Police Contingency	\$454	Determined by NRPS	
Policy Contingency	\$252	Determined by NRPS	
Capital Reserves			
Ontario Police Video Training Alliance	\$109	Reserve targets noted above not applicable for these reserves	
Niagara Regional Housing	\$8,228		
Niagara Owned Units	\$5,987		

Based on the table above, the following stabilization reserves are underfunded, as they are not meeting the minimum target balance thresholds established:

- Taxpayer Relief
- Wastewater Stabilization

Reserve balances below the minimum target may impact the ability to manage future operational risks.

Unspent Budgeted Reserve Transfers

Budgeted reserve transfers that are unspent during the year are returned to their originating reserves in accordance with the Reserve and Reserve Fund Policy. In 2019 the following funds were returned to reserves:

- Unused drainage assessment funding by local area municipalities of \$98 thousand
- Unused active transportation/bike lane funding by local area municipalities of \$150 thousand
- Unused funds for Niagara Regional Transit West Niagara service expansion rollout of \$821 thousand
- Unused funds for Stormwater guidelines of \$50 thousand

Encumbrances

Encumbrance accounting is a mechanism to facilitate the accounting of good and services where an obligation to purchase has occurred but the goods or services have not been received by year end. An obligation to purchase can be in the form of a purchase order, contract or other legally binding commitments. Funds are requested to be set aside in the encumbrance reserve for use in the following year.

Incorporated in the year end operating funding surpluses are encumbrances totalling \$16,377 thousand (see Appendix 2). As part of the year end reporting process, the Financial Management and Planning division has reviewed each encumbrance request with the originating department. The encumbrances identified will be transferred to the encumbrance reserve at December 31, 2019 and transferred back to the respective departments in 2020. Encumbrance balances that have been carried forward from a previous year have also been identified in Appendix 2.

The majority of the encumbrance requests in 2019 relate to various incentive and grant programs which are in partnership with the local area municipalities (LAMs) and can span multiple years.

Capital Variance Project Transfer to Capital Reserve

Throughout the year, project variances are transferred to or from the Capital Variance Project (CVP) to be use in year in accordance with the Budget Control By Law.

During 2019, a total of 117 projects were closed (compared to 197 projects in 2018). As a result of the project closures and budget reductions, a total of \$15,727 thousand and \$26,331 thousand were returned to the CVP in 2019 and 2018 respectively.

At the end of the year, the balance of the CVPs are reviewed and the amount in excess of \$1 million is transferred to the appropriate capital reserve (see *Capital Variance Project Summary* in Appendix 4 for more detail).

The following is a summary of the amounts transferred to the respective capital reserve from each CVP and the balances remaining in the CVP as of December 31, 2019.

CVP Description	CVP Balance Before Transfer to Reserve (in thousands)	Transfer to Reserve (in thousands)	CVP Balance After Transfer to Reserve (in thousands)
Levy Programs	\$6,229	\$5,229*	\$1,000
Waste Management	\$1,682	\$1,100**	\$582
Wastewater	\$1,945	\$945	\$1,000
Water	\$2,172	\$1,172	\$1,000
Total	\$12,028	\$8,446	\$3,582

* \$4,000 of the amount transferred to reserve has been committed to the approved 2020 capital budget

** All of the \$1,100 transfer to reserve has been committed to the approved 2020 capital budget

Alternatives Reviewed

Council may direct staff to consider alternatives options for the consolidated net surplus position of \$612 thousand. Some of the potential alternatives may include:

Alternative Option – Transfer all of the Surplus from the Levy Supported Programs to Taxpayer Relief

It is at the discretion of Council how to treat the levy supported operating surplus at year end. Surpluses are a result of funding provided in a budget that was not required to achieve the objectives or mandate for that year. Since these funds are not required, Council may direct staff to allocate all of the levy supported operating surplus to the Taxpayer Relief Reserve (thereby not accepting some or all of the recommendations made by the NRH and NRPS Boards).

The yearend surplus is currently the only mechanism the Region is using to contribute funds into its stabilization reserves as contributions to these reserves are not being made as part of the base budget process. This alternative allows Council to maximize its available contribution to the stabilization reserves and improves the Region's overall

financial sustainability. Strong stabilization reserves support all levy supported programs including the agencies, boards and commissions who may need to leverage them in the future.

To further support staff's position that Niagara Region's reserves are underfunded, the Ministry of Municipal Affairs and Housing's 2018 Financial Indicator Review has been attached in Appendix 5. It shows Niagara Region's reserves as a percentage of municipal expenses at 32.5% which is much lower than the comparative group showing an average of 91.8%.

Relationship to Council Strategic Priorities

Providing formal financial reporting to Council and the public supports the Council Strategic Priority of Sustainable and Engaging Government.

Other Pertinent Reports

CSD 49-2019	Q1 2019 Financial Update
CSD 63-2019	Q2 2019 Financial Update
CSD 76-2019	Q3 2019 Financial Update

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This report was prepared in consultation with the Corporate Leadership Team and consolidated ABC's and reviewed by Helen Chamberlain, Director, Financial Management & Planning/Deputy Treasurer.

Appendices

Appendix 1	Consolidated Year End Funding Surplus/(Deficit)
Appendix 2	Detailed Summary of Encumbrances by Department
Appendix 3	5 Year Funding Surplus/(Deficit) Analysis
Appendix 4	Q4 2019 Financial Update

Appendix 5	MMAH 2018 Financial Indicator Review
Appendix 6	NRPS Financial Variance Overview for the Year Ending December 31, 2019
Appendix 7	NRH 2019 Year-End transfer Report (NRH 2-2020)

Appendix 1 - Consolidated Year End Funding Surplus/(Deficit)

CSD 15-2020
March 11, 2020

	Year End Operating Surplus/(Deficit) Before Transfers	Year End Operating Surplus Transferred Back to Reserve(*)	Encumbrance(**)	Year End Operating Surplus/(Deficit)
LEVY SUPPORTED DEPARTMENTS				
Regional Departments				
Corporate Administration	\$1,060	\$0	-\$84	\$976
Corporate Services	\$343	\$0	-\$100	\$243
Enterprise Resource Management Services	\$98	\$0	-\$98	\$0
Community Services	\$1,702	\$0	-\$289	\$1,413
Economic Development	\$0	\$0	\$0	\$0
Public Works - Transportation	\$7,313	-\$1,069	-\$849	\$5,395
Governance	\$222	\$0	\$0	\$222
Planning & Development	\$958	-\$50	-\$664	\$244
Public Health	-\$2,178	\$0	-\$65	-\$2,243
Subtotal - Regional Departments	\$9,519	-\$1,119	-\$2,149	\$6,250
General Government	-\$909	\$0	-\$4,463	-\$5,373
Regional Departments and General Government	\$8,610	-\$1,119	-\$6,613	\$878
Agencies, Boards and Commissions				
Court Services	\$444	\$0	\$0	\$444
Niagara Regional Housing	\$2,061	\$0	-\$735	\$1,327
Niagara Regional Police	\$798	\$0	\$0	\$798
Niagara Peninsula Conservation Authority	\$6	\$0	\$0	\$6
Subtotal - Agencies, Boards and Commissions	\$3,309	\$0	-\$735	\$2,575
Total Levy Supported Departments	\$11,919	-\$1,119	-\$7,347	\$3,453
RATE SUPPORTED DEPARTMENTS				
Water	-\$507	\$0	\$0	-\$507
Wastewater	\$7,043	\$0	-\$8,220	-\$1,177
Waste Management	-\$347	\$0	-\$810	-\$1,156
Total Rate Supported Departments	\$6,189	\$0	-\$9,030	-\$2,840

(*) Unspent budgeted reserve transfers are returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy

(**) Encumbrances are transferred to 2020 operating budgets in accordance with the Budget Control By-Law

Description	Amount
General Government	
Public Realm Investment Program	
East Fonthil Seating RR20 & Rice Road	\$12
Parkette Queenston St*	\$100
Prince Charles Dr*	\$13
RR18 (Ontario St.), RR81 (King St.)*	\$10
Civic Square Revitalization*	\$30
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)*	\$100
Smithville Public Square*	\$100
RR54 Pelham Port Robinson Rice Rd Parkette	\$30
RR20 West Lincoln Smithville Streetscaping Upgrades	\$100
RR20 West Lincoln Smith Street Lighting Upgrades	\$100
RR27 Welland Parkette Hellesms/East Main St	\$20
	\$615
Gateway - Tax Increment Grant	
287 Silverthorne/Buchner	\$1,613
Waterfront Improvement Program	
Millennium Recreation Trail*	\$400
Town of Lincoln Museum and Cultural Centre*	\$250
	\$650
Smarter Niagara Incentive Program	
Building and Facade Improvement Grant/Loan Program	\$360
CIP/MasterPlans/Official Plans Grant Program	\$410
ESA Phase II (Risk Assessment Plan)	\$36
Heritage Restoration and Improvement Grant	\$50
Public Realm Grant Program	\$130
Residential Grant/Loan Program	\$599
	\$1,585
Total Encumbrances for General Government	\$4,463
Corporate Administration	
Advertising Partnership with City of St. Catharines*	\$13
Economic Development - Study and Lead Generation	\$71
Total Encumbrance for Corporate Administration	\$84
Corporate Services	
Business Licensing	\$100
Total Encumbrance for Community Services	\$100
Enterprise Resource Management Services	
Sustainability Review*	\$85
Advertising Partnership with City of St. Catharines*	\$13
Total Encumbrance for Enterprise Resource Management Services	\$98
Community Services	
Gateway Residential Community Support	\$289
Total Encumbrance for Community Services	\$289
Planning & Development	
New Regional Official Plan*	\$391
Municipal Comprehensive Review*	\$61
Environmental Planning Review*	\$53

Appendix 2 - Encumbrance Report

CSD 15-2020

March 11, 2020

Description	Amount
Highly Vulnerable Aquifer Reviews*	\$18
Ontario Tender Fruit Irrigation Ambassador	\$16
Stormwater Management Guidelines	\$125
Total Encumbrance for Planning and Development	\$664
Public Health	
EMS System Redesign*	\$65
Total Encumbrance for Public Health	\$65
Niagara Regional Housing	
Integrated Housing Solution Software*	\$31
Designated Substance Survey*	\$110
Masonry Wall Investigation	\$87
K3D Thermostat Technology	\$507
Total Encumbrance for Niagara Regional Housing	\$735
Public Works - Transportation	
Emerald Ash Bore*	\$178
Spring Tree Planting	\$64
Complete Streets Design Manual	\$400
Niagara Transit Governance Study	\$207
Total Encumbrance for Public Works - Transportation	\$849
Public Works - Waste Management	
Fairness Advisor for MRF Opportunity Review*	\$25
MRF Opportunity Review*	\$345
Long-Term Waste Management Strategic Plan*	\$400
Service level change campaign	\$40
Total Encumbrance for Public Works - Waste Management	\$810
Public Works - Water/Wastewater	
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*	\$1,229
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*	\$2,083
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*	\$1,089
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)*	\$1,851
Unused Combined Sewer Overflow Funding - 2019 Program (at 50%)*	\$1,968
Total Encumbrance for Public Works - Water/Wastewater	\$8,220
TOTAL 2019 ENCUMBRANCE	\$16,377

* Encumbrance balance carried over from 2018

Appendix 3 - 5 Year Consolidated Year End Funding Surplus/(Deficit)

CSD 15-2020
March 11, 2020

Year End Operating Surplus/(Deficit) (in thousands)					
LEVY SUPPORTED DEPARTMENTS	2019	2018	2017	2016	2015
Regional Departments					
Corporate Administration	\$976	\$357	\$365	\$127	\$74
Corporate Services	\$243	\$254	-\$118	\$0	\$0
Enterprise Resource Management Services	\$0	\$10	-\$10	\$0	\$0
Community Services	\$1,413	\$1,742	\$3,700	-\$951	\$258
Economic Development	\$0	\$0	\$226	\$216	\$51
Public Works - Transportation	\$5,395	\$975	\$1,913	\$2,332	-\$3,887
Governance	\$222	\$413	\$120	-\$190	\$291
Planning & Development	\$244	\$558	\$518	-\$66	-\$308
Public Health	-\$2,243	-\$186	\$1,825	\$345	\$1,873
Subtotal - Regional Departments	\$6,250	\$4,123	\$8,539	\$1,813	-\$1,648
General Government	-\$5,373	-\$5,850	-\$6,113	\$192	\$3,972
Regional Departments and General Government	\$878	-\$1,727	\$2,426	\$2,005	\$2,324
Agencies, Boards and Commissions					
Court Services	\$444	\$396	-\$344	-\$249	-\$226
Niagara Regional Housing	\$1,327	\$2,635	\$1,908	\$624	\$717
Niagara Regional Police	\$798	\$528	-\$7,641	-\$2,781	\$629
Niagara Peninsula Conservation Authority	\$6	-\$4	-\$3	\$0	-\$51
Subtotal - Agencies, Boards and Commissions	\$2,575	\$3,555	-\$6,080	-\$2,406	\$1,069
Total Levy Supported Departments	\$3,453	\$1,828	-\$3,654	-\$401	\$3,393
RATE SUPPORTED DEPARTMENTS					
Water	-\$507	\$2,449	\$1,432	\$1,361	-\$56
Wastewater	-\$1,177	-\$370	-\$1,343	\$588	\$593
Waste Management	-\$1,156	\$1,551	\$5,682	\$4,337	\$4,552
Total Rate Supported Departments	-\$2,840	\$3,630	\$5,771	\$6,286	\$5,089

Includes unspent budgeted reserve transfers returned to their originating reserves in accordance with the Reserve and Reserve Funds Policy and year end encumbrances.



Niagara  Region

2019

Q4 FINANCIAL UPDATE | DECEMBER

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Introduction

On behalf of Niagara Region, we are pleased to provide you with the 2019 Q4 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 32 elected representatives from 12 area municipalities and the Regional Chair. The current Regional Council was elected in November 2018 and the 32 members will serve a four year term to November 14, 2022.

As of December 31, 2019 Niagara Region is forecasting a funding surplus of \$3,453 thousand related to the levy programs, \$1,684 thousand deficit related to Water and Wastewater programs, and a \$1,156 thousand deficit related to the Waste Management Program.

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

The following is an unaudited report which has been prepared and reviewed by the Financial Management & Planning team in Corporate Services.

CONSOLIDATED OPERATING FUNDING SURPLUS/(DEFICIT) REVIEW

LEVY

(in thousands of dollars)

Niagara Region's levy programs excluding agencies, boards and commissions (ABC's) has a year end operating surplus of \$878. The surplus is largely driven from labour costs as a result of vacancies (\$3,467), collection of supplement tax revenues higher than budgeted (\$2,122), increase in revenues for Niagara Regional Transit (NRT) primarily driven by revised agreements with the college and university (\$1,218), one-time savings due to the delayed implementation of some enhanced NRT services due to long lead-in time in delivery of buses (\$1,904) and lower employee health benefit expense (\$853).

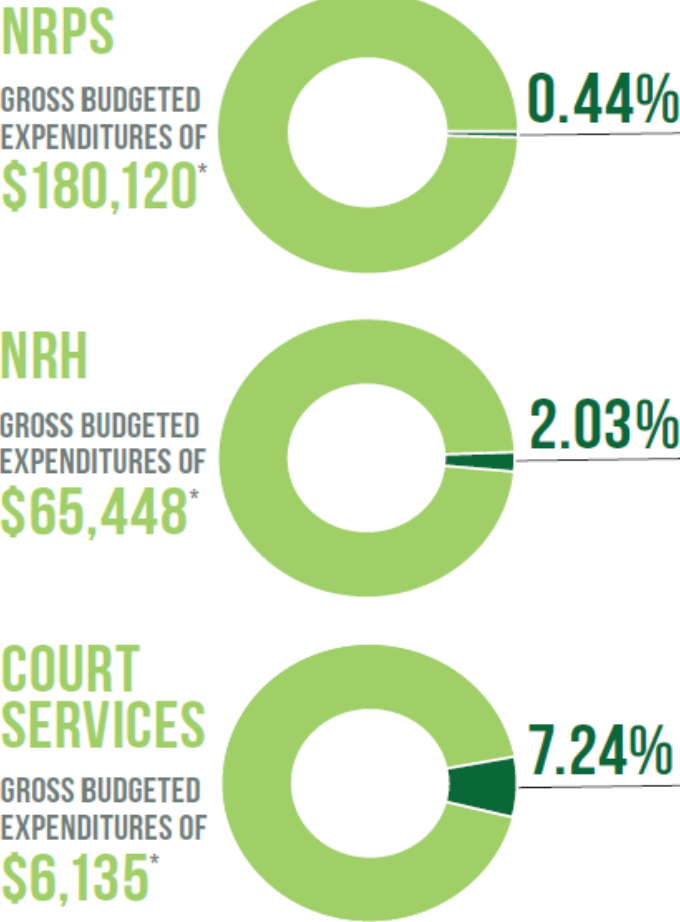
This surplus has been partially offset by higher than budgeted Workplace Safety Insurance Board (WSIB) costs in the EMS division (\$1,084), higher than budgeted Development Charge (DC) grants (\$3,082) and unforeseen claim payouts and changes in the legal liability during the year.

The ABC's surplus of \$1,895 is a result of lower labour costs due to vacant positions (\$909), increased collection activity in Court Services as well as lower than budgeted subsidy payments to providers (\$1,224) and rent supplement to landlords (\$601) in Niagara Regional Housing (NRH). These surpluses have been offset by higher distribution to the Local Area Municipalities (LAMs) (\$444) in Court Services as well as higher repairs and maintenance (\$1,117) in NRH owned units and an unanticipated decrease in Provincial funding (\$356) impacting Niagara Regional Police Services (NRPS). The NRH and NRPS Boards have made recommendations as to which reserves their respective surpluses should be allocated at year end. These recommendations have been included in CSD 15-2020 in addition to the recommendation that the remaining levy surplus be allocated to the Taxpayer Relief Reserve in accordance with the Operating Surplus/Deficit Policy C-F-022.

LEVY DEPARTMENT AND PROGRAMS
(Including ABC's)



FINANCIAL RESULTS OF ABC'S



*Includes transfer, intercompany charges and indirect allocations

FINANCIAL STATEMENT
HIGHLIGHTS

-\$3,083
variance as a result of higher than budgeted Development Charge grants provided during the year.

+\$2,313
collected in unanticipated supplement tax billings during the year

+\$3,122
Combined variance in NRT resulting from increased revenues generated from agreements and one-time savings from delayed implementation of some enhanced NRT services

CONSOLIDATED OPERATING FUNDING SURPLUS/(DEFICIT) REVIEW

WATER & WASTEWATER

(in thousands of dollars)

Water and Wastewater services has a net operating deficit of \$1,684 at year end which is attributed to a deficit in the Water division of \$507 and a deficit in the Wastewater division of \$1,177.

The \$507 deficit in the Water division is due to lower than anticipated water sales as a result of cool and wet weather, which has been partially offset by lower than budgeted electricity savings (partly due to the Ontario Fair Hydro Act) and savings in compensation resulting from vacant positions.

The \$1,177 deficit in the Wastewater division is driven by unanticipated emergency sewer repair costs, higher repairs and maintenance costs for equipment, buildings and grounds and chemical costs. This deficit has been partially offset by a savings in budgeting electricity costs, compensation due to vacant positions as well as higher By Law revenue due to hauled sewage volumes exceeding budget during the year.

It is recommended at year end that the operating deficit in the Water division be transferred from the Water Stabilization Reserve and that the operating deficit in the Wastewater Division be transferred from the Wastewater Stabilization Reserve.

As a result of the year end transfer, the Water Stabilization Reserve will be at a balance of \$2,985 which is within the funding targets for the stabilization reserve. The funding target of 10% to 15% of annual budgeted operating expenditures (excluding reserve transfers and debt allocations) are \$2,359 and \$3,539 respectively.

After the recommended year end transfer, the Wastewater Stabilization Reserve will be at a balance of \$1,848 which is below the minimum stabilization target for the Reserve. The funding targets of 10% to 15% of annual budgeted operating expenditures are \$6,342 and \$9,513 respectively. The reserve balance is below the minimum target, which may impact the ability to manage future operational risks.

WATER & WASTEWATER OPERATING DEFICIT



* Includes transfer, intercompany charges and indirect allocations

FINANCIAL STATEMENT HIGHLIGHTS



-\$1,014
VARIANCE IN
WATER SALES

3.0% of budgeted variable water revenues due to cool and wet weather



-\$1,239
VARIANCE IN
EMERGENCY
SEWER REPAIR

Dain City emergency sewer repair resulted in unanticipated costs.

CONSOLIDATED OPERATING FUNDING SURPLUS/(DEFICIT) REVIEW

WASTE MANAGEMENT

(in thousands of dollars)

Waste Management Services has an operating deficit of \$1,156 at year end.

The deficit is primarily a result of the continuing decline in the recyclable commodities market impacting revenue from sale of recyclables. This was partially offset by lower than anticipate costs of purchasing commodities under contracts with Waterloo, Haldimand and commercial business. The deficit was mitigated further by liquidated damages issued under Niagara Region's collection contract from failure to meet performance standards and savings in compensation.

It is recommended at year end that the operating deficit in Waste Management be transferred from the Waste Management Stabilization Reserve.


As a result of the year end transfer, the Waste Management Stabilization Reserve will be at a balance of \$6,044 which is within the funding targets for the Reserve. The funding target of 10% to 15% of annual budgeted operating expenditures (excluding reserve transfers and debt allocations) are \$5,085 and \$7,628 respectively.

WASTE MANAGEMENT OPERATING DEFICIT



* Includes transfer, intercompany charges and indirect allocations

FINANCIAL STATEMENT HIGHLIGHTS



**-\$2,404 NET
VARIANCE IN
RECYCLING
OPERATIONS**

resulting from the continuing decline
in the commodities market

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

	Before Indirect Allocations			After Indirect Allocations		
	Annual Budget	Actuals	Q4 Surplus / (Deficit)	Annual Budget	Actuals	Q4 Surplus / (Deficit)
LEVY SUPPORTED DEPARTMENTS & PROGRAMS						
Regional Departments						
Governance	\$2,136	\$1,920	\$216	\$2,413	\$2,191	\$222
General Government	-\$299,136	-\$293,764	-\$5,372	-\$370,336	-\$364,963	-\$5,373
Corporate Administration	\$6,496	\$5,417	\$1,079	\$5,736	\$4,760	\$976
Enterprise Resource Management Services	\$12,928	\$11,348	\$1,580	\$0	\$0	\$0
Corporate Services	\$29,361	\$27,795	\$1,566	\$1,783	\$1,540	\$243
Community Services	\$27,640	\$27,876	-\$236	\$43,791	\$42,378	\$1,413
Public Health & Emergency Services	\$24,908	\$27,494	-\$2,586	\$38,675	\$40,918	-\$2,243
Public Works – Transportation	\$33,604	\$28,490	\$5,115	\$72,966	\$67,571	\$5,395
Planning & Development	\$2,899	\$2,811	\$88	\$4,438	\$4,193	\$244
Sub-Total - Regional Departments	-\$159,163	-\$160,613	\$1,450	-\$200,534	-\$201,412	\$878
Agencies, Boards & Commissions						
Court Services	-\$1,839	-\$2,207	\$368	-\$605	-\$1,049	\$444
Niagara Regional Housing	\$27,789	\$26,604	\$1,185	\$35,405	\$34,079	\$1,327
Niagara Regional Police	\$146,714	\$146,372	\$342	\$161,528	\$160,729	\$798
Niagara Peninsula Conservation Authority	\$4,200	\$4,200	\$0	\$4,206	\$4,200	\$6
Subtotal Agencies, Boards & Commissions	\$176,864	\$175,893	\$1,895	\$200,534	\$197,959	\$2,575
Total Levy Supported Programs	\$17,701	\$14,356	\$3,345	\$0	-\$3,453	\$3,453
RATE SUPPORTED DEPARTMENTS						
Public Works - Water & Wastewater	-\$15,338	-\$13,840	-\$1,497	\$0	\$1,684	-\$1,684
Public Works - Waste Management	-\$2,364	-\$1,128	-\$1,236	\$0	\$1,156	-\$1,156
Total Rate Supported Departments	-\$17,701	-\$14,968	-\$2,733	\$0	\$2,840	-\$2,840
TOTAL	\$0	-\$612	\$612	\$0	-\$612	\$612

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
Compensation	\$394,344	\$391,052	\$3,292	0.8%
Administrative	\$31,066	\$32,502	-\$1,436	-4.6%
Operational & Supply	\$41,729	\$37,971	\$3,758	9.0%
Occupancy & Infrastructure	\$27,468	\$27,760	-\$292	-1.1%
Equipment, Vehicles, Technology	\$15,374	\$15,686	-\$312	-2.0%
Community Assistance	\$204,529	\$197,166	\$7,363	3.6%
Partnership, Rebate, Exemption	\$22,019	\$20,323	\$1,696	7.7%
Financial Expenditures	\$68,609	\$56,450	\$12,159	17.7%
Total Expenses	\$805,138	\$778,910	\$26,228	3.3%
Taxation	-\$380,993	-\$383,481	\$2,489	0.7%
Federal & Provincial Grants	-\$327,480	-\$321,311	-\$6,169	-1.9%
By-Law Charges & Sales	-\$18,661	-\$18,919	\$258	1.4%
Other Revenue	-\$66,472	-\$69,108	\$2,637	4.0%
Total Revenues	-\$793,606	-\$792,819	-\$787	-0.1%
Intercompany Charges	-\$1,952	-\$1,794	-\$158	-8.1%
Total Intercompany Charges	-\$1,952	-\$1,794	-\$158	-8.1%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$9,579	-\$15,703	\$25,283	263.9%
Transfers From Funds	-\$23,308	-\$22,165	-\$1,143	-4.9%
Transfers To Funds	\$31,570	\$52,319	-\$20,750	-65.7%
Expense Allocations To Capital	-\$140	-\$96	-\$44	-31.8%
Total Transfers	\$8,122	\$30,059	-\$21,937	-270.1%
Net Expenditure (Revenue) Before Indirect Allocations	\$17,701	\$14,356	\$3,345	18.9%
Indirect Allocations & Debt	-\$17,701	-\$17,808	\$107	0.6%
Total Indirect Allocations & Debt	-\$17,701	-\$17,808	\$107	0.6%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	-\$3,453	\$3,453	0.0%

Levy - Continued

Variance Analysis (in thousands of dollars)

Levy is operating a year-to-date surplus before indirect allocations of \$3,345. This is due to the following factors:

Compensation – The favourable variance of \$3,292 is mainly due to vacancies across the corporation, resulting in lower than anticipated compensation costs. These savings have been reduced by higher than budgeted Workplace Safety Insurance Board (WSIB) costs (\$1,082) within the Emergency Medical Services (EMS) division.

Administration – The unfavourable variance of \$1,436 is largely due to an increase in the estimated legal claims cost.

The unfavourable variance is offset by favourable variances in timing of consulting expenditures involving the new Regional Official Plan (ROP) (\$1,018), the rollout of Transportation Services and Transit related studies (\$641), Complete Streets consulting study (\$400), Niagara Regional Transit (NRT) study (\$207). Many of these consulting engagements have been encumbered into 2020.

Operational & Supply – The favourable variance of \$3,758 is a result of the following:

- timing differences in the rollout of increased NRT services (\$1,904)
- lower than anticipated usage of hired equipment (\$764) in Transportation
- savings in the Ontario Senior Dental Care Program (OSDCP) (\$707) due to a delay in the launch of the program.
- reduced usage of traffic signal maintenance, sign and pavement marking material (\$633) in Transportation
- reduced Niagara Specialized Transit (NST) services due to revised contract terms (\$226)

The favourable variance has been partially offset by higher than anticipated medical supplies and transportation expenditures for high intensity needs residents (\$565) in Senior Services, which 95% is offset by Ministry funding.

Community Assistance – The favourable variance of \$7,363 is primarily due to:

- lower than budgeted Ontario Works (OW) caseload expenditures (\$3,123) resulting in reduced number of benefit issuances in SAEO. OW caseload expenditures are fully funded by the Province, as such, surpluses identified in this section are offset by less Provincial funding being received, described below.
- lower than budgeted subsidy payments to non-profit and co-op providers and rent supplements to landlords (\$1,890) in Niagara Regional Housing (NRH)
- timing differences in the 100% Ministry funded-community capital builds as construction will be completed by December 2020 (\$1,246) in Children Services
- reinvestment of parental fee revenue (\$491) in Children Services

The favourable variance has been partially offset by a transfer to capital for the Regionally owned and operated child care centre build (\$553) described in the Transfers below.

Partnership, Rebate, Exemption – The favourable variance of \$1,696 is due to lower than anticipated Local Area Municipality (LAM) grants (\$298) associated with multi-use paths and drainage assessment funding for LAMs as well as the timing of economic incentive grant payments (\$4,394) for Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway Tax Increment Grants. Where appropriate these amounts have been encumbered into 2020 to align with anticipated payments of these grants and are identified in Transfers below.

The favourable variance has been partially offset by higher than budgeted mandatory and non-mandatory Development Charge (DC) exemptions (\$3,083) as per the adopted Development Charges By-law 2017-88 in addition to tax rebates to charitable organizations and commercial vacancy rebates.

Financial Expenditures – The favourable variance of \$12,159 is primarily due to the debt charge placeholder of \$12,711 (due to the timing of actual project spending), which has been transferred to capital reserves through Transfer to Funds identified below. The overall favourable variance has been partially offset by higher than anticipated tax write offs (\$224) and unrealized foreign exchange losses (\$83).

Levy - Continued

Taxation – The favourable variance of \$2,489 is primarily the result of increases in supplement tax revenues (SUPs) collected during the year. The increase in SUPs is attributable to growth mainly in Welland, Niagara Falls, Thorold, Grimsby and Niagara-on-the-Lake.

Federal & Provincial Grants – The unfavourable variance of \$6,169 is due to:

- lower than budgeted Ministry funding reflective of the reduction in 100% funded expenditures (\$3,032) in SAEO
- timing differences as a result of Ministry-funded programs and related administrative costs revenue being recognized based on actual expenditures incurred (\$1,381) in NRH
- unfavourable variance related to timing differences of Ministry-funded community capital builds as revenues is recognized based on actual expenses incurred (\$1,062)
- delayed launch of the new OSDCP (\$609)
- lower than anticipated OW program administration funding (\$490) received from the Ministry due to being held at 2018 actuals
- the discontinuation of the annual inflationary increase in Land Ambulance funding (\$439)
- shortfall in Provincial grant funding (\$356) in NRPS.

These unfavourable variances have been partially mitigated by favourable variances as a result of additional funding in Senior Services received specifically related to the high intensity needs expenditures (\$924) and timing of revenue recognized in Homelessness.

Other Revenue – The favourable variance of \$2,637 is due to:

- higher than anticipated provincially established accommodation fees (\$686)
- higher than anticipated rental revenues for NRH-owned units (\$526)
- unbudgeted revenue for EMS provided at the St. Catharine's Consumption Treatment Site (\$413)
- higher union billings for employees (\$384) in Community Services
- increase in collection enforcement activity (\$285) in Court Services
- net proceeds for sale of surplus land (\$215) in Court Services
- higher than budgeted investment income from the timing differences of transfer between Region and NRH bank accounts (\$184)

These favourable variances have partially offset by lower than expected development charges revenue recognized (\$259) related to delays in consulting assignments and lower than expected proceeds from sale of fleet vehicles and equipment (\$230) in Transportation.

Transfers to Funds – the unfavourable variance is \$20,750 is a result of the encumbrance (\$7,347), funds returned to reserves from the delayed rollout of NRT services to West Niagara (\$821) and debt charge placeholder (\$12,711) resulting from the timing of actual project spending.

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
Compensation	\$1,910	\$1,795	\$115	6.0%
Administrative	\$220	\$122	\$98	44.6%
Operational & Supply	\$0	\$0	\$0	100.0%
Equipment, Vehicles, Technology	\$2	\$2	\$0	13.3%
Partnership, Rebate, Exemption	\$2	\$0	\$2	98.2%
Total Expenses	\$2,134	\$1,918	\$216	10.1%
Other Revenue	\$0	\$0	\$0	0.0%
Total Revenues	\$0	\$0	\$0	0.0%
Intercompany Charges	\$2	\$1	\$0	2.8%
Total Intercompany Charges	\$2	\$1	\$0	2.8%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$2,136	\$1,920	\$216	10.1%
Total Transfers			\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$2,136	\$1,920	\$216	10.1%
Indirect Allocations & Debt	\$277	\$272	\$6	2.0%
Total Indirect Allocations & Debt	\$277	\$272	\$6	2.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$2,413	\$2,191	\$222	9.2%

Governance - Continued

Variance Analysis (in thousands of dollars)

Governance is operated with a surplus before indirect allocations of \$216. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$115 is due to vacancies within the Chair’s Office and deferred or declined salary increases.

Administration - The favourable variance of \$98 is due to lower than anticipated advertising and travel costs.

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

- Passed the 2020 operating and capital budget which included funding for numerous critical projects along with addressing the impacts of provincial downloading
- Started work on a government relations plan that incorporates the priorities of Niagara 12 municipalities along with the Niagara Region
- Acted quickly to action the recommendations of the Provincial Ombudsman, including providing direction to staff to develop policies to safeguard hiring processes in the future
- Continued to work closely with the 2021 Summer Games committee to ensure the successful completion of the legacy projects and operations of the games
- Met with provincial ministry staff to progress Niagara’s priorities on numerous files and issues

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
Administrative	\$6,243	\$11,165	-\$4,922	-78.8%
Operational & Supply	\$228	\$0	\$228	99.9%
Occupancy & Infrastructure	\$95	\$72	\$22	23.5%
Partnership, Rebate, Exemption	\$15,414	\$14,156	\$1,258	8.2%
Financial Expenditures	\$66,273	\$53,872	\$12,401	18.7%
Total Expenses	\$88,252	\$79,265	\$8,987	10.2%
Taxation	-\$380,993	-\$383,481	\$2,489	0.7%
By-Law Charges & Sales	-\$55	-\$24	-\$31	-55.9%
Other Revenue	-\$15,771	-\$16,407	\$636	4.0%
Total Revenues	-\$396,818	-\$399,912	\$3,094	0.8%
Intercompany Charges	-\$367	-\$211	-\$156	-42.4%
Total Intercompany Charges	-\$367	-\$211	-\$156	-42.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$308,933	-\$320,858	\$11,926	3.9%
Transfers From Funds	-\$11,234	-\$11,234	\$0	0.0%
Transfers To Funds	\$21,031	\$38,328	-\$17,298	-82.3%
Total Transfers	\$9,797	\$27,094	-\$17,298	-176.6%
Net Expenditure (Revenue) Before Indirect Allocations	-\$299,136	-\$293,764	-\$5,372	-1.8%
Indirect Allocations & Debt	-\$71,200	-\$71,200	\$0	0.0%
Total Indirect Allocations & Debt	-\$71,200	-\$71,200	\$0	0.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-\$370,336	-\$364,963	-\$5,373	-1.5%

General Government - Continued

Variance Analysis (in thousands of dollars)

General Government is operating at a deficit before indirect allocations of \$5,373 due to the following factors:

Administration - The unfavourable variance of \$4,922 is primarily due to an increase of the accrual for estimated legal claims against the Region.

Operational and Supply – The favourable variance of \$228 relates to budgeted expenditures not incurred for the new Council’s strategic priorities.

Partnership, Rebate, Exemption - The favourable variance of \$1,258 is due to the timing of payments of economic incentive grants amounting to \$4,394 (Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway tax increment grants). This amount has been encumbered into 2020 to align with anticipated payments of these grants. These encumbrances are included in the Transfers to Funds identified below.

The favourable grants variance is offset by unfavourable variances of \$2,914 for mandatory and non-mandatory development charge exemptions (identified in the Deferred Revenue schedule) as per the adopted Development Charges By-law 2017-88 as well as \$222 in tax rebates to charitable organizations and commercial vacancy rebates.

Financial Expenditures – The favourable variance of \$12,401 is due to the debt charge placeholder of \$12,711 (due to the timing of actual project spending), which has been transferred to capital reserves through Transfers to Funds identified below. The overall favourable variance is offset by unfavourable variances of \$224 due to tax write offs and \$83 due to unrealized foreign exchange losses.

Taxation - The favourable variance of \$2,489 is primarily the result of increases in supplemental tax revenues (attributable to growth mainly in Welland, Niagara Falls, Thorold, Grimsby and Niagara-on-the-Lake).

Other Revenue – The favourable variance of \$636 is related to net proceeds of \$269 from the sale of surplus properties which has been transferred to the Capital Levy reserve, per Procurement By-law 02-2016, as identified in Transfer to Funds below. \$284 of the favourable variance relates to cannabis legalization implementation funding, billboard sign rentals, telecom tower rentals and VISA rebates while \$83 relates to investment income.

Intercompany Charges – The unfavourable variance of \$156 mainly relates to \$145 change in the budgeted funding source from provincial funding to capital variance (CV) project for the roof replacement at Peer Street, Niagara Falls. This unfavourable variance is fully offset by a favourable variance in the transfers to the Capital Levy reserve as identified in Transfer to Funds below.

Transfers To/From Funds – The unfavourable variance of \$17,298 is due to economic incentive grant encumbrances (\$4,463), debt charge placeholder (\$12,711), and net proceeds from the sale of Surplus Property (\$269), all as identified above. This is offset by favourable variance of \$145 due to the change in budgeted funding source for the Peer Street roof replacement as identified 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 grants such as contributions 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. General Government is also responsible for managing the Region’s capital financing sources such as capital levy reserve contributions and debt charges.

General Government - Continued

- Successfully funded 56 Capital projects for 2019 through a \$14,000 reserve contribution to the Capital Levy reserve. Some of the significant capital projects for 2019 included Martindale Road Reconstruction (\$16,100), Niagara Regional Transit (\$14,000), Casablanca Boulevard (\$10,000), and Thorold Stone Road extension (\$6,000).
- Successfully funded 79 Capital projects and 129 Operating projects with \$18,300 and \$1,500 respectively of Development Charges reserves by utilizing a more streamlined and efficient funding process.
- Delivered economic incentive grant programs (Smarter Niagara Incentive Program (SNIP), Tax Increment Grants (TIG), Public Realm Incentive Program (PRIP) and Gateway tax increment grants) partnering with the Local Area Municipalities and Non for Profit Organizations to promote culture, public realm and economic growth.
- Funding of \$400 related to the ‘Connect to Innovate’ program which seeks to improve the digital infrastructure by bringing broadband internet to rural and remote communities across the Region.
- Funding of \$200 to Niagara College in support of the Region’s agri-business sector through targeted investments in new laboratories, specialized teaching and applied research infrastructure, and agri-business incubation space.
- Contribution of \$1,000 towards activities involved in hosting the 2021 Canada Summer Games (CSG) which is expected to attract over 4,600 athletes across 17 sporting disciplines. In addition to welcoming over 30,000 visitors to the Region, the CSG is anticipated to generate an economic impact of \$200 million and 1,100 jobs for the Region.
- Successfully invested over \$165,000 with an overall portfolio rate of 3.11%.
- Total of \$97,700 of debentures successfully issued through the Capital Markets and Infrastructure Ontario as follows:
 - \$32,400 issued for Regional projects (Roads, Niagara Regional Housing, Niagara Regional Transit, Properties Management, and Police) with a term of 10 years and at a rate of 2.71%
 - \$25,800 issued for Regional projects (Roads, Public Health, Police, Wastewater, Water) with a term of 30 years and a rate of 2.91%
 - \$31,000 issued for Local Area Municipalities (Wainfleet, Niagara Falls, Welland, St. Catharines, Pelham) with a term of 10 years and at a rate of 2.71%
 - \$8,500 issued on behalf of Local Area Municipalities; \$2,700 for Lincoln with a term of 20 years and a rate of 2.8%, \$1,800 for Niagara-on-the-Lake with a term of 15 years and a rate of 2.69%, \$4,000 for West Lincoln with a term of 30 years and a rate of 2.80%.

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
Compensation	\$4,507	\$4,113	\$394	8.7%
Administrative	\$1,943	\$1,239	\$704	36.2%
Operational & Supply	\$17	\$4	\$13	75.7%
Occupancy & Infrastructure	\$0	\$0	\$0	0.0%
Equipment, Vehicles, Technology	\$12	\$29	-\$17	-146.4%
Partnership, Rebate, Exemption	\$628	\$575	\$53	8.4%
Financial Expenditures	\$0	\$1	-\$1	0.0%
Total Expenses	\$7,106	\$5,961	\$1,145	16.1%
Federal & Provincial Grants	-\$200	-\$81	-\$119	-59.3%
Other Revenue	\$0	-\$131	\$131	0.0%
Total Revenues	-\$200	-\$212	\$12	6.0%
Intercompany Charges	\$11	\$6	\$6	50.7%
Total Intercompany Charges	\$11	\$6	\$6	50.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$6,917	\$5,755	\$1,163	16.8%
Transfers From Funds	-\$421	-\$421	\$0	0.0%
Transfers To Funds	\$0	\$84	-\$84	0.0%
Total Transfers	-\$421	-\$337	-\$84	-19.9%
Net Expenditure (Revenue) Before Indirect Allocations	\$6,496	\$5,417	\$1,079	16.6%
Indirect Allocations & Debt	-\$761	-\$658	-\$103	-13.5%
Total Indirect Allocations & Debt	-\$761	-\$658	-\$103	-13.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$5,736	\$4,760	\$976	17.0%

Corporate Administration - Continued

Variance Analysis (in thousands of dollars)

Corporate Administration operated at year-to-date surplus before indirect allocations of \$1,079. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$394 is due to staffing vacancies throughout the divisions of Corporate Administration. The variance is lowered due to a seconded position at the Niagara District Airports, which is offset by increased revenues.

Administration - The favourable variance of \$704 is due to timing of consulting expenditures and changes in work plans related to strategic economic development consulting; government relations activities; and internal project management work. The deferred spend is directly linked to the staffing vacancies throughout the department. Of this unspent budget, \$84 of expenditures have been committed to Economic Development lead generation and a sponsorship shares service arrangement with the City of St. Catharines and are included in the 2019 encumbrances reported as Transfer Between Funds.

Partnership, Rebate, Exemption - The favourable variance of \$53 is due to decreased grant & sponsorship funding issued by Economic Development.

Federal & Provincial Grants - The unfavourable variance of \$119 is due to decreased funding available for Economic Development activities.

Other Revenue - The favourable variance of \$131 is due to revenue received for an employee seconded to the Niagara District Airports.

Transfers Between Funds - The unfavourable variance of \$84 relates to the 2018 encumbrances.

Community Impacts & Achievements

Corporate Administration includes the Chief Administrative Officer's Office, Organizational Performance, Internal Audit, Project Management 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.

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Strategic Communications and Public Affairs

Advanced corporate communications priorities and campaigns, including:

- Public engagement on Industrial and Commercial excess land policies
- Executed communications plan for Niagara Region Transit fall service changes including radio advertising, social media, billboards, movie theatre trailer, and other tactics
- Coordinated eight week radio and digital media campaign through Bell Media for Waste Management campaign Recycling Matters
- Provide ongoing communications support on Region's Official Plan process, including the development of branding, media and public engagement strategy
- Communications provided support on budget process including spearheading public and media engagement, preparation of graphic design materials, social media and media releases.
- Provide ongoing support related to corporate-wide sustainability review
- Providing key support & counsel for 2 major Economic Development projects: 100-minutes of promotional videos, 4 new websites, branding and print products
- Supported launch of new urban design awards program including providing branding and print products, video, event planning and coordinating media coverage.
- Provide ongoing communications support on construction of new International Plaza including facilitating media coverage, organizing public events and providing regular updates internally to staff on progress of work
- Supported Waste Management on communications element of Waste Collection RFP and change to Every-Other-Week garbage collection
- Support in communicating and creation of Council Strategic Priorities.

Corporate Administration - Continued

- Support Senior services in the development and execution of their provincially mandated professional development training that included education/training kits for all Senior's staff. Additionally created branding and supporting materials including artwork installations of Senior Services Strategic Plan 2020-2023.
- Development of a brand for Built for Zero Niagara which was featured by the national organization for being an example of best in industry communications method.
- Assisted in the execution and communication materials to support the Regional Staff Engagement Survey which received the highest participation rate in Regional history.

Organizational Performance, Internal Audit & Project Management

- Successful launch of the new Strategic Plan to Regional staff through the Ignite Summit manager/directors meeting, along with a digital organization-wide launch.
- Re-alignment of the public facing corporate dashboard with the new strategic plan, with a new look and feel that will be launched in early 2020
- Continued work as Project Manager for NRH Alternate Service Delivery project taking the future state; moving on to coordinate and action the implementation plan.
- Continued work as Project Manager for Airport, including discussions with LAM owners, gathering legal documentation, and supporting the airport study commissioned by economic development.
- Internal Audit completed a review of Waste Management Contract Terminology and Oversight Practices
- The Project Management Office (PMO) developed and delivered PM Methodology the Region based on industry best practice along with a Toolkit including Templates for the PMs for standardized project management practice across the organization.
- PMO also organized multiple training events for project managers across the organization based on best-in-class principles from the global Project Management Institute.
- In addition, the PMO team also delivered two major cross-functional projects: Bill 142 Compliance and NOTL WWWW Plant project documentation as well as A Stakeholder Communication Tool for Transportation and a Procurement Intake Tool.

Economic Development

Project Updates/Accomplishments

- Information and Communications Technology (ICT) Policy Brief with the Niagara Community Observatory released.
- Niagara Economic Update presented at the Niagara Economic Summit, November 1.
- NFTZ program now has 110 clients, an additional 14 since Q3.
- Two NFTZ seminars were held, one at Niagara Region and the second in Welland.
- Lead generation contract awarded to develop program of meetings in the U.S. in Q4.
- Foreign Direct Investment Report completed by consultants to inform 2020 workplan.
- One application to the Niagara Gateway Economic Zone and Centre Community Improvement Plan, attracting \$8 million in new investment. On completion will create an estimated 51 to 74 new jobs.
- Twenty one site selection requests were received this quarter.
- Collaboration continues with Planning and Development on a Niagara Employment Lands Strategy.
- Advertising for business attraction executed in Q4 included sponsored content in Globe and Mail, Toronto Life, National Post and the Canadian Immigrant.
- Sponsorship of the CKTB 610 Business Trip included daily promo reels and speaking/interview opportunities.
- Niagara's Airports' Feasibility and Future Business Modelling draft report received and stakeholders were engaged for feedback.
- Information Centre Q3 2019: Approximately 27,769 tourists visited the kiosk.

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
Compensation	\$9,984	\$9,004	\$980	9.8%
Administrative	\$3,603	\$2,926	\$678	18.8%
Operational & Supply	\$42	\$53	-\$11	-26.4%
Occupancy & Infrastructure	\$0	\$0	\$0	0.0%
Equipment, Vehicles,Technology	\$8	\$9	\$0	-2.2%
Financial Expenditures	\$0	\$16	-\$16	0.0%
Total Expenses	\$13,638	\$12,008	\$1,630	12.0%
Federal & Provincial Grants	-\$122	-\$123	\$1	0.8%
By-Law Charges & Sales	-\$10	-\$11	\$1	8.1%
Other Revenue	-\$20	-\$64	\$44	218.5%
Total Revenues	-\$152	-\$198	\$45	29.9%
Intercompany Charges	\$23	\$20	\$3	11.9%
Total Intercompany Charges	\$23	\$20	\$3	11.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$13,508	\$11,830	\$1,678	12.4%
Transfers From Funds	-\$580	-\$580	\$0	0.0%
Transfers To Funds	\$0	\$98	-\$98	0.0%
Total Transfers	-\$580	-\$482	-\$98	-16.9%
Net Expenditure (Revenue) Before Indirect Allocations	\$12,928	\$11,348	\$1,580	12.2%
Indirect Allocations & Debt	-\$12,928	-\$11,348	-\$1,580	-12.2%
Total Indirect Allocations & Debt	-\$12,928	-\$11,348	-\$1,580	-12.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	\$0	\$0	0.0%

Enterprise Resource Management Services - Continued

Variance Analysis (in thousands of dollars)

Enterprise Resource Management Services operated at a surplus before indirect allocations of \$1,580 due to the following factors:

Compensation - The favourable variance of \$980 is due to temporary staffing vacancies in Financial Management and Planning, Procurement and Strategic Acquisitions, Legal Services and the Asset Management Office.

Administration - The favourable variance of \$678 is due to timing of corporate sustainability review expenses which were encumbered at 2018 year-end as well as lower than anticipated claim payouts and legal fees associated with claims.

Other Revenues – The favourable forecasted variance \$44 is due to legal costs recovered related to claims management.

Transfers – The unfavourable variance of \$98 relates to unspent reserve funding for the corporate sustainability review (\$85) and corporate sponsorship shared service arrangement with the City of St. Catharines (\$13).

Community Impacts & Achievements

Financial Management and Planning

- 2018 Financial Statement audit completed with unmodified opinion and no management letter points.
- Approval of both the 2019 and 2020 Operating, Capital and Rate Budgets.
- Received 2018 GFOA Canadian Award for Financial Reporting and 2019 GFOA Distinguished Budget Presentation Award.
- Public engagement completed for change in tax policy regarding proposed vacancy rebates and vacancy rebate changes subsequently approved by Council in January 2019.
- Collaborated with Social Assistance and Employment Opportunities and the Regional Enterprise Resource Planning teams to create a SAMS daily load interface which greatly reduced time required to reconcile bank statements
- Supported major cross functional corporate initiatives such as Niagara Regional Housing Governance, Canada Summer Games, GO implementation, Airport study, impacts of Bill 108, and reporting on Provincial budget implications.
- Approval of the new Budget Planning By-law based on principles of sustainability, transparency and affordability to replace the former Budget Affordability Guidance Policy.
- Approval of the Capital Financing Policy which provides a framework and long-term strategy for sustainable capital financing.
- Approval of a modernized Employee Travel and Expense Policy that is based on principles of accountability, transparency, value for money, and fairness.

Procurement and Strategic Acquisitions

- Utilized negotiated RFP for Early On Childcare providers, Social Housing Alternative Service Delivery, Homelessness service providers.
- A number of formal procurements have utilized eBidding system, approved in 2018.

Legal Services

- Legal support for land transactions that advanced affordable housing initiatives:
 - Land acquisition for Niagara Regional Housing at 12 St. Davids Road and 52 Ormond Street, Thorold for the improvement of six existing apartment units and the creation of four more affordable units
 - Land transaction (Niagara Region sale to Niagara Regional housing) surplus lands at the Provincial Offences Court site on East Main Street in Welland for future affordable housing units

Enterprise Resource Management Services - Continued

- Strategic advice and legal support to the GO team on the acquisition of the VIA station property on Bridge Street in Niagara Falls.
- Legal assistance with formal procurements and agreements relating to:
 - Early ON Childcare Care
 - Waste Management Collection contract
 - Successfully defended and resolved a number of claims at mediation and trial on favourable terms that represented cost savings for the Region.

Asset Management Office

- Asset Management Plan governance strategy completed and approved by Council in January 2019. Asset Management Office currently engaged in collaborative work with all Regional departments around asset management.

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
Compensation	\$17,212	\$15,546	\$1,665	9.7%
Administrative	\$3,478	\$3,684	-\$207	-5.9%
Operational & Supply	\$322	\$259	\$63	19.5%
Occupancy & Infrastructure	\$7,223	\$6,946	\$277	3.8%
Equipment, Vehicles, Technology	\$2,639	\$2,738	-\$99	-3.8%
Partnership, Rebate, Exemption	\$5	\$3	\$1	28.9%
Financial Expenditures	\$0	\$5	-\$5	0.0%
Total Expenses	\$30,878	\$29,182	\$1,695	5.5%
By-Law Charges & Sales	-\$320	-\$249	-\$71	-22.2%
Other Revenue	-\$1,116	-\$1,076	-\$40	-3.6%
Total Revenues	-\$1,436	-\$1,325	-\$111	-7.7%
Intercompany Charges	\$168	\$86	\$82	48.7%
Total Intercompany Charges	\$168	\$86	\$82	48.7%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$29,610	\$27,943	\$1,666	5.6%
Transfers From Funds	-\$389	-\$389	\$0	0.0%
Transfers To Funds	\$140	\$240	-\$100	-71.4%
Total Transfers	-\$249	-\$149	-\$100	-40.2%
Net Expenditure (Revenue) Before Indirect Allocations	\$29,361	\$27,795	\$1,566	5.3%
Indirect Allocations & Debt	-\$27,578	-\$26,255	-\$1,323	-4.8%
Total Indirect Allocations & Debt	-\$27,578	-\$26,255	-\$1,323	-4.8%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$1,783	\$1,540	\$243	13.6%

Corporate Services - Continued

Variance Analysis (in thousands of dollars)

Corporate Services operated at a surplus before indirect allocations of \$1,566 due to the following factors:

Compensation – The favourable variance of \$1,665, are due to vacancies in the General Manager's Office (\$249), Human Resources (\$245), Clerks Administration (\$250), IT Solutions (\$218), Construction, Energy and Facilities Management (\$127) and Business Licensing Admin (\$49) and 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 variance of \$207 is mainly due to upgrading the payroll processing system, offset by lower than anticipated consulting services and training costs.

Operational & Supply - The favourable variance of \$63 is mainly due to savings in corporate training costs used to partially offset upgrades to the payroll processing system, partially offset by a higher than anticipated Regional printer and photocopier usage costs.

Occupancy & Infrastructure - The favourable variance of \$277 is due to lower than anticipated costs for electricity and natural gas utilities as well as a reduction in property taxes on buildings that have been repurposed for Regional department use, partially offset by a higher than anticipated increase in building lease costs.

Equipment, Vehicles, Technology - The unfavourable variance of \$99 is due to an increase in software license costs.

Revenues - The unfavourable variance of \$111 is due primarily to lower than anticipated Regional share of business licensing fees.

Transfers – The unfavourable variance of \$100 relates to unspent reserve funding for Business Licensing software.

Community Impacts & Achievements

Business Licensing

- Responsibility for licensing, governance and enforcement of all business licenses was successfully transferred back to the Niagara Region from Niagara Regional Police on June 1, 2019.
- Undertook extensive review of license fee structure to better align fees with administrative costs.

Construction, Energy and Facilities Management

- Ground breaking ceremony held on June 4, 2019 for the new 1 District Niagara Regional Police Station in St. Catharines.
- Construction commenced in August 2019 on the St. Catharines Child Care Centre expansion.
- Achieved substantial completion of New Public Health building in September 2019.
- Approval of Energy Conservation and Demand Management Plan for Region on June 12, 2019.

Clerks

- Amended Councillor Expense Policy ensuring additional transparency and accountability.
- Recommendations from Ontario Ombudsman Report “Inside Job” were accepted by Regional Council and staff are working on the required policies and procedures.
- With the onboarding of new staff, Clerks has been able to offer education and training in the areas of privacy and records.

IT Solutions

- Amended Councillor Expense Policy ensuring additional transparency and accountability.

Corporate Services - Continued

- Recommendations from Ontario Ombudsman Report “Inside Job” were accepted by Regional Council and staff are working on the required policies and procedures.
 - With the onboarding of new staff, Clerks has been able to offer education and training in the areas of privacy and records.

Customer Service

- Enhanced the ability of front line staff to easily access information needed to best direct customers in a timely, accurate and consistent manner through implementation of a new knowledge base software.
- Increased our ability to capture, view, and analyze customer transaction data in order to make better operational recommendations based on customer needs and trends.
- Conducted a cross training pilot with front line staff to enable operational efficiencies and collect data to further inform customer service delivery recommendations.
- Improving the in person service experience for our customers through improved wayfinding and signage within headquarters.
- Modernizing the customer experience creating a new digital channel of communication available for our customers through piloting a chat tool in public health.
- Continuing to foster partnerships within both the organization and the community to enhance service delivery processes and the overall customer experience.

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
Compensation	\$101,567	\$102,652	-\$1,085	-1.1%
Administrative	\$1,617	\$1,822	-\$205	-12.7%
Operational & Supply	\$8,951	\$9,430	-\$479	-5.3%
Occupancy & Infrastructure	\$3,691	\$3,679	\$11	0.3%
Equipment, Vehicles, Technology	\$1,158	\$1,488	-\$330	-28.5%
Community Assistance	\$171,911	\$167,649	\$4,263	2.5%
Partnership, Rebate, Exemption	\$0	\$0	\$0	0.0%
Financial Expenditures	\$0	\$79	-\$79	0.0%
Total Expenses	\$288,895	\$286,798	\$2,097	0.7%
Federal & Provincial Grants	-\$236,588	-\$233,160	-\$3,428	-1.4%
By-Law Charges & Sales	-\$3,530	-\$4,321	\$791	22.4%
Other Revenue	-\$23,038	-\$24,093	\$1,056	4.6%
Total Revenues	-\$263,156	-\$261,574	-\$1,581	-0.6%
Intercompany Charges	\$409	\$317	\$91	22.3%
Total Intercompany Charges	\$409	\$317	\$91	22.3%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$26,147	\$25,541	\$606	2.3%
Transfers From Funds	-\$336	-\$336	\$0	0.0%
Transfers To Funds	\$1,829	\$2,671	-\$842	-46.1%
Total Transfers	\$1,493	\$2,335	-\$842	-56.4%
Net Expenditure (Revenue) Before Indirect Allocations	\$27,640	\$27,876	-\$236	-0.9%
Indirect Allocations & Debt	\$16,151	\$14,502	\$1,649	10.2%
Total Indirect Allocations & Debt	\$16,151	\$14,502	\$1,649	10.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$43,791	\$42,378	\$1,413	3.2%

Community Services - Continued

Variance Analysis (in thousands of dollars)

Community Services' operated at a deficit before indirect allocations of \$236 in part related to mid-year provincial funding announcements resulting in reduced funding to Social Assistance and Employment Opportunities (SAEO) (-0.9% per cent of the net budget). The following factors contribute to these variances:

Compensation - The unfavourable variance of \$1,085 is primarily due to the following: An unfavourable variance of \$963 in Seniors Services due to the required one to one staffing for residents with high intensity needs in long-term care (LTC), 95% of which is offset by ministry funding. In addition, there is higher than anticipated pay related to employees' time spent on union business in LTC, offset in union billings. An unfavourable variance of \$217 in Children Services due to higher than anticipated staff replacement pay at our regionally operated child care centres. A favourable variance in SAEO of \$109 is related to gapping of positions to mitigate Ministry funding being held at 2018 actuals.

Administration - The unfavourable variance of \$205 is primarily due to Senior Services higher than anticipated expenditures associated with necessary staff training at the LTC homes (clinical capacity building e.g. enhanced wound care, responsive behaviours and safety).

Operational & Supply – The unfavourable variance of \$479 is due to Senior Services higher than anticipated medical supplies and transportation expenditures for high intensity needs residents in LTC, 95% of which is offset by Ministry funding.

Equipment, Vehicles, Technology – The unfavourable variance of \$330 is due to Senior Services higher than anticipated equipment repair and building maintenance costs at the LTC homes.

Community Assistance - The favourable variance of \$4,263 is primarily due to the following: A favourable variance in SAEO of \$3,123 related to lower than budgeted Ontario Works (OW) caseload expenditures resulting in reduced number of benefit issuances, which is 100% funded by the Province. A favourable variance in Children Services of \$1,246 due to timing differences in the 100% Ministry-funded community capital builds as construction will be completed by December 2020, offset by a transfer to capital for the regionally owned and operated child care centre capital build of \$553. In addition, a favourable variance of \$491 related to the reinvestment of the parental fee revenue.

Federal & Provincial Grants – The unfavourable variance of \$3,428 is primarily due to the following: An unfavourable variance of \$3,644 in SAEO due to lower than budgeted Ministry funding reflective of the reduction in 100% funded expenditures of \$3,032 as well as lower than anticipated OW program administration funding received from the Ministry of \$490 due to being held at 2018 actuals. An unfavourable variance in Children Services of \$1,062 is primarily due to the timing differences related to the Ministry-funded community capital builds as revenue is recognized based on actual expenses incurred. A favourable variance in Seniors Services of \$822 in additional funding specifically related to high intensity needs expenditures. A favourable variance of \$456 in Homelessness due to the timing of revenue recognized related to the fiscal year-end programs to be spent in the first quarter of 2020.

By-Law Charges & Sales - The favourable variance of \$791 is primarily due to Children Services higher than anticipated parental fee revenue at our five regionally operated child care centres of \$491, along with an increased fee subsidy parental fee revenue of \$205.

Other Revenue - The favourable variance of \$1,056 is due to Senior Services higher than anticipated provincially established accommodation fees and union billings for employees.

Transfers – The unfavourable variance of \$842 is a result of the following: An unfavourable variance of \$553 in Children Services due to the capital expenditures relating to the addition to the St. Catharines child care centre being budgeted in community assistance. An unfavourable variance of \$289 in Homelessness due to a transfer to the encumbrance reserve to fund additional supportive housing units over a 24-month period as approved by Council (report NRH 9-2019).

Community Services - Continued

Community Impacts & Achievements

Children Services

- Continuing to provide child care fee subsidy without a waitlist.
- Provided additional funding to service providers to sustain a local expansion plan and achieved a ministry target of 584 new spaces and to maintain affordable rates for child care.
- Five Community capital builds are progressing with 230 new spaces anticipated to be open by December 2020.

Senior Services

- Received ministry approval to proceed with a pilot project where Linhaven will trial a six bed ‘step-down’ unit to help transition residents out of the behavioral support unit back to regular long-term care.
- Continued work on programming and conceptual design for the redevelopment project (Linhaven and Gilmore Lodge)

Homelessness and Community Engagement

- Launched Built-For-Zero campaign with all homeless agencies.
- Completed the five-year Housing and Homeless Action Plan update, received Council approval and submission to Ministry of Municipal Affairs and Housing was completed.
- Launched work on the Community Safety and Well-being plan, including forming a community advisory table and commencement of community consultations.

Social Assistance and Employment Opportunities

- Achieved provincial employment performance targets, which results in maximum performance funding of 8.1M.
 - Percentage of terminations existing to employment of 23.44% (5.53% greater than target)
 - Percentage of total caseload exiting to employment of 1.34% (0.31% greater than target)
 - Percentage of caseload with earnings of 16.65% (0.04% greater than target)

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
Compensation	\$79,758	\$81,784	-\$2,025	-2.5%
Administrative	\$2,314	\$2,936	-\$623	-26.9%
Operational & Supply	\$6,068	\$5,419	\$650	10.7%
Occupancy & Infrastructure	\$679	\$635	\$44	6.5%
Equipment, Vehicles, Technology	\$2,484	\$2,606	-\$122	-4.9%
Community Assistance	\$0	\$3	-\$3	0.0%
Financial Expenditures	\$0	\$4	-\$4	0.0%
Total Expenses	\$91,304	\$93,387	-\$2,083	-2.3%
Federal & Provincial Grants	-\$65,843	-\$64,974	-\$869	-1.3%
By-Law Charges & Sales	-\$240	-\$174	-\$66	-27.7%
Other Revenue	-\$297	-\$819	\$522	175.9%
Total Revenues	-\$66,380	-\$65,967	-\$413	-0.6%
Intercompany Charges	\$1,540	\$1,550	-\$10	-0.6%
Total Intercompany Charges	\$1,540	\$1,550	-\$10	-0.6%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$26,463	\$28,969	-\$2,506	-9.5%
Transfers From Funds	-\$1,641	-\$1,641	\$0	0.0%
Transfers To Funds	\$85	\$165	-\$80	-93.6%
Total Transfers	-\$1,555	-\$1,475	-\$80	-5.1%
Net Expenditure (Revenue) Before Indirect Allocations	\$24,908	\$27,494	-\$2,586	-10.4%
Indirect Allocations & Debt	\$13,767	\$13,424	\$343	2.5%
Total Indirect Allocations & Debt	\$13,767	\$13,424	\$343	2.5%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$38,675	\$40,918	-\$2,243	-5.8%

Public Health & Emergency Services - Continued

Variance Analysis (in thousands of dollars)

Public Health (PH) & Emergency Medical Services (EMS) year-end unfavourable variance before indirect allocations was \$2,586 due to the following factors:

Compensation – The unfavourable variance of \$2,025 was primarily due to higher than anticipated Workplace Safety Insurance Board (WSIB) costs in EMS (\$1,084), and paramedic salaries (\$895). These unfavourable variances were partially offset by temporary staffing vacancies within various PH programs, as well as in Other Revenues as the majority of the paramedic salary variance was for EMS service provided at the St. Catharine’s Consumption Treatment site on a cost recovery basis (as described below).

Administrative – The unfavourable variance of \$623 was primarily the result of increased consulting costs relating to current strategic health initiatives, increased staff training and development costs, and unanticipated workspace redesign costs, within divisions of PH.

Operational & Supply - The favourable variance of \$650 was primarily due to the introduction of a new Ministry of Health (MOH) Ontario Senior Dental Care Program (OSDCP) in-year. The delayed launch of the program limited PH’s ability to utilize all of the available funding in the program’s first year (as described below).

Equipment, Vehicles, Technology – The unfavourable variance of \$122 was primarily due to replacement furniture as well as investments in audio-visual equipment in Mental Health.

Federal & Provincial Grants – The unfavourable variance of \$869 was primarily due to the delayed launch of the new MOH OSDCP (\$609 unfavourable), as well as the discontinuation of the annual inflationary increase in Land Ambulance funding (\$439 unfavourable). The MOH announced the OSDCP funding in August 2019, effective April 2019. Council acceptance of funding and establishment of the OSDCP budget did not occur until September 2019, which limited the ability to expend the full budget this year. These amounts were partially offset by MOH one-time funding (\$295 favourable) that was announced in-year for various PH programs.

Other Revenue - The favourable variance of \$522 is due mainly to unbudgeted revenue for EMS services provided at the St. Catharine’s Consumption Treatment site to offset the related costs (\$413).

Community Impacts & Achievements

Mandatory and Related Programs

- In order to harness modern data analytics capabilities, new work is launching to improve information governance within Public Health & Emergency Services to enable more timely and targeted delivery of service to the public
- The Provincial Government’s delay in allocating funding to launch the Senior’s Dental Program has resulted in a 7 month delay in delivering this new service to the public
- Instituted a new bylaw to strengthen restrictions on smoking, cannabis, and e-cigarette in order to protect the public from second-hand exposure
- Engaging in new health promotion activities concerning suicide-prevention, cannabis, and e-cigarette use
- Adapted Public Health inspections to new regulations issues by the Provincial government
- Launched multiple new tools for engaging with the public (e.g. live chat, text messaging) as well as enhancing social media presence.
- Worked collaboratively with Niagara Health and West Lincoln hospitals to improve screening for risk to child development and appropriate follow-up – resulting in more than 95% uptake by families

Mental Health

- Enhanced funding from the HNHB LHIN for Early Intervention in Psychosis

Public Health & Emergency Services - Continued

- Participation in a four year project to improve evidence-based treatment protocols in the Early Intervention in Psychosis service
- Enhanced capacity to our intake process to ensure our clients have access to the right service, at the right time, in the right place
- Evaluation of outcomes for clients accessing various treatment modalities across MH services shows improvement in client outcomes
- Intensive training for clinical staff on evidence-based treatments and protocols including suicide assessment and intervention, cognitive behavioural therapy and dialectical behaviour therapy
- Collaboratively working across Public Health divisions to ensure messaging to our clients, staff and public is consistent and aligned with research
- Participating in the Mental Health and Addictions Collaborative for system planning in Niagara
- Participating in the Niagara Ontario Health Team application

Emergency Services

- All phases of the EMS system transformation implemented in Q3 with early results at end of Q4
- The system has reduced the amount of lights and siren responses from 42% to 11%, which has decreased risk to the community and responders, while improving resource utilization
- The system has decreased call volume for most municipal fire services responding to medical related calls by approximately 50% or more
- Service delivery changes have resulted in improved patient access to health care resources to best meet their needs and overall reduction in number of patients transported to hospital for the first time since 2007
- Yearly call volume increase for 2019 was 0.11% down from 6.6% yearly average from 2011-2017
- In 2019 there were 2.2% less patients transported to hospital than in 2018
- Despite lowering call volume, and less patients taken to hospital, transfer of care times at Niagara hospitals increased in late Q3 and into Q4 by as much as 30% or more resulting in a decrease in available ambulances positioned to respond to calls (offload delays)
- The lack of available ambulances has impacted the ability to improve response time for the most critically ill or injured patients which is a risk to the community, a key outcome for the system changes undertaken in 2019
- An economic evaluation of the new system is being reviewed by McMaster University to assist with future sustainability planning

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
Compensation	\$15,999	\$14,264	\$1,735	10.8%
Administrative	\$2,606	\$1,550	\$1,056	40.5%
Operational & Supply	\$22,809	\$18,815	\$3,993	17.5%
Occupancy & Infrastructure	\$869	\$558	\$311	35.8%
Equipment, Vehicles, Technology	\$2,283	\$2,284	-\$1	0.0%
Community Assistance	\$0	\$0	\$0	0.0%
Partnership, Rebate, Exemption	\$367	\$8	\$359	97.8%
Financial Expenditures	\$0	\$31	-\$31	0.0%
Total Expenses	\$44,933	\$37,511	\$7,422	16.5%
Taxation	\$0	\$0	\$0	0.0%
Federal & Provincial Grants	\$0	\$16	-\$16	0.0%
By-Law Charges & Sales	-\$6,229	-\$6,473	\$244	3.9%
Other Revenue	-\$834	-\$533	-\$301	-36.1%
Total Revenues	-\$7,064	-\$6,991	-\$73	-1.0%
Intercompany Charges	-\$2,069	-\$1,797	-\$272	-13.1%
Total Intercompany Charges	-\$2,069	-\$1,797	-\$272	-13.1%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$35,800	\$28,723	\$7,077	19.8%
Transfers From Funds	-\$4,235	-\$3,166	-\$1,069	-25.2%
Transfers To Funds	\$2,179	\$3,028	-\$849	-39.0%
Expense Allocations To Capital	-\$140	-\$96	-\$44	-31.8%
Total Transfers	-\$2,196	-\$233	-\$1,963	-89.4%
Net Expenditure (Revenue) Before Indirect Allocations	\$33,604	\$28,490	\$5,115	15.2%
Indirect Allocations & Debt	\$39,362	\$39,082	\$281	0.7%
Total Indirect Allocations & Debt	\$39,362	\$39,082	\$281	0.7%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$72,966	\$67,571	\$5,395	7.4%

Public Works Transportation - Continued

Variance Analysis (in thousands of dollars)

Public Works Levy operated at a surplus before indirect allocations of \$5,115. The following factors contributed to this surplus:

Compensation – The favourable variance of \$1,735 is primarily due to delays in filling vacant positions and decreased overtime costs.

Administration – The favourable variance of \$1,056 is primarily due to: decrease in consulting work of \$641 related to timing differences in the rollout of Transportation Services and Transit related studies; decrease of \$104 in data analysis services provided through Transportation Planning; reduced information & promotions costs of \$154; and reduced staff travel, training & other administrative expenses of \$157 due to vacant positions. Of this unspent budget, \$400 has been committed to future Complete Streets consulting study and \$207 to Niagara Regional Transit (NRT) consulting study; these commitments are included in the 2019 encumbrances reported in Transfers to Funds.

Operational & Supply – The favourable variance of \$3,993 is a result of: timing differences in rollout of increased NRT services of \$1,904; reduced Niagara Specialized Transit (NST) services of \$226 due to revised contract terms; lower than anticipated usage of winter sand, winter salt and organic de-icing material of \$221 due to mild winter conditions in 2019; reduced usage of traffic signal maintenance, sign and pavement marking material of \$633; lower than anticipated usage of hired equipment of \$764; and a decrease of \$245 in other program specific supplies and material. A total of \$242 of the unspent hired equipment budget has been committed to the Emerald Ash Borer tree removal project; this commitment is included in the 2019 encumbrances reported in Transfers to Funds.

Occupancy & Infrastructure – The favourable variance of \$311 is largely due to lower than expected electricity costs of \$387 related to the timing difference in the rollout of the Street Lighting program partially offset by increased repairs and maintenance and other infrastructure costs of \$76.

Equipment, Vehicles, Technology – The unfavourable variance of \$1 is due to higher than expected vehicle and equipment repairs of \$418 on aging fleet vehicles and equipment offset by savings of \$417 due to lower than expected fuel prices and usage.

Partnership, Rebate, Exemption – The favourable variance of \$359 is due to lower than anticipated Local Area Municipality (LAM) grants of \$298 associated with multi-use paths and drainage assessment funding for LAMs and \$61 due to a reduction in grant funding to the city of Niagara Falls for Computer Aided Dispatch / Automated Vehicle Location (CAD/AVL) systems for the existing NRT fleet.

By-Law Charges & Sales Costs – The favourable variance of \$244 is largely due to higher than anticipated NRT fare revenue of \$1,235 primarily related to increased U-Pass agreements with Brock and Niagara College for Fall 2019 semester offset by lower than expected signal maintenance, signs and lane marking revenues of \$981.

Other Revenue – The unfavourable variance of \$301 is primarily due to lower than expected development charges of \$259 related to delays in consulting assignments that are development charge eligible and lower than expected proceeds from sale of fleet vehicles and equipment of \$230 offset by increased road permit and license fees and other revenue of \$188.

Intercompany Charges – The unfavourable variance of \$272 is largely due to lower than expected fuel revenue allocations due to lower fuel prices and usage.

Transfers to Funds – The unfavourable variance of \$1,963 relates primarily to: 2019 Administration and Operational & Supply encumbrances of \$849, as outlined above; lower than anticipated LAM grants of \$298 associated with multi-use paths and drainage assessment funding for LAMs; and return of \$821 to reserve fund from delayed rollout of NRT services to West Niagara.

Public Works Transportation - Continued

Community Impacts & Achievements

- The Regional Road Network consists of 1,732 total lane kms of road. As part of the Region's Transportation Engineering capital program, 28.7 lane kms of roadways were resurfaced in 2019 through the annual Hot Mix Program-Phases I and II.
- The Region's Transportation Operations department has: applied 14,985 tonnes of salt on regional roads via the winter maintenance program; removed 1,595 trees as part of the Emerald Ash Borer and Tree Removal programs; and repaired or replaced 204 culverts in 2019.
- The Region's Transportation Planning department has implemented the Vision Zero Road Safety Plan to enhance safety and community wellbeing for Niagara's residents and visitors. A comprehensive 5 year Action Plan is underway focused on reducing traffic-related fatalities and serious injuries on Niagara's streets. The Plan addresses safety for the most vulnerable users of our transportation system (pedestrians, school children, older adults and cyclists) and encourages multi-modal transportation system.
- Martindale Road reconstruction (Phase 2) led by Transportation Services has commenced. This is the second phase of a two-phase program that will complete improvements on Martindale Road from the QEW to Fourth Avenue, including new signals and upgrades, illumination upgrades and geometric improvements. Active transportation has been an important part of this program as the Martindale Road corridor is a highly utilized active transportation route.
- Reece Bridge reconstruction project was completed in September, three months ahead of schedule. Led by Transportation Services, this bridge reconstruction/re-alignment project addressed severe horizontal alignment issues north and south of the bridge structure. Staff took a progressive approach of selecting an alignment that provided an added level of safety when crossing the structure as well as providing construction benefits.
- Ongoing strategic projects out of the Transportation Master Plan (TMP) are underway such as the Casablanca Boulevard Environmental Assessment (EA), the St. Paul Street Bridge EA and the Thorold Stone Road Extension and Bridge Street EAs that will help support efficient traffic, active transportation and GO Initiatives.
- Weekday GO Train service started in January 2019, four years in advance of projected opening day, with one a.m. and one p.m. stop in St. Catharines and Niagara Falls.
- GO Rail Stations:
 - Niagara Falls and St. Catharines: Metrolinx initiated the station design work with the GO Implementation Office coordinating inputs from Local and Regional staff. An MOU for creation of a new local road connecting station to Ridley Rd is approved, and the right of way incorporated in the design. Niagara Falls, in coordination with the Region, has submitted an application for ICIP (Investing in Canada Infrastructure Program) funding to establish a transit hub at the station.
 - Grimsby: Following new direction from Metrolinx on funding of future stations based on market driven Transit Oriented Development (TOD) approach, options are being developed for potentially advancing the Grimsby station under an alternative delivery model.
- Transit Governance framework: critical studies related to transit governance are underway, including the specialized transit study and the transit governance study. The latter will develop a business case for selecting a consolidated transit model, with a decision point expected in Q2 2020.
- September 2019 saw a significant accelerated increase in NRT service hours outlined in the IMT Service Plan. Completed the consolidation of the remaining duplicate routes and renegotiated U-Pass agreements to improve transit services.

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
Compensation	\$5,636	\$5,032	\$604	10.7%
Administrative	\$2,411	\$836	\$1,575	65.3%
Operational & Supply	\$23	\$13	\$10	43.5%
Occupancy & Infrastructure	\$0	\$0	\$0	0.0%
Equipment, Vehicles, Technology	\$36	\$43	-\$6	-17.8%
Partnership, Rebate, Exemption	\$120	\$96	\$24	19.8%
Financial Expenditures	\$0	\$0	\$0	0.0%
Total Expenses	\$8,227	\$6,020	\$2,206	26.8%
By-Law Charges & Sales	-\$1,740	-\$1,211	-\$529	-30.4%
Other Revenue	-\$1,286	-\$411	-\$875	-68.0%
Total Revenues	-\$3,026	-\$1,622	-\$1,404	-46.4%
Intercompany Charges	-\$419	-\$419	-\$1	-0.2%
Total Intercompany Charges	-\$419	-\$419	-\$1	-0.2%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$4,782	\$3,979	\$802	16.8%
Transfers From Funds	-\$1,882	-\$1,832	-\$50	-2.7%
Transfers To Funds	\$0	\$664	-\$664	-0.0%
Total Transfers	-\$1,882	-\$1,169	-\$714	-37.9%
Net Expenditure (Revenue) Before Indirect Allocations	\$2,899	\$2,811	\$88	3.0%
Indirect Allocations & Debt	\$1,539	\$1,382	\$156	10.2%
Total Indirect Allocations & Debt	\$1,539	\$1,382	\$156	10.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$4,438	\$4,193	\$244	5.5%

Planning & Development - Continued

Variance Analysis (in thousands of dollars)

Planning and Development operated at a surplus before indirect allocations of \$88. The following factors have contributed to this surplus.

Compensation - The favourable variance of \$604 is due to extended vacancies with difficulty recruiting senior professional positions.

Administration - The favourable variance of \$1,575 is largely due to the timing of consulting expenditures involving the new Regional Official Plan (ROP) amounting in \$1,018. The remaining favourable variance relates to work completed in house saving \$49 and delayed completion of a secondary plan \$100 and hiring of an aggregates advisor \$150 with the latter both offset by revenues.

This amount is offset by decreased development charge revenues realized in the amount of \$628 and a 2019 encumbrance of \$390 reported as a Transfer Between Funds. An additional encumbrance of \$258 represents commitments for the municipal comprehensive review, creation of stormwater guidelines and environmental & highly vulnerable aquifer peer reviews.

Partnership, Rebate, Exemption - The favourable variance of \$24 is due to timing of grant awards and lower than anticipated matching grants. This is offset by a committed grant of \$16 which is included in the 2019 encumbrance reported as Transfer Between Funds.

By-Law Charges & Sales - The unfavourable variance of \$529 is due lower than anticipated application volumes within development planning and a delay in introducing new fees and inflationary increase to April 1.

Other Revenue - The unfavourable variance of \$875 is due to a lower transfer of development charge revenue of \$725 and a delay in anticipated revenue from a developer related to an aggregates advisor of \$150. The development charge revenue is matched to expenditures to partially fund the Regional Official Plan and secondary plans and offsets the administration favourable forecast.

Transfer Between Funds - The unfavourable variance of \$714 is due to \$664 in 2019 encumbrances and transfers to reserve of \$50 in unspent one time funding for Stormwater guidelines.

Community Impacts & Achievements

Planning & Development provides land use planning and development review including natural heritage, urban design, 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

- Regional Official Plan (ROP) is ongoing and progressing on track with attendance at all local councils and established frameworks, background studies and policy development. Public Information Centres (Open Houses), Public Meetings and social media input will be occurring in 2020 on key policy issues and draft policy.
- 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:

- Implementing GO Hub and Transit Stations Strategy, Streamlining Process for Development Approvals, Facilitating Development Solutions, Grant and Incentive Programs, Affordable Housing and the Housing Action Plan and the Airport Strategy.

Growing Niagara

- District & Secondary Plans: Brock Plan implementation, Glendale Plan ongoing and Prudhommes Plan complete
- Providing assistance with development of the Master Community Plan for Smithville
- Supporting major development initiatives and alignment with growth infrastructure

Planning & Development - Continued

- Providing assistance for City of Welland for northwest urban boundary expansion.
- Substantive background work on the Region's new Official Plan, including separate background reports or studies on Employment, Housing, Climate Change, Aggregates, Agriculture, and Natural Environment.

Supporting Local Communities, Fostering Great Development

- 74% increase in development application revenues between 2015-2018
- 29% increase in pre-consultations between 2015-2018
- 95% of applications satisfied review timeline targets in 2018
- Leading Environmental Planning review function
- Developing stormwater and hydrogeology guidelines for the Niagara Region
- Developing and implementing wet weather management programs and education in partnership with the Local Area Municipalities and the Combined Sewer Overflow Program.
- Advancement of Master Plan/Site Plans for LTC builds at Linhaven in St. Catharines, and Gilmore Lodge in Fort Erie. The plans for these properties, and considerations for adjacent compatible uses are advancing to the initial planning approvals stage, concurrently with architectural designs for the LTC Homes themselves.
- Establishing a Joint Agency Review Team to guide a new quarry application in the City of Niagara Falls
- Working with the agricultural community to streamline provincial regulations related to on-farm uses.

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
- Implementing the Transportation Master Plan
- Managed the successful construction of the International Plaza
- Revamped and launched the 2020 Niagara Biennial Urban Design Awards

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
Compensation	\$2,039	\$1,615	\$424	20.8%
Administrative	\$1,834	\$1,753	\$81	4.4%
Operational & Supply	\$929	\$1,420	-\$491	-52.9%
Equipment, Vehicles, Technology	\$1	\$8	-\$8	-1566.8%
Financial Expenditures	\$108	\$241	-\$133	-123.5%
Total Expenses	\$4,910	\$5,038	-\$128	-2.6%
By-Law Charges & Sales	\$0	\$0	\$0	0.0%
Other Revenue	-\$6,740	-\$7,240	\$500	7.4%
Total Revenues	-\$6,740	-\$7,240	\$500	7.4%
Intercompany Charges	-\$9	-\$5	-\$4	-47.9%
Total Intercompany Charges	-\$9	-\$5	-\$4	-47.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$1,839	-\$2,207	\$368	20.0%
Transfers To Funds	\$0	\$0	\$0	0.0%
Total Transfers	\$0	\$0	\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	-\$1,839	-\$2,207	\$368	20.0%
Indirect Allocations & Debt	\$1,234	\$1,158	\$76	6.1%
Total Indirect Allocations & Debt	\$1,234	\$1,158	\$76	6.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	-\$605	-\$1,049	\$444	73.5%

Court Services - Continued

Variance Analysis (in thousands of dollars)

Court Services operated at a surplus before indirect allocations of \$368 due to the following factors:

Distribution to Local Area Municipalities - The total year distribution to local area municipalities and Region is \$1,049 each, which reflects a favourable variance of \$444 due in part to an increase in collection enforcement activity and fine payments received, as well as savings due to vacancy management.

Compensation - The favourable variance of \$424 is due to vacancy management.

Administrative – The favourable variance of \$81 is primarily due to lower than anticipated adjudication costs and reduced costs for enforcement investigation through increased use of collection agency services, offset by increased Victim Fine Surcharge costs paid to the Ministry of Attorney General as a result of increased fine payments received.

Operational & Supply - The unfavourable variance of \$491 is mainly due to the 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 variance of \$133 is a result of higher collection charges paid to third party collection agencies, which is offset by increased delinquent fine revenue recovered in the year.

Other Revenue - The favourable variance of \$500 is due to an increase in collection enforcement activity and larger fine payments received in the year in the amount of \$285, as well as net proceeds of \$215 from the sale of surplus land.

Community Impacts & Achievements

Court Services is responsible for overseeing the Provincial Offences Court on behalf of the Niagara Region and the 12 Local Area Municipalities in the areas of Administration, Collections and Prosecutions.

- Court Services achieved full amalgamation of services in 2019 following the closure of the St. Catharines courthouse and the centralization of all staff at the new Welland courthouse. Court Services has benefited from a reduced reliance on the labour pool and not needing to operate out of multiple locations.
- Based on a redistribution of work following the centralization of staff, Court Services was able to streamline processes while simultaneously dealing with an increased volume of work, resulting in a reduction of 3 FTEs for the 2020 budget.
- Court Services Collections Team led an RFP, on behalf of the Niagara Region and a number of participating municipalities, to solicit proposals from Collection Agencies to collect outstanding POA fines. The RFP was completed ahead of schedule, and contracts were executed within 2019.
- Court Services collaborated with the Transportation, Business Licencing and Finance divisions to develop a business case that was approved with the 2020 budget to implement Vision Zero, a road safety initiative.
- On October 21, 2019, the surplus lands at the Welland courthouse were sold to Niagara Regional Housing for \$220,000 (\$215,000 net proceeds after accounting for appraisal and survey expenses).

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
Compensation	\$5,105	\$4,984	\$121	2.4%
Administrative	\$938	\$644	\$295	31.4%
Operational & Supply	\$89	\$83	\$7	7.5%
Occupancy & Infrastructure	\$14,613	\$15,557	-\$944	-6.5%
Equipment, Vehicles,Technology	\$337	\$296	\$41	12.2%
Community Assistance	\$32,617	\$29,515	\$3,103	9.5%
Financial Expenditures	\$2,225	\$2,195	\$29	1.3%
Total Expenses	\$55,924	\$53,273	\$2,651	4.7%
Federal & Provincial Grants	-\$14,719	-\$13,337	-\$1,381	-9.4%
Other Revenue	-\$15,324	-\$16,005	\$681	4.4%
Total Revenues	-\$30,043	-\$29,342	-\$701	-2.3%
Intercompany Charges	\$58	\$64	-\$7	-11.4%
Total Intercompany Charges	\$58	\$64	-\$7	-11.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$25,939	\$23,995	\$1,944	7.5%
Transfers From Funds	-\$1,306	-\$1,282	-\$24	-1.9%
Transfers To Funds	\$3,156	\$3,890	-\$735	-23.3%
Total Transfers	\$1,850	\$2,608	-\$759	-41.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$27,789	\$26,604	\$1,185	4.3%
Indirect Allocations & Debt	\$7,616	\$7,475	\$141	1.9%
Total Indirect Allocations & Debt	\$7,616	\$7,475	\$141	1.9%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$35,405	\$34,079	\$1,327	3.7%

Niagara Regional Housing - Continued

Variance Analysis (in thousands of dollars)

Niagara Regional Housing (NRH) operated a surplus before indirect allocations of \$1,185. The surplus is due to the following factors:

Compensation – The favourable variance of \$121 is due to actual health and dental claims experienced in the year being less than budgeted.

Administration - The favourable variance of \$295 is due to the timing of executive-office initiatives and the designated substance survey reports for housing providers which was encumbered into the 2019 budget. The consultant did not complete all of the survey reports prior to yearend; as a result, a request has been made to re-encumber \$109 into the 2020 budget.

Occupancy & Infrastructure - The unfavourable variance of \$944 is primarily a result of an expanded preventative maintenance program and move-out costs (\$660), higher than anticipated pest control costs (\$301), and higher than budgeted snow removal costs in the first half of the year (\$156); offset by lower than budgeted utility costs resulting from capital improvements and new heating control systems (\$223).

Community Assistance - The favourable variance of \$3,103 is primarily due to lower than budgeted subsidy payments to non-profit and co-op providers and rent supplements to landlords (\$1,890), in addition to timing differences in Ministry-funded programs (\$1,507). This favourable variance is partially offset by support provided to the Homelessness division in Community Services (\$190). The Board provided direction in-year to assist in funding providers for heat control system upgrades to create future operating savings for those entities. Further correspondence with providers has indicated a less than anticipated take-up of this initiative. A request has been made to encumber \$506 into the 2020 budget for this initiative. The favourable ministry-funded program variance is partially offset by the unfavourable variance in Federal & Provincial Grants, as revenue is deferred to align with timing of Ministry-funded programs and related administrative costs.

Federal & Provincial Grants - The unfavourable variance of \$1,381 is due to timing of Ministry-funded programs and related administrative costs as revenue is recognized based on actual expenses incurred.

Other Revenue - The favourable variance of \$681 is primarily due to higher than budgeted investment income from the timing of transfers between Region and NRH bank accounts (\$184) and higher than anticipated rental revenues for NRH-owned units (\$526).

Transfer to Funds – The unfavourable variance of \$735 relates to the 2019 encumbrances.

Community Impacts & Achievements

Acting as Service Manager on behalf of Niagara Region, NRH is responsible for Community, 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 2019 include:

- *New Units:*
 - Completion and occupancy of the \$15.8 million, 85-unit Carlton Street development, addressing the need for affordable rental units in St. Catharines
 - Completion and occupancy of the multi-residential intensification on Roach Avenue in Welland, adding 8 net new owned units
 - Purchased two buildings in Thorold for intensification increasing owned units by 6 with an additional 4-5 units currently under construction
 - Demolition of 12 NRH units began for the Hawkins Street multi-residential intensification that will add 61 net new owned units in Niagara Falls
- *Home Repairs* – NRH received \$600,000 through the Investment in Affordable Housing-Extension (IAH-E) program for homeowner and secondary suite repairs and \$311,015 for multi-unit repairs, totaling \$911,015 for the 2019/2020 period. In addition, \$176,370 was received from Ontario Priorities Housing Initiative (OPHI) and Canada-Ontario Community Housing Initiative (COCHI) for 2019. As of December 31, 2019, 58 homeowners had been approved for funding.

Niagara Regional Housing - Continued

- *Homeownership* – NRH received \$180,000 through the Investment in Affordable Housing-Extension (IAH-E) and \$200,000 from the Ontario Priorities Housing Initiative (OPHI) program for the 2019/2020 period. As of December 30, 2019, down payment assistance was provided to 17 households to help purchase their first home. Funds were also allocated to 5 Habitat for Humanity Niagara Homes.
- *Help For Survivors Of Domestic Violence* – Continue accepting applications for recommendation to the Province to provide Portable Rent Benefits and prevent at-risk households from unsafe situations or the move to shelters
- *Addressed Homeless* – Ongoing partnership with Community Services through the Housing First program to move those experiencing homelessness to their own homes with appropriate supports
- *Rent Supplement* - Advertisements for new rent supplement agreements in order to expand units available with subsidies in private buildings, piloted the Rent Supplement In-Situ program to help waitlist applicants by partnering with the landlord to provide RGI subsidy in the private unit where the applicant currently resides.
- *Housing Providers:*
 - Semiannual provider forums to ensure continued engagement of housing providers
 - Provider Advisory Committee gathers regularly for consultation
 - NRH is working with service managers across the province to advocate for a funding solution that will ensure providers remain viable due to end of mortgages
 - Introduced Pilot Community Programs Coordinator to assist Housing Providers with eviction prevention
- Improved Public Housing (NRH-owned) communities
 - Partner with more than 40 agencies across Niagara to link vulnerable tenants with appropriate supports and provide community programs to build better communities
 - Began a new Social Enterprise Pilot with Niagara Resource Service for Youth (“RAFT”) to train at-risk youth to complete work needed for unit turnovers in NRH communities. This is the fourth NRH-RAFT partnership which employs tenants and RAFT youth in NRH communities
 - Engaged students from Niagara College’s Recreation Therapy and Social Service Worker programs to support high needs tenants in maintaining their tenancies and living healthier lives

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
Compensation	\$150,626	\$150,263	\$364	0.2%
Administrative	\$3,860	\$3,826	\$34	0.9%
Operational & Supply	\$2,251	\$2,476	-\$225	-10.0%
Occupancy & Infrastructure	\$298	\$311	-\$13	-4.3%
Equipment, Vehicles, Technology	\$6,414	\$6,183	\$231	3.6%
Financial Expenditures	\$4	\$6	-\$3	-74.8%
Total Expenses	\$163,453	\$163,065	\$388	0.2%
Federal & Provincial Grants	-\$10,008	-\$9,652	-\$356	-3.6%
By-Law Charges & Sales	-\$6,538	-\$6,456	-\$82	-1.3%
Other Revenue	-\$2,046	-\$2,329	\$283	13.8%
Total Revenues	-\$18,592	-\$18,437	-\$155	-0.8%
Intercompany Charges	-\$1,297	-\$1,406	\$109	8.4%
Total Intercompany Charges	-\$1,297	-\$1,406	\$109	8.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$143,564	\$143,222	\$342	0.2%
Transfers To Funds	\$3,150	\$3,150	\$0	0.0%
Total Transfers	\$3,150	\$3,150	\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$146,714	\$146,372	\$342	0.2%
Indirect Allocations & Debt	\$14,814	\$14,357	\$457	3.1%
Total Indirect Allocations & Debt	\$14,814	\$14,357	\$457	3.1%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$161,528	\$160,729	\$798	0.5%

Niagara Regional Police Services - Continued

Variance Analysis (in thousands of dollars)

For the period ending December 31 2019, the Service's financial result was a combined Net Expenditure before Indirect Allocations surplus of \$342. The Service recommended a transfer of the surplus to reserves consistent with Region policy. The surplus consisted of a \$204 surplus attributable to the Niagara Regional Police Service, a \$90 surplus attributable to the Police Service Board, and a \$48 surplus attributable to the Ontario Police Video Training Alliance (OPVTA), which will be transferred to their respective contingency reserves.

Compensation – At December 31, the Compensation expense was below the approved budget by \$364. This favorable variance is primarily the result of lower than expected utilization of uniform staffing due to lags in hiring during periods of staff turnover and from relief coverage during periods of absenteeism. This resulted in both uniform salary and benefit savings. The surplus can also be attributed to an overall favourable health and dental benefit claims experience. Continued trends in civilian staffing due to pressures in operationally essential units such as Communications, Prisoner Management and Records and Information Management, as well as greater than expected sick leave payouts, all contributed unfavourably to the overall compensation surplus position.

Other Operational Expenditures - Other Operational Expenditures are comprised of all other operating expenditures excluding Compensation. At December 31, the Other Operational Expenditures were below the approved budget by \$24. This is mainly due to savings in telecommunications, fuel rates and repairs and maintenance expenses for vehicles and equipment. These savings were partially offset by the purchase of uniform equipment, specifically protective body armour.

Recoveries & Revenues – At December 31, Gross Revenues and Recoveries were \$155 below budget levels mainly due to a shortfall to Provincial grant funding partially offset by additional revenue from one-time cost recovery services.

Intercompany Charges – At December 31, Intercompany charges were favourable by \$109. This is mainly due to savings in vehicle and equipment repairs and maintenance as well as recycling collection.

Conclusion

The detailed variance analysis has been prepared based on results of operations at December 31, 2019. The Service yearend surplus of \$342 represents 0.2% of the total budget. The results include the actual expenditures incurred and provisions for all known liabilities and offsetting revenues at December 31, 2019.

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
Partnership, Rebate, Exemption	\$5,484	\$5,484	\$0	0.0%
Total Expenses	\$5,484	\$5,484	\$0	0.0%
Other Revenue	\$0	\$0	\$0	0.0%
Total Revenues	\$0	\$0	\$0	0.0%
Total Intercompany Charges			\$0	0.0%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	\$5,484	\$5,484	\$0	0.0%
Transfers From Funds	-\$1,284	-\$1,284	\$0	0.0%
Total Transfers	-\$1,284	-\$1,284	\$0	0.0%
Net Expenditure (Revenue) Before Indirect Allocations	\$4,200	\$4,200	\$0	0.0%
Indirect Allocations & Debt	\$6	\$0	\$6	100.0%
Total Indirect Allocations & Debt	\$6	\$0	\$6	100.0%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$4,206	\$4,200	\$6	0.1%

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.

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
Compensation	\$23,724	\$23,397	\$327	1.4%
Administrative	\$2,017	\$2,083	-\$66	-3.3%
Operational & Supply	\$12,709	\$13,124	-\$415	-3.3%
Occupancy & Infrastructure	\$17,950	\$18,316	-\$365	-2.0%
Equipment, Vehicles, Technology	\$6,143	\$6,558	-\$415	-6.8%
Community Assistance	\$0	\$0	\$0	0.0%
Partnership, Rebate, Exemption	\$18,227	\$4,107	\$14,120	77.5%
Financial Expenditures	\$0	\$85	-\$85	0.0%
Total Expenses	\$80,771	\$67,670	\$13,101	16.2%
Taxation	-\$116,919	-\$115,905	-\$1,014	-0.9%
By-Law Charges & Sales	-\$1,358	-\$1,730	\$372	27.4%
Other Revenue	-\$7,034	-\$1,575	-\$5,459	-77.6%
Total Revenues	-\$125,311	-\$119,210	-\$6,101	-4.9%
Intercompany Charges	\$1,824	\$1,661	\$163	8.9%
Total Intercompany Charges	\$1,824	\$1,661	\$163	8.9%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$42,716	-\$49,880	\$7,163	16.8%
Transfers From Funds	-\$9,659	-\$2,998	-\$6,661	-69.0%
Transfers To Funds	\$37,038	\$39,038	-\$2,000	-5.4%
Total Transfers	\$27,379	\$36,039	-\$8,661	-31.6%
Net Expenditure (Revenue) Before Indirect Allocations	-\$15,338	-\$13,840	-\$1,497	-9.8%
Indirect Allocations & Debt	\$15,338	\$15,524	-\$187	-1.2%
Total Indirect Allocations & Debt	\$15,338	\$15,524	-\$187	-1.2%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	\$1,684	-\$1,684	0.0%

Water & Wastewater - Continued

Variance Analysis (in thousands of dollars)

Water & Wastewater services concluded 2019 with a \$1,684 deficit consisting of unfavourable variances of \$507 in Water and \$1,177 in Wastewater. The following factors have contributed to these variances.

Compensation - The favourable variance of \$327 is primarily due to staffing vacancies for a portion of the year. The favourable variance was partially offset by higher than expected lieu and overtime due to staff time required for emergency repairs (\$128).

Administration - The unfavourable variance of \$66 is primarily due to higher than anticipated external legal expenses (\$210) and additional staff development (\$64) in order to support training required to meet legislation. This was partially offset by unspent consulting budget of \$320.

Operational & Supply - The unfavourable variance of \$415 is primarily due chemical costs (\$319) as a result of higher contract prices and increased usage. In addition, there were higher than budgeted lab costs (\$290) due to additional testing required to support compliance. The unfavourable variance was partially offset by favourable sludge management costs (\$392) due to multiple shutdowns of the centrifuge in order to support capital works and repairs.

Occupancy & Infrastructure - The unfavourable variance of \$365 is due to higher than budgeted repair and maintenance costs for both grounds (\$296) and buildings (\$313), along with emergency sewer repairs for Dain City and other trunk sewer assessments (\$1,239). These unfavourable variances were partially offset by lower than expected electricity costs of \$1,447.

Equipment, Vehicles, Technology –The unfavourable year-to-date variance of \$415 is primarily due higher than anticipated repairs and maintenance equipment costs of \$452 due to aging infrastructure.

Partnership, Rebate, Exemption - The favourable year-to-date variance of \$14,120 is due to CSO funds committed to local area municipalities but not yet paid of \$14,093. All CSO funding not spent will be encumbered into future year budgets. This favourable variance is offset through unfavourable variances in unrecognized development charge revenue and reserve transfers further discussed below.

Taxation - The unfavourable variance of \$1,014 is due to decreased water sales. This is as a result of wet weather in 2019 and an increased focus by LAMs on reducing leakage in the distribution system.

By-Law Charges & Sales Costs - The favourable variance of \$372 is due to increased hauled sewage revenue of \$261 as a result of increased volume and fees collected of \$92.

Other Revenue - The unfavourable variance of \$5,459 is mainly driven by the timing of development charge revenue recognition to fund the CSO program of \$5,433.

Transfers - The unfavourable year-to-date variance of \$8,661 is primarily due to CSO projects committed to local municipalities but not yet paid of \$8,220 which have been encumbered into 2020. In addition, \$441 in previously encumbered CSO projects were closed as the funds were no longer required.

Community Impacts & Achievements

- The Water and Wastewater Operations Divisions treated 55.46 billion liters of water in 2019 through six water treatment plants and 316 km of watermains, as well as 76.14 billion liters of wastewater through eleven plants and one biosolids storage facility, with collection through 123 pump stations and 302 km of forcemains and gravity trunk sewers.
- The 16th Annual Children’s Water Festival was a success in May of 2019, with over 3,600 students, 170 teachers and approximately 400 parents attending over 4 days. The previous 16 Niagara Children’s Water Festival (NCWF) events were hosted at Ball’s Falls Conservation Area. In 2020, the 17th NCWF will be hosted at Brock University as part of a new partnership where Brock will be providing the facilities for the festival as an in-kind sponsorship. Registration for the 2020 NCWF

Water & Wastewater - Continued

opened on Nov. 18, 2019 and was fully subscribed by Nov. 19, 2019 with over 2,358 students set to participate for the transitional year.

- The new water wagon was unveiled in 2019 enhancing the existing wagon program and attended 55 events between May-October.
- Sponsoring partner of the OCWA “I Don’t Flush” campaign; engaging the public on messages around “non-flushables” and their impact on wastewater systems. The 2019 “I Don’t Flush” message reached over 700,000+ Facebook and Twitter users and made more than 24,759,784 media impressions over the campaign. This included hosting an information booth at regional HQ and handing out promotional material to residents and distributing to participating local municipalities.
- There were 14 community organizations/international delegations hosted for tours at our Water/Wastewater Treatment plants in 2019.

Staffing:

- Fully staffed all W/WW DLT vacancies including the hire to fill the new AD of Asset Management position.
- Increased the temporary PM compliment to help facilitate the delivery of the 2020 Capital Projects.
- The Asset Management Team is now formed and is currently reviewing current practices and processes.
- Hired an Energy Management Project Manager who will continue exploring energy rebates on capital projects and energy savings opportunities.

Capital Projects:

- Successfully tendered the 15 ML Grimsby Water Reservoir Project under the estimated budget.
- Held two successful PICs for the proposed new South Niagara Falls WWTP to engage the Public in the site selection process including two Facebook live broadcasts to extend the reach of information to the Public. This was the first attempt of its kind which proved to be very successful and well received.
- Completed the EA for the Bender Hill SPS. This is a critical station servicing one of the main tourist cores of Niagara Falls. Also successfully created a partnership with Niagara Parks Commission to combine the SPS project and Parkway realignment benefitting both parties by reducing the disruption to the locals and tourists, as well as realizing cost saving in this joint venture.
- Commenced the detailed design for the Welland WTP Phase II project. Made a presentation to City of Welland Senior Staff and Council to inform them of the project in greater detail than what was previously presented.
- Successfully constructed a temporary forcemain repair in Dain City averting further basement flooding while continually working on a permanent solution.
- Construction for the Rosehill Water Treatment Plant Upgrades is well underway and is anticipated to be completed by summer 2020. The work includes sustainability upgrades to each major plant process.
- Construction for the Niagara Falls Water Treatment Plant Phase II Upgrades has been awarded to Maple Reinders. This sustainability work includes filter rehabilitation and miscellaneous building repairs. The project is eligible for CWWF funding and is anticipated to be completed by summer 2020.
- The new NOTL WWTP is fully operational with substantial completion expected to be issued in Q1 of 2020. Final completion is expected by Q2 2020 subject to rectification of all outstanding work and deficiencies.
- Welland WWTP Upgrade project is expected to be complete by June 2020. On-going issues with general contractor resources and lack of payment to subcontractors has significantly impacted construction progress.

Asset Management:

- The locate team completed 9,645 locate requests.
- There were 50,200 meters of gravity pipe inspected and 10,000 meters cleaned.
- A new site facility virtual tours was launched along with the support of new facility scans.
- A Remotely Piloted Aircraft System (RPAS) program for Water & Wastewater was established.

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
Compensation	\$3,686	\$3,512	\$174	4.7%
Administrative	\$1,994	\$715	\$1,279	64.1%
Operational & Supply	\$40,864	\$38,519	\$2,345	5.7%
Occupancy & Infrastructure	\$1,438	\$1,425	\$14	0.9%
Equipment, Vehicles, Technology	\$1,053	\$1,254	-\$201	-19.1%
Partnership, Rebate, Exemption	\$196	\$196	\$0	-0.1%
Financial Expenditures	\$0	\$36	-\$36	0.0%
Total Expenses	\$49,231	\$45,656	\$3,575	7.3%
Taxation	-\$35,328	-\$35,328	\$0	0.0%
By-Law Charges & Sales	-\$14,588	-\$10,584	-\$4,004	-27.4%
Other Revenue	-\$4,431	-\$4,493	\$63	1.4%
Total Revenues	-\$54,347	-\$50,406	-\$3,941	-7.3%
Intercompany Charges	\$129	\$133	-\$4	-3.4%
Total Intercompany Charges	\$129	\$133	-\$4	-3.4%
Net Expenditure (Revenue) Before Transfers & Indirect Allocations	-\$4,988	-\$4,617	-\$371	-7.4%
Transfers From Funds	-\$1,511	-\$1,511	\$0	0.0%
Transfers To Funds	\$4,136	\$5,000	-\$865	-20.9%
Total Transfers	\$2,624	\$3,489	-\$865	-33.0%
Net Expenditure (Revenue) Before Indirect Allocations	-\$2,364	-\$1,128	-\$1,236	-52.3%
Indirect Allocations & Debt	\$2,363	\$2,284	\$79	3.4%
Total Indirect Allocations & Debt	\$2,363	\$2,284	\$79	3.4%
Net Expenditure (Revenue) After Transfers & Indirect Allocations	\$0	\$1,156	-\$1,156	0.0%

Waste Management Services - Continued

Variance Analysis (in thousands of dollars)

Waste Management Services operated at a deficit after indirect allocations of \$1,156. The following factors contributed to this deficit:

Compensation – The favourable variance of \$174 is due primarily to salary gapping and position vacancy management.

Administrative – The favourable variance of \$1,279 is primarily due to the timing of \$810 of consulting related to the Long-Term Strategic Plan (LTSP) Study, the Material Recovery Facility (MRF) Opportunity Review – Phase 4, and the service level change campaign, as well as reduced consulting expenditures of \$197 for 2019. Promotional and educational costs were also lower than anticipated by \$218, further contributing to the surplus, resulting from the utilization of existing communication pieces and Region services, as well as the reprioritization of planned promotion and education campaigns. \$810 for the LTSP Study, the MRF Study, and the service level change campaign, was committed and is included in the 2019 encumbrance reported in Transfers to Funds.

Operational & Supply – The favourable variance of \$2,345 is primarily due to lower than anticipated commodity prices for the purchase of recyclable materials under contracts with Waterloo, Haldimand and commercial businesses (\$1,777) which is offset by related decreases to recycling processing revenues. A savings of \$250 for lower than anticipated labour costs at the MRF in 2019 also contributed to the surplus. Liquidated damages in the amount of \$360 were issued under contract 2009-RFP-44 for breaches of contractual performance standards.

Equipment, Vehicles, Technology – The unfavourable variance of \$201 is due to higher than anticipated equipment repairs required at the various sites.

By-Law Charges & Sales – The unfavourable variance of \$4,004 is primarily due to lower than anticipated and decreasing market revenues received from the sale of recyclable commodities (i.e. unfavourable variance for fibres, including boxboard, newsprint and cardboard, of \$3,347, from containers such as PET plastic, aluminum, and steel of \$688, and from other recyclables, such as bulky rigid plastics and fine paper, of \$53). These decreases are offset by increased garbage tag sales of \$74 and tipping fee revenues of \$23 from the additional landfill tonnages received at the landfill sites.

Transfer to Funds – The unfavourable variance of \$865 relates to the 2019 encumbrance of \$810 and the transfer of proceeds from the sale of a loader at the MRF to the capital reserve

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.

- Negotiated RFP for the next waste collection contract, which will begin on October 19, 2020, was awarded in November 2019. The successful proponents for Collection Area One and Two are GFL Environmental Inc. and Miller Waste Systems Inc., respectively.
- New base collection service level approved by Regional Council, effective October 19, 2020, includes:
 - Every-other-week (EOW) garbage collection for all residential properties and for Industrial, Commercial & Institutional (IC&I) and Mixed-Use (MU) properties located outside the Designated Business Areas (DBAs). Recycling and organics collection will continue on a weekly basis and the garbage container (bag/can) limits would double for affected sectors.

Waste Management Services - Continued

- Four (4) item limit per residential unit, per collection, for large item collection at Low-Density Residential properties and discontinuation of appliances and scrap metal curbside collection.
 - Standardization of the weekly garbage container (bag/can) limits for IC&I and MU properties to four (4) containers per property.
 - Additional collection of children's diapers and non-hazardous medical waste for approved properties, during the alternate weeks of EOW garbage collection on a year-round basis.
- On-going negotiations with Emterra Environmental to ensure performance and adherence to the terms and conditions of Contract 2009-RFP-44, which includes changes to collection days in Wainfleet effective November 4, 2019. This change will help optimize collection fleet on Mondays and reduce delays throughout the week.
- Continue to market recyclable materials despite restrictive global market conditions.
- MRF Opportunity Review Phase 4 is in progress:
 - Purpose is to Identify options for the MRF considering the transition of the residential Blue Box program to extended producer responsibility.
 - Fairness advisor and project consultant/ transaction advisor were retained and the project was initiated in November 2019.
- Continue to investigate, assess and mitigate any environmental impacts related to the two open and twelve closed landfill sites.
- Continued work on Waste Management's Condition Assessment and Asset Management project, which includes all 14 landfill sites. This work will help the Region plan for the funding necessary to maintain its capital assets, and allow for effective decision making and a proactive approach to managing the assets. The project was substantially completed by the end of December 2019.
- MECP approved the application in December 2019 for Phase 2 of the upgrades at the Humberstone Landfill, with construction scheduled to begin in 2020.
- In July 2019, introduced the mattress recycling program at the Region's three recycling depots. At the end of 2019, a total of 43 tonnes have been recycled or approximately 2,380 mattresses.
- During the course of 2019, work has been progressing to reduce the number of monitoring wells required at both open and closed landfills, resulting in fewer monitoring wells at the Humberstone Landfill.
- Phase 1 of the Humberstone Landfill expansion (gas and leachate collection systems) was completed in Q4 of 2019.

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		973,894
Total Budget Amendment		-
Corporate	19,494	To record the 2018 Encumbrance budget adjustment as detailed in the 2018 Year-End Results & Transfer report (CSD 21-2019).
Enterprise Resource Management Services	55	To record funding and related expenditures from the Province of Ontario related to the sustainability review
General Government	600	To utilize 2018 surplus to fund the Smarter Niagara Incentive Program per Committee (CSC 3-2019).
Community Services	317	To record revenue and related expenditures due to additional annual funding received from the pharmaceutical industry
Community Services	183	To record revenue and related expenditures from the Government of Canada's Reaching Home program (formerly Homelessness Partnering Strategy)
Community Services	83	To record revenue and related expenditures from the Local Health Integration Network (LHIN) for the Senior Services division
Community Services	550	To record revenue and related expenditures related to increased fee subsidy for Children's Services
Community Services	2,293	To record revenue and related expenditures related to in-year funding announcement from the Ministry of Education for Children's Services per report (COM 31-2019)
Planning and Development	480	To record the unused development charge funding and related expenditures for the Regional Official Plan in relation to the 2018 Year-End Results & Transfer report (CSD 21-2019)
Planning and Development	(38)	To record reduction in funding from the Ministry of Community and Social Services in relation to an employment survey
Planning and Development	150	To record funding and related expenditures in connection with hiring an aggregates advisor
Public Health and Emergency Services	106	To record revenue and related expenditures from the Local Health Integrated Network (LHIN) to support a Mental Health and Addictions Project Manager
Public Health and Emergency Services	239	To record revenue and related expenditures from the Local Health Integrated Network (LHIN) to support the Community Paramedicine Program
Public Health and Emergency Services	1,603	To record revenue and related expenditures related to the Ontario Seniors Dental Care program from the Ministry of Health and Long Term Care (PHD 16-2019)
Public Health and Emergency Services	613	To record revenue and related expenditures related to the Dedicated Offload Nursing program from the Ministry of Health and Long Term Care

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

Wastewater	4,553	To record unused development charge funding and related expenditures for the Combined Sewer Overflow program from 2018 in relation to the 2018 Year-End Results & Transfer report (CSD 21-2019).
Transportation	250	To record revenue and related expenditures for the annual Crack Sealing program as a result of moving from capital budget to operating budget
Niagara Regional Housing	1,224	To utilize 2018 Niagara Regional Housing surplus to fund 2019 housing programs per Committee (CSC 3-2019).
Niagara Regional Housing	55	To record revenue and related expenditures related on two newly purchased properties
Niagara Regional Housing	100	To record budgeted revenue and expenditures related to the Niagara Home Ownership program
Niagara Regional Housing	938	To record revenue and related expenditures related to the Canada-Ontario Community Housing Initiative (COCHI) and the Ontario Priorities Housing Initiative (OPHI) (NRH 8-2019)
Total Budget Adjustment	33,848	
December 31, 2019 Adjusted Budget	1,007,742	

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 December 31, 2019 the Region's consolidated and uncommitted reserve balance (excluding commitments made with the 2020 approved budget) was \$245,612 (\$295,018 at December 31, 2018). The ratio of debt to reserves is an important marker of fiscal sustainability. A ratio of less than 1 shows that if revenues were to decline, the Region would have other resources to meet its obligations. Conversely, if the ratio is greater than 1, it can indicate vulnerability to economic downturns. The Region's debt to reserve ratio, including unissued debt is 2.75 (1.67 at December 31, 2018).

Description	Balances at December 31, 2018	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at December 31, 2019 before Transfers	Year-end Transfers*	Balances Available at December 31, 2019	Capital Commitments to Uninitiated Projects	Balances Available at December 31, 2019
Wastewater Capital	\$43,246	\$21,225	\$0	-\$24,443	\$603	\$40,631	\$945	\$41,576	-\$6,660	\$34,916
Water Capital	\$88,488	\$19,784	\$0	-\$31,828	\$1,195	\$77,640	\$1,172	\$78,811	-\$6,660	\$72,151
Waste Management	\$16,903	\$1,655	\$0	-\$4,115	\$227	\$14,670	\$1,100	\$15,770	-\$9,002	\$6,768
General Capital Levy	\$26,221	\$27,625	-\$2,000	-\$41,395	\$0	\$10,451	\$5,229	\$15,680	-\$400	\$15,280
Infrastructure Deficit	\$241	\$3,468	\$0	-\$3,709	\$0	\$0	\$0	\$0	\$0	\$0
Court Services Facility Renewal	\$1,650	\$0	\$0	\$1,226	\$0	\$2,876	\$0	\$2,876	\$0	\$2,876
Niagara Regional Housing	\$6,040	\$1,274	\$0	\$308	\$0	\$7,623	\$605	\$8,228	\$0	\$8,228
NRH Owned Units	\$4,121	\$1,881	\$0	-\$595	\$0	\$5,408	\$580	\$5,987	\$0	\$5,987
NRPS Long-Term Accommodation (LTA)	\$52	\$0	\$0	\$0	\$0	\$52	\$0	\$52	\$0	\$52
Ontario Police Video Training Alliance	\$61	\$0	\$0	\$0	\$0	\$61	\$48	\$109	\$0	\$109
Police Capital Levy	\$719	\$1,200	\$0	-\$1,358	\$0	\$561	\$0	\$561	\$0	\$561
Police Vehicle and Equipment Replacement	\$224	\$1,500	\$0	-\$1,700	\$0	\$24	\$0	\$24	\$0	\$24
Total Capital Reserves	\$187,967	\$79,612	-\$2,000	-\$107,609	\$2,025	\$159,998	\$9,679	\$169,675	-\$22,722	\$146,951
Wastewater Stabilization	\$2,982	\$0	\$0	\$0	\$43	\$3,026	-\$1,177	\$1,848	\$0	\$1,848
Water Stabilization	\$3,442	\$0	\$0	\$0	\$50	\$3,492	-\$507	\$2,985	\$0	\$2,985
Waste Management Stabilization	\$7,427	\$248	-\$580	\$0	\$105	\$7,200	-\$1,156	\$6,044	\$0	\$6,044
Encumbrance**	\$21,318	\$9,692	-\$14,633	\$0	\$0	\$16,377	\$0	\$16,377	\$0	\$16,377

Reserve Summary (in thousands of dollars) - continued

Description	Balances at December 31, 2018	Year to Date Transfers from Operating	Year to Date Transfers to Operating	Year to Date Net Transfers from/(to) Capital	Interest	Balance at December 31, 2019 before Transfers	Year-end Transfers*	Balances Available at December 31, 2019	Capital Commitments to Uninitiated Projects	Balances Available at December 31, 2019
Investment Income Stabilization	\$19	\$0	-\$19	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxpayer Relief **	\$24,714	\$874	-\$3,757	\$0	\$0	\$21,831	\$1,925	\$23,756	\$0	\$23,756
NRH Rent Supplements	\$278	\$0	-\$12	\$0	\$0	\$266	\$0	\$266	\$0	\$266
Police Contingency	\$0	\$250	\$0	\$0	\$0	\$250	\$204	\$454	\$0	\$454
Police Services Board Contingency	\$153	\$0	\$0	\$0	\$0	\$153	\$89	\$242	\$0	\$242
Total Corporate Stabilization Reserves	\$60,334	\$11,064	-\$19,001	\$0	\$198	\$52,594	-\$622	\$51,974	\$0	\$51,974
Ambulance Communication	\$37	\$0	\$0	\$0	\$0	\$37	\$0	\$37	\$0	\$37
Circle Route Initiatives	\$1,383	\$0	\$0	\$0	\$0	\$1,383	\$0	\$1,383	\$0	\$1,383
Total Specified Contribution Reserves	\$1,419	\$0	\$0	\$0	\$0	\$1,419	\$0	\$1,419	\$0	\$1,419
Future Benefit Costs	\$24,845	\$0	-\$150	\$0	\$0	\$24,695	\$0	\$24,695	\$0	\$24,695
Self Insurance	\$2,270	\$0	\$0	\$0	\$0	\$2,270	\$0	\$2,270	\$0	\$2,270
Smart Growth	\$201	\$0	\$0	\$0	\$0	\$201	\$0	\$201	\$0	\$201
Landfill Liability	\$8,288	\$2,288	\$0	-\$2,490	\$119	\$8,205	\$0	\$8,205	\$0	\$8,205
NRH Employee future benefits	\$793	\$0	\$0	\$0	\$0	\$793	\$0	\$793	\$0	\$793
Police Accumulated Sick Leave	\$1,680	\$0	\$0	\$0	\$0	\$1,680	\$0	\$1,680	\$0	\$1,680
Police Future Benefit Cost	\$4,152	\$0	\$0	\$0	\$0	\$4,152	\$0	\$4,152	\$0	\$4,152
Police WSIB	\$3,070	\$200	\$0	\$0	\$0	\$3,270	\$0	\$3,270	\$0	\$3,270
Total Future Liability Reserves	\$45,298	\$2,488	-\$150	-\$2,490	\$119	\$45,265	\$0	\$45,265	\$0	\$45,265
Total (Excluding Deferred Revenues)	\$295,018	\$93,164	-\$21,151	-\$110,099	\$2,342	\$259,277	\$9,057	\$268,334	-\$22,722	\$245,612

* Subject to Council approval in CSD 15-2020.

** Opening balances have been reclassified due to rounding error from the prior year.

Deferred Revenue Summary (in thousands of dollars)

Description	Balances at December 31, 2018	Year to Date Transfers from Revenues (Collections)	Year to Date Transfers from Revenues (DC Grants)	Year to Date Transfers to Operating	Year to Date Transfers from/(to) Capital	Interest allocation	Balance at December 30, 2019	Capital Commitments *	Balance Available at December 31, 2019
Development Charges-General Government	\$1,265	\$477	\$120	-\$406	\$0	\$27	\$1,483	\$0	\$1,483
Development Charges-Police Services	\$1,884	\$834	\$209	\$0	\$4	\$48	\$2,980	-\$43	\$2,937
Development Charges-Roads	\$50,883	\$14,064	\$3,435	\$0	-\$12,556	\$1,067	\$56,893	-\$41,795	\$15,098
Development Charges-Sewer	\$43,822	\$9,430	\$2,425	-\$1,120	-\$3,313	\$951	\$52,193	-\$9,333	\$42,860
Development Charges-Water	\$28,296	\$6,587	\$1,721	\$0	-\$2,203	\$627	\$35,029	-\$26,257	\$8,772
Development Charges-Emergency Medical	\$1,140	\$331	\$48	\$0	-\$14	\$26	\$1,531	-\$81	\$1,449
Development Charges-LT Care	\$3,076	\$2,359	\$205	\$0	\$0	\$87	\$5,727	\$0	\$5,727
Development Charges-POA	\$181	\$111	\$19	\$0	\$0	\$5	\$315	-\$331	-\$16
Development Charges-Health	\$415	\$299	\$43	\$0	\$0	\$12	\$768	\$0	\$768
Development Charges-Social Housing	\$2,609	\$1,872	\$92	\$0	-\$272	\$69	\$4,370	-\$1,889	\$2,481
Development Charges-Waste Division	\$959	\$742	\$57	\$0	\$66	\$28	\$1,852	-\$408	\$1,444
Subtotal Development Charges	\$134,530	\$37,107	\$8,372	-\$1,526	-\$18,288	\$2,947	\$163,141	-\$80,137	\$83,005
Federal Gas Tax	\$19,724	\$27,582	\$0	\$0	-\$13,499	\$535	\$34,343	-\$32,304	\$2,039
Provincial Gas Tax	\$508	\$761	\$0	-\$122	-\$500	\$12	\$658	\$0	\$658
Subtotal Gas Tax	\$20,232	\$28,343	\$0	-\$122	-\$13,999	\$547	\$35,001	-\$32,304	\$2,697
Total	\$154,762	\$65,450	\$8,372	-\$1,648	-\$32,287	\$3,494	\$198,142	-\$112,441	\$85,701

* 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.

Deferred Revenue Summary (in thousands of dollars) - continued

Summary of All Mandatory and Discretionary Grants, per Regional Development Charge Bylaw (2019)

Grant Category	Actuals			Total	Annual Budget 2019	Actual Variance 2019
	Q1-Q2	Q3	Q4			
Other Economic Incentives:						
50% Industrial - (M)	\$164	\$54	-\$1	\$218		
Phase in costs - (D)	\$1,805	\$866	\$0	\$2,672		
Brownfield - (D)*	\$329	\$502	\$935	\$1,766		
Smart Growth Niagara - (D)	\$0	\$0	\$23	\$23		
Long-Term Care Facility - (D)	\$0	\$0	\$410	\$410		
Board of Education - (D)	\$0	\$0	\$0	\$0		
NRH - (D)	\$0	\$0	\$0	\$0		
Parking garage - (D)	\$0	\$0	\$0	\$0		
Agriculture - (D)	\$179	\$0	\$0	\$179		
Place of Worship - (D)	\$384	\$0	\$0	\$384		
Intensification RDC Reductions - (M)	\$12	\$13	\$14	\$39		
Hotels/Motels - (D)	\$0	\$1,582	\$0	\$1,582		
Other (D)	\$246	\$0	-\$77	\$169		
Subtotal - Other Economic Incentives	\$3,118	\$3,017	\$1,305	\$7,440	\$4,089	-\$3,351
Non-Profit - (D) *	\$150	\$0	\$0	\$150	\$150	\$0
Industrial and Gateway - (D) *	\$508	\$182	\$92	\$782	\$1,050	\$268
Total	\$3,777	\$3,199	\$1,397	\$8,372	\$5,289	-\$3,083

Note: (D) – Discretionary, (M) – Mandatory

* Details on individual application can be found on the following page.

Deferred Revenue Summary (in thousands of dollars) - continued

Details for Application Based Regional Development Charge Grants (2019)

2019 Brownfield RDC Reduction Program Applicants and Approved Amounts

Address	Application Date	Development Description	Municipality	Approved Eligible Costs	Grants Paid to Date	Grants Paid 2019
Grants Application Prior to 2019 ¹				\$28,394	\$1,262	\$939
2019 Applications:						
439 King St ²	Mar 8, 2019	Retirement complex	Welland	\$827	\$827	\$827
Total				\$29,221	\$2,090	\$1,766

¹Grants awarded in prior years may be paid in current or future periods depending on the timing of building permit issuance.

²Conditional grant awarded pending submission of final information from applicant.

2019 Non-Profit RDC Grant Applicants and Approved Amounts

Organization	Application Date	Development Description	Municipality	Grant Requested	Grants Paid 2019
Q1-Q3 Applications				\$171	\$150
Q4 Applications:					
Nil				\$0	\$0
Total				\$171	\$150

2019 Discretionary Industrial RDC Grant Applicants and Approved Amounts

Address	Application Date	Development Description	Municipality	Grant Requested	Grants Paid 2019
Q1-Q3 Applications				\$690	\$690
Q4 Applications:					
406 Lakeshore Road	Nov 5, 2019	Fermentation and Distilling	NOTL	\$43	\$43
7 Westwood Court	Dec 31, 2019	Industrial Warehousing	NOTL	\$49	\$49
Total				\$782	\$782

Operating Reserve Transfer Reconciliation

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 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	Transfer Description
Council approved net operating transfers to reserves, including interest allocation to reserves	- \$64,051	
<i>Additional operating reserve transfers (to)/from reserves:</i>		
All Rate Reserves	\$142	Interest income allocation to reserve lower than budget (as per Reserve policy)
Taxpayer Relief	- \$821	Transfer back to reserve for unused funds – delays in NRT Niagara West service expansions and delays in Sunday service expansions due to insufficient capital resources
Taxpayer Relief	- \$50	Transfer back to reserve for unused funds – Planning guidelines project
Capital Levy	- \$98	Transfer back to reserve for unused funds – Drainage Assessment Funding for LAMs
Capital Levy	-\$150	Transfer back to reserve for unused funds - Active Transportation/Bike Lane Funding for LAMs
Capital Levy	- \$284	Transfer to reserve for proceeds on sale of surplus properties (as per Procurement By-Law)
Capital Levy	\$145	Reduced transfer to reserve (budgeted to fund associated capital project) as a result of provincial budget announcements no longer providing funding for the Peer Street Roof replacement
Capital Levy	- \$9,180	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Water Capital	- \$1,359	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Wastewater Capital	- \$2,170	Transfer debt charge placeholder surplus to reserves to fund subsequent budget requirements
Waste Management	- \$55	Transfer to reserve for proceeds on sale of surplus assets (as per Procurement By-law)
NRH Owned Units	- \$900	Transfer to reserve to be used for the proposed 2020 Niagara Falls Mutli-Residential Intensification Capital Project (NRH 19-183.31a)
2018 Encumbrance	\$21,322	2018 Encumbrances (CSD 21-2019)
Taxpayer Relief	-\$28	Correction or rounding error from 2018 year end between Taxpayer Relief and Encumbrance funds
2019 Encumbrance	- \$16,377	2019 Encumbrances (CSD 15-2020)
Wastewater Capital	-\$441	Underspent CSO projects closed during the year, transfer amount back to Wastewater Capital Reserve
Net operating transfers to reserves	- \$74,355	

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 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	Transfer Description
Council approved net capital transfers per 2019 Budget	\$133,887	Reserve transfers to capital projects
Capital reserve transfer commitments from 2018 or prior Budget	\$3,480	2018 or prior initiated capital projects
Capital reserve transfer commitments from 2018 or prior Budget closed and never initiated	- \$1,910	Project close out and reserve transfers not required
Capital reserve transfer commitments from uninitiated capital projects	- \$22,722	2019 Uninitiated capital projects
Budget Adjustment	- \$145	Reduced transfer from reserve as a result of provincial budget announcements no longer providing funding for the Peer Street Roof replacement. This amount to fund the project was drawn from the CVP
<u>Q1 and Q2 additional capital reserve transfers:</u>		
NRH Owned Units	- \$291	Project close out, funds returned to reserve – Annual Emergency Capital Program – 2018
NRH Owned Units	- \$8	Project close out, funds returned to reserve – Unit Capital - 2017
NRH Owned Units	- \$16	Project close out, funds returned to reserve – Building Capital - 2016
<u>Q3 additional capital reserve transfers:</u>		
Police Capital Levy	- \$2	Project close out, funds returned to reserve – Marine Zodiac
Police Capital Levy	- \$1	Project close out, funds returned to reserve – Marine Sonar
Police Capital Levy	- \$27	Project close out, funds returned to reserve – Communications Unit Equipment
<u>Q4 additional capital reserve transfers:</u>		
Court Services Facility Renewal	- \$331	Transfer back to reserve as a result of project eligibility to use DC reserves as a funding source instead of reserves
Court Services Facility Renewal	- \$895	Budget reduction on Court Facilities Renewal project

Capital Reserve Transfer Reconciliation (in thousands of dollars) – Continued

Reserve Description	Year to Date Transfer (to)/from Reserves	Transfer Description
Niagara Regional Housing	- \$17	Transfer back to reserve as a result of project eligibility for funding not included in the initial Council approved budget
Niagara Regional Housing	- \$701	Budget reduction – NRH New Build, Carlton St., St. Catharines
NRH Owned Units	- \$200	Project close out, funds returned to reserve – Annual Emergency Capital Program – 2019
NRH Owned Units	- \$2	Project close out, funds returned to reserve – Grounds Capital 2018
Net capital transfers	\$110,099	

Encumbrance Summary (in thousands of dollars)

Encumbrance accounting is a mechanism to facilitate the accounting of goods and services where an obligation to purchase has occurred but the goods or services had not been received by year end. Public sector accounting requires the Niagara Region to follow accrual based accounting. This creates a funding complication in that goods or services contracted before year end and received subsequent to year end would not be matched to their budgeted funding. Encumbrance accounting was introduced to effectively transfer the budgeted funding for goods and services where a purchase order, contract or other commitment exists, to an encumbrance reserve at year end. Below is a detailed summary of 2019 encumbrances by department.

Encumbrance History

	2019	2018	2017	2016	2015
Governance	\$0	\$0	\$0	\$35	\$129
General Government	\$4,463	\$3,363	\$2,278	\$250	\$0
Corporate Administration	\$84	\$135	\$390	\$249	\$30
Corporate Services	\$100	\$198	\$15	\$290	\$0
Enterprise Resource Management Services	\$98	\$581	\$224	\$99	\$0
Community Services	\$289	\$36	\$3	\$0	\$101
Planning & Development Services	\$664	\$1,881	\$1,649	\$3,254	\$2,509
Public Health	\$65	\$1,318	\$79	\$275	\$35
Economic Development	\$0	\$285	\$678	\$95	\$126
Niagara Regional Housing	\$735	\$371	\$501	\$223	\$34
Public Works - Transportation	\$849	\$735	\$1,544	\$2,104	\$269
Public Works - Waste Management	\$810	\$932	\$522	\$204	\$244
Public Works - Water/ Wastewater *	\$8,220	\$9,659	\$9,495	\$7,989	\$7,195
Council Direction (CSD 21-2019)	\$0	\$1,828	\$0	\$0	\$0
TOTAL	\$16,377	\$21,322	\$17,378	\$15,067	\$10,671

* The Public Works - Water/Wastewater 2019 Encumbrance includes \$13,506 (\$8,220 funded from reserves, \$5,286 funded from development charges) related to the Combined Sewer Overflow (CSO) program. Managing this program through the operating budget rather than capital budget began in 2015. \$2,573 (\$1,930 funded from reserves, \$643 funded from development charges) remains in capital projects related to the CSO program from 2008 through 2014.

Notes:

- \$12,683 of the total encumbrances in 2019 (2018 - \$14,342) relate to incentive and grant programs.

Encumbrance Detail (in thousands of dollars)

Description	Amount	
General Government		
Public Realm Investment Program		
East Fonthil Seating RR20 & Rice Road	\$12	
Parkette Queenston St*	\$100	
Prince Charles Dr*	\$13	
RR18 (Ontario St.), RR81 (King St.)*	\$10	
Civic Square Revitalization*	\$30	
RR20 (Lundy's Lane Gateway Lighting and Bus Shelters)*	\$100	
Smithville Public Square*	\$100	
RR54 Pelham Port Robinson Rice Rd Parkette	\$30	
RR20 West Lincoln Smithville Streetscaping Upgrades	\$100	
RR20 West Lincoln Smith Street Lighting Upgrades	\$100	
RR27 Welland Parkette Hellems/East Main St	\$20	\$615
Gateway - Tax Increment Grant		
287 Silverthorne/Buchner		\$1,613
Waterfront Improvement Program		
Millennium Recreation Trail*	\$400	
Town of Lincoln Museum and Cultural Centre*	\$250	\$650
Smarter Niagara Incentive Program		
Building and Facade Improvement Grant/Loan Program	\$360	
CIP/MasterPlans/Official Plans Grant Program	\$410	
ESA Phase II (Risk Assessment Plan)	\$36	
Heritage Restoration and Improvement Grant	\$50	
Public Realm Grant Program	\$130	
Residential Grant/Loan Program	\$599	\$1,585
Total Encumbrances for General Government		\$4,463
Corporate Administration		
Advertising Partnership with City of St. Catharines*		\$13
Economic Development - Study and Lead Generation		\$71
Total Encumbrance for Corporate Administration		\$84
Corporate Services		
Business Licensing		\$100
Total Encumbrance for Corporate Services		\$100
Enterprise Resource Management Services		
Sustainability Review*		\$85
Advertising Partnership with City of St. Catharines*		\$13
Total Encumbrance for Enterprise Resource Management Services		\$98
Community Services		
Gateway Residential Community Support		\$289
Total Encumbrance for Community Services		\$289
Planning & Development		
New Regional Official Plan*		\$391
Municipal Comprehensive Review*		\$61
Environmental Planning Review*		\$53
Highly Vulnerable Aquifer Reviews*		\$18
Ontario Tender Fruit Irrigation Ambassador		\$16
Stormwater Management Guidelines		\$125
Total Encumbrance for Planning and Development		\$664

Encumbrance Detail (in thousands of dollars) - Continued

Description	Amount
Public Health	
EMS System Redesign*	\$65
Total Encumbrance for Public Health	\$65
Niagara Regional Housing	
Integrated Housing Solution Software*	\$31
Designated Substance Survey*	\$110
Masonry Wall Investigation	\$87
K3D Thermostat Technology	\$507
Total Encumbrance for Niagara Regional Housing	\$735
Public Works - Transportation	
Emerald Ash Bore*	\$178
Spring Tree Planting	\$64
Complete Streets Design Manual	\$400
Niagara Transit Governance Study	\$207
Total Encumbrance for Public Works - Transportation	\$849
Public Works - Waste Management	
Fairness Advisor for MRF Opportunity Review*	\$25
MRF Opportunity Review*	\$345
Long-Term Waste Management Strategic Plan*	\$400
Service level change campaign	\$40
Total Encumbrance for Public Works - Waste Management	\$810
Public Works - Water/Wastewater	
Unused Combined Sewer Overflow Funding - 2015 Program (at 75%)*	\$1,229
Unused Combined Sewer Overflow Funding - 2016 Program (at 75%)*	\$2,083
Unused Combined Sewer Overflow Funding - 2017 Program (at 75%)*	\$1,089
Unused Combined Sewer Overflow Funding - 2018 Program (at 50%)*	\$1,851
Unused Combined Sewer Overflow Funding - 2019 Program (at 50%)	\$1,968
Total Encumbrance for Public Works - Water/Wastewater	\$8,220
Total 2019 Encumbrance	\$16,377

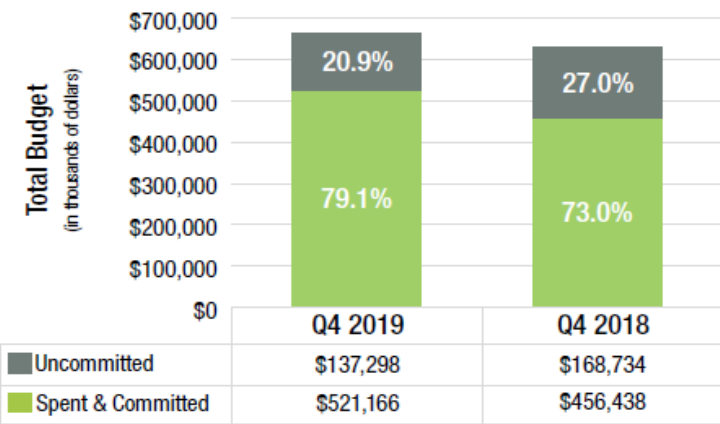
* Encumbrance balance carried over from 2018

Capital Highlights

LEVY

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

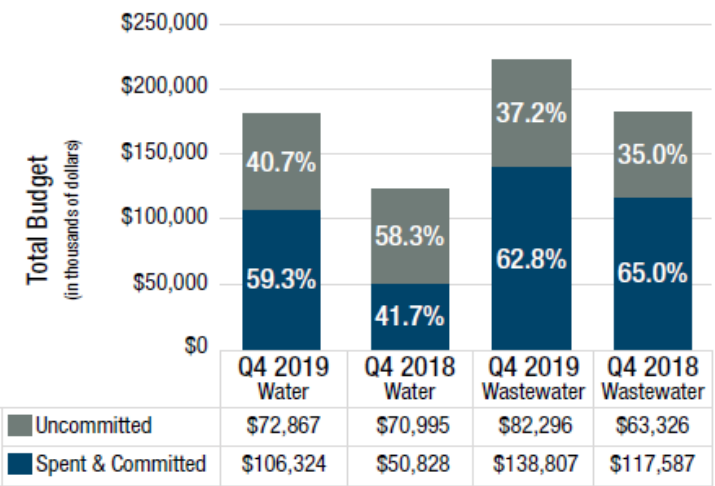
Total projects with budgets greater than \$1M.



WATER & WASTEWATER

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

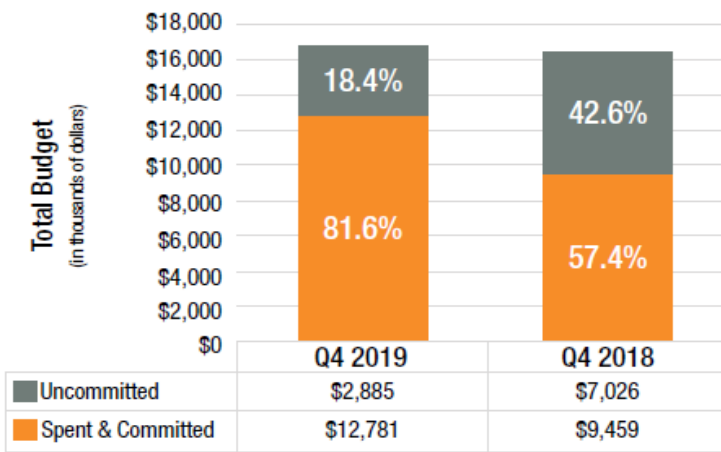
Total projects with budgets greater than \$1M.



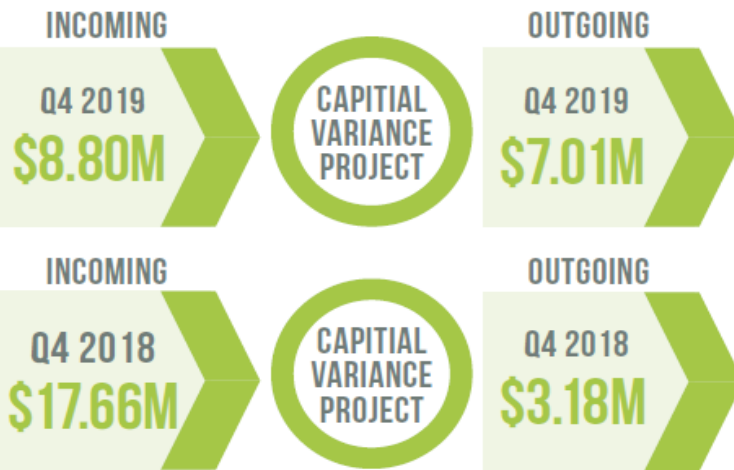
WASTE MANAGEMENT

PROJECT BUDGETS SPENT AND/OR COMMITTED AT QUARTER END

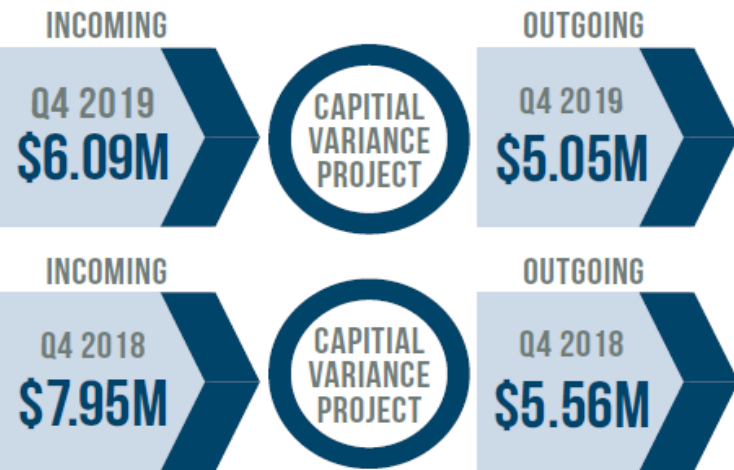
Total projects with budgets greater than \$1M.



CAPITAL VARIANCE PROJECT TRANSFERS AT QUARTER END



CAPITAL VARIANCE PROJECT TRANSFERS AT QUARTER END



CAPITAL VARIANCE PROJECT TRANSFERS AT QUARTER END



Capital Summary (in thousands of dollars)

The Corporate Services 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 Corporate Services 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 decreased by \$1,402 since Q3 2019. The reasons for the decrease from Q3 2019 are broken down in the table below.

Nine capital projects of the 524 capital sub-projects, with budgets totalling approximately \$38,343 (levy \$37,198 / rate \$1,145) remain uninitiated at December 31, 2019. 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
2018 Total Adjusted Budget at December 31, 2018 (excluding Capital Variance Projects)	\$682,337	\$362,614	\$1,044,952
Council Approved 2019 Budget	\$151,936	\$122,348	\$274,284
Gross Budget Adjustment (including transfers from operating)	\$2,394	\$559	\$2,953
Transfer from Capital Variance	\$5,326	\$2,632	\$7,957
Budget Reductions on Active Capital Projects *	- \$7,309	- \$407	- \$7,716
Projects Closed	- \$53,064	- \$12,562	- \$65,626
Closed projects reactivated	\$0	\$200	\$200
2019 Total Adjusted Budget at July 24, 2019 (excluding Capital Variance Projects)	\$781,620	\$475,384	\$1,257,004
Gross Budget Adjustment (including transfers from operating)	\$4,070	- \$46	\$4,024
Transfer from Capital Variance	\$1,385	\$2,929	\$4,314
Budget Reductions on Active Capital Projects *	- \$1,701	- \$575	- \$2,276
Projects Closed	- \$27,052	- \$5,549	- \$32,601
Transfer between Levy/Rate Programs	\$195	- \$195	\$0
Closed projects excluded in project summary reporting	- \$7,298	\$0	- \$7,298
2019 Total Adjusted Budget at October 23, 2019 (excluding Capital Variance Projects)	\$751,219	\$471,948	\$1,223,168
Gross Budget Adjustment (including transfers from operating)	\$20,799	\$208	\$21,008
Transfer from Capital Variance	\$409	\$62	\$471
Budget Reductions on Active Capital Projects *	- \$5,330	- \$128	- \$5,459
Projects Closed	- \$12,294	- \$5,127	- \$17,422
2019 Total Adjusted Budget at December 31, 2019 (excluding Capital Variance Projects)	\$754,803	\$466,963	\$1,221,766

* 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 Q4 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
Corporate Services	Canada Summer Games	\$9,700	\$13,687				\$23,387
Corporate Services	Health Facilities - Niagara Falls	\$7,019			- \$950	Debt	\$6,069
Corporate Services	Court Facilities Renewal *	\$12,908	\$331		- \$1,231	CVP Levy - \$4, Court Services Facility Renewal Reserve - \$1,226	\$12,008
Niagara Regional Housing	New Build, Carlton Street, St. Catharines	\$15,771			-\$701	NRH Reserve	\$15,070
Niagara Regional Housing	Intensification, Hawkins Street, Niagara Falls *	\$810	\$106		- \$106	DC NRH - \$88, NRH Reserve - \$17	\$810
Niagara Regional Police Services	Capital Assets - 2016	\$222			- \$42	Police Capital Levy (POCL) Reserve	\$180
Niagara Regional Police Services	Vehicles - 2018	\$1,454			- \$68	Police Capital Levy (POCL) Reserve	\$1,386
Niagara Regional Police Services	Vehicles - 2019	\$1,414	\$39				\$1,454
Niagara Regional Police Services	Mobile Data Terminal Replacements	\$800	\$70				\$870
Public Works - Levy	Signals - RR12 Grimsby Rd @ RR20	\$240			- \$43	CVP Levy	\$197
Public Works - Levy	Signals - RR12 Chris/Mntn @ RR81 Main	\$180	\$2	\$18			\$200
Public Works - Levy	Intersection Improvement - RR50 Glenridge @John MacDonnell	\$230		\$25			\$255

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	Intersection Improvement - RR89 Jacobsen/Burleigh	\$5,500			- \$500	CVP Levy - \$343, DC Roads - \$156	\$5,000
Public Works - Levy	Intersection Improvement - RR46 Geneva/St. Paul	\$4,300			- \$750	CVP Levy - \$414, DC Roads - \$336	\$3,550
Public Works - Levy	Capacity Improvements - Reconstruct RR49 McLeod, Montrose to Stanley	\$7,838	\$374	\$66			\$8,278
Public Works - Levy	Replacement of Burgoyne Bridge	\$93,344	\$6,190				\$99,534
Public Works - Levy	Capacity Improvements - RR54 Hwy 20/Merritt	\$8,350			- \$500	CVP Levy - \$75, DC Roads - \$425	\$7,850
Public Works - Levy	Capacity Improvements - RR98 Charnwood McLeod	\$4,950			- \$90	CVP Levy - \$14, DC Roads - \$76	\$4,860
Public Works - Levy	Roads Rehabilitation RR49 McLeod	\$1,050			- \$350	CVP Levy - \$53, DC Roads - \$297	\$700
Public Works - Levy	Highway 20 Bridge - Emergency Repair	\$0		\$300			\$300
All Levy Departments		\$176,080	\$20,799	\$409	- \$5,330		\$191,958
Waste Management	Loader Replacement - 2017	\$281		\$1			\$282
Water	Virgil Elevated Tank *	\$524	\$128		- \$128	CVP - Water	\$524
Water	DeCew High Lift Pump Sizing	\$90		\$41			\$131
Wastewater	Bridgeport Sewage Pump Station	\$150	\$80	\$20			\$250
All Rate Departments		\$1,045	\$208	\$62	- \$128		\$1,187
All Departments Total		\$177,125	\$21,008	\$471	- \$5,459		\$193,145

* Project received external funding or became eligible for development charge (DC) funding and therefore a budget adjustment was processed to recognize the new funding source in alignment with a budget reduction to return Regional funding sources to reserves or DC’s.

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 37 projects were closed during October 24 to December 31, 2019. Closed projects may be required to be opened to complete subsequent transactions received for invoices or accounting adjustments.

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Community Services	Annual - Long Term Care Bed Replacement - 2019	\$75	\$66	\$9	\$1	CVP Levy	1
Corporate Services	AED Defibrillators - 2017	\$58	\$41	\$17	\$17	CVP Levy	3
Corporate Services	Information Technology Server Building	\$3,903	\$3,851	\$51	\$51	CVP Levy	8
Corporate Services	Emergency Medical Services - Generators Part 2	\$479	\$440	\$39	\$39	CVP Levy	2
Niagara Regional Housing	Annual - Emergency Capital Program - 2019	\$200	\$0	\$200	\$200	NRH Owned Units	1
Niagara Regional Housing	Grounds Capital - 2018	\$727	\$725	\$2	\$2	NRH Owned Units	2
Niagara Regional Housing	East Main Street Land	\$220	\$220	\$0	\$0	NRH Owned Units	1
Niagara Regional Police Services Board	Service Equipment - Video Cameras	\$250	\$0	\$250	\$250	Unitiated and Closed	4
Public Health	Ambulance & Equipment - 2017	\$1,812	\$1,801	\$11	\$11	CVP Levy	3
Public Works - Levy	Roads Reconstruction - RR50 Thorold/Riverbank	\$2,400	\$2,238	\$162	\$162	CVP Levy	4
Public Works - Levy	Annual - Storm Sewer & Culvert Program - 2016	\$639	\$635	\$4	\$4	CVP Levy	4
Public Works - Levy	Vehicle Extended Cab Pickup 4X4 Unit #193	\$35	\$35	\$0	\$0	CVP Levy	1
Public Works - Levy	Vehicle Extended Cargo Van 8600 Unit #587	\$50	\$50	\$0	\$0	CVP Levy	2
Public Works - Levy	Vehicle Extended Cargo Van 8600 Unit #588	\$57	\$54	\$3	\$3	CVP Levy	2
Public Works - Levy	Vehicle Extended Cargo Van 8600 Unit #586	\$50	\$48	\$2	\$2	CVP Levy	2
Public Works - Levy	Inter-Municipal Transit Capital Acquisition - 2015	\$1,340	\$1,120	\$220	\$130	CVP Levy	4
Total Levy Reporting Projects Closed and Removed from Project Listing		\$12,294	\$11,325	\$969	\$871		
Waste Management	Annual Recycling Centre Building & Equipment - 2016	\$290	\$290	\$0	\$0	CVP WMT	4
Waste Management	Recycling Centre - Loader Replacement	\$282	\$282	\$0	\$0	CVP WMT	3
Total Waste Management Projects Closed and Removed from Project Listing		\$572	\$572	\$0	\$0		

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	Combined Sewer Overflow - Plymouth Ave Sewer Separation	\$400	\$289	\$111	\$111	CVP SEW	7
Wastewater	Combined Sewer Overflow - Burger Area Sewer Separation	\$650	\$548	\$102	\$102	CVP SEW	7
Wastewater	Combined Sewer Overflow - Riverview Creek Source Reduction	\$238	\$178	\$59	\$59	CVP SEW	7
Wastewater	Combined Sewer Overflow - Old Orchard Storm Pumping Station Storage	\$175	\$128	\$47	\$47	CVP SEW	6
Wastewater	Combined Sewer Overflow - River Road	\$300	\$43	\$257	\$43	CVP SEW	6
Wastewater	Combined Sewer Overflow - Empire Street	\$275	\$190	\$85	\$77	CVP SEW	6
Wastewater	Combined Sewer Overflow - Level Avenue	\$126	\$0	\$126	\$126	CVP SEW	5
Wastewater	Combined Sewer Overflow - Lakeshore Road	\$132	\$85	\$47	\$47	CVP SEW	5
Wastewater	Combined Sewer Overflow - Buckland Storm Sewer	\$325	\$204	\$121	\$121	CVP SEW	5
Wastewater	Combined Sewer Overflow - Flow Monitoring - Hydraulic Model Enhancement	\$50	\$38	\$12	\$12	CVP SEW	5
Wastewater	Combined Sewer Overflow - Lincoln & Coventry	\$25	\$19	\$6	\$6	CVP SEW	5
Wastewater	Combined Sewer Overflow - Empress Avenue Sanitary Drain	\$38	\$37	\$0	\$0	CVP SEW	5
Wastewater	Combined Sewer Overflow - Fitch Street Pump Station Drainage Area	\$38	\$23	\$14	\$14	CVP SEW	5
Wastewater	Digester & Sludge Program - 2017	\$250	\$234	\$16	\$16	CVP SEW	3
Total Wastewater Projects Closed and Removed from Project Listing		\$3,020	\$2,016	\$1,004	\$782		
Water Works	Optimize Maintenance System	\$340	\$0	\$340	\$340	CVP WAT	1
Water Works	Decew Cottage Decommision	\$60	\$47	\$13	\$13	CVP WAT	1
Water Works	Miscellaneous Program - Pressure Booster	\$1,050	\$991	\$59	\$59	CVP WAT	4
Water Works	Vale Replacement Program - 2018	\$85	\$17	\$68	\$68	CVP WAT	2
Total Water Projects Closed and Removed from Project Listing		\$1,535	\$1,056	\$479	\$479		
Total Rate Projects Closed and Removed from Project Listing		\$5,127	\$3,644	\$1,484	\$1,262		
Total Projects Closed		\$17,422	\$14,969	\$2,453	\$2,133		

Capital Project Closed by Adjustment (in thousands of dollars)

Closed projects may be required to be opened to complete subsequent transactions received for invoices or accounting adjustments.

Department	Project Description	Adjusted Budget	Project-to-date Actuals	Variance	Surplus	Destination of Transfer	Project Duration (Years)
Wastewater	Combined Sewer Overflow - River Road Sewer Separation	\$1,350	\$1,074	\$276	\$21	CV SEW	9
Closed Capital Project Adjustments		\$1,350	\$1,074	\$276	\$21		

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 \$1,221,766 capital budget managed by Niagara Region, representing 524 sub-projects, total capital spending including commitments to date of \$841,201 and budget remaining of \$380,564, after commitments.

This chart represents (in aggregate), currently active and uninitiated projects managed by Niagara Region. Capital project detail for 155 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 and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed
Community Services	\$1,026	\$508	\$517	49.6%
Corporate Services	\$146,841	\$130,574	\$16,267	88.9%
Enterprise Resource Management Services	\$25,137	\$13,687	\$11,450	54.4%
Niagara Regional Housing	\$39,829	\$36,384	\$3,445	91.4%
Niagara Regional Police Services Board	\$28,385	\$26,195	\$2,190	92.3%
Planning	\$3,294	\$3,291	\$3	99.9%
Public Health	\$4,796	\$4,349	\$447	90.7%
Public Works - Levy	\$409,157	\$306,178	\$102,979	74.8%
Waste Management	\$15,666	\$12,781	\$2,885	81.6%
Wastewater	\$221,104	\$138,807	\$82,296	62.8%
Water Works	\$179,191	\$106,324	\$72,867	59.3%
Active projects with budgets greater than \$1 million	\$1,074,425	\$779,079	\$295,346	72.5%
Uninitiated projects with budgets greater than \$1 million	\$36,869	\$0	\$36,869	0.0%
Total projects with budgets greater than \$1 million	\$1,111,294	\$779,079	\$332,215	70.1%
Active projects with budgets less than \$1 million	\$108,997	\$62,122	\$46,875	57.0%
Uninitiated projects with budgets less than \$1 million	\$1,474	\$0	\$1,474	0.0%
Total Capital Projects	\$1,221,766	\$841,201	\$380,564	68.9%

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 155 projects totaling \$1,111,294 of adjusted capital budget. Project spending to date including commitments on these sub-projects amounts to \$779,079, representing 70.1 per cent of the adjusted capital budget on these active and uninitiated sub-projects.

When a surplus exists at the end of a project, the surplus funds will be transferred back to the respective Capital Variance Project (CVP). Projects forecasting a deficit will require additional funding. Project-to-date funding requests up to \$250 can be made through a CVP request at the discretion of the Commissioner of the department and the Treasurer. Requests in excess of \$250 will be made through Council.

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Annual - Capital Improvement - 2018		\$1,026	\$508	\$517	49.6%	\$236	\$308	\$0	\$0	2021
Total Community Services		\$1,026	\$508	\$517	49.6%	\$236	\$308	\$0	\$0	
Asset Replacement - 2018		\$3,147	\$2,668	\$478	84.8%	\$517	\$0	\$0	\$0	2021
Asset Replacement - 2019		\$2,288	\$1,610	\$678	70.4%	\$1,602	\$0	\$0	\$0	2022
St. Catharines Child Care Addition		\$1,675	\$1,571	\$104	93.8%	\$1,061	\$0	\$0	\$0	2022
Court Facilities Welland *		\$12,490	\$12,336	\$154	98.8%	\$200	\$0	\$0	\$288	2020
Customer Service Strategic Priority		\$1,685	\$152	\$1,533	9.0%	\$1,150	\$383	\$0	\$0	2026
Emergency Medical Services Central Hub	Uninitiated	\$3,895	\$0	\$3,895	0.0%	\$0	\$3,895	\$0	\$0	2021
Emergency Medical Services Facility Welland		\$1,100	\$298	\$802	27.1%	\$11	\$802	\$0	\$0	2021
Environmental Centre Expansion		\$2,000	\$144	\$1,856	7.2%	\$0	\$6,124	\$0	\$0	2022
Environmental Centre Expansion	Uninitiated	\$21,177	\$0	\$21,177	0.0%	\$2,000	\$14,929	\$0	\$0	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Financial Management System *		\$12,640	\$12,464	\$176	98.6%	\$42	\$0	\$0	\$169	2020
Health Facilities - Niagara Falls *		\$6,069	\$5,523	\$546	91.0%	\$140	\$0	\$0	\$481	2020
Long-term Accommodations - NRPS D1		\$20,116	\$19,519	\$596	97.0%	\$12,094	\$0	\$0	\$0	2021
Long-term Accommodations - NRPS Headquarters D2		\$66,007	\$65,440	\$567	99.1%	\$741	\$0	\$0	\$0	2020
Long-term Care Home Redevelopment - 2015		\$15,635	\$7,237	\$8,398	46.3%	\$7,142	\$1,000	\$1,011	\$0	2028
Regional Headquarters Generator Replacement		\$1,990	\$1,609	\$381	80.9%	\$1,927	\$0	\$0	\$0	2021
Total Corporate Services		\$171,913	\$130,574	\$41,339	76.0%	\$28,628	\$27,133	\$1,011	\$939	
2021 Canada Summer Games		\$23,387	\$13,687	\$9,700	58.5%	\$5,350	\$4,350	\$0	\$0	2021
Expansion of Social Housing Units (Alternative Service Delivery Model)		\$1,750	\$0	\$1,750	0.0%	\$1,750	\$0	\$0	\$0	2021
Total Enterprise Resource Management Services		\$25,137	\$13,687	\$11,450	54.4%	\$7,100	\$4,350	\$0	\$0	
Building Capital - 2018		\$4,673	\$4,577	\$96	97.9%	\$475	\$0	\$0	\$0	2020
Building Capital - 2019		\$5,536	\$4,969	\$567	89.8%	\$2,661	\$0	\$0	\$0	2020
Expansion, Roach Avenue, Welland		\$2,758	\$2,689	\$69	97.5%	\$113	\$0	\$0	\$0	2020
Expansion, Thorold		\$1,101	\$989	\$112	89.8%	\$112	\$0	\$0	\$0	2020

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Grounds Capital - 2017		\$1,053	\$1,047	\$6	99.4%	\$6	\$0	\$0	\$0	2020
New Build, Carlton Street, St. Catharines		\$15,070	\$14,957	\$113	99.3%	\$113	\$0	\$0	\$0	2020
Social Housing Assistance Improvement Program - 2018		\$2,683	\$2,537	\$147	94.5%	\$193	\$0	\$0	\$0	2020
Unit Capital - 2018		\$1,600	\$1,257	\$343	78.6%	\$355	\$0	\$0	\$0	2020
Unit Capital - 2019		\$5,355	\$3,363	\$1,992	62.8%	\$2,731	\$0	\$0	\$0	2020
Total Niagara Regional Housing		\$39,829	\$36,384	\$3,445	91.4%	\$6,757	\$0	\$0	\$0	
Communications Unit Back-up		\$1,000	\$0	\$1,000	0.0%	\$0	\$1,000	\$0	\$0	2022
Communications Unit Back-up	Uninitiated	\$1,250	\$0	\$1,250	0.0%	\$0	\$1,250	\$0	\$0	2022
Information Technology & Equipment Replacement		\$1,100	\$865	\$235	78.6%	\$371	\$0	\$0	\$0	2021
Information Technology Continuity Plan		\$1,500	\$1,003	\$497	66.9%	\$811	\$0	\$0	\$0	2020
S.P.I.R.I.T. (Supporting Police in Records Information Technology)		\$8,630	\$8,431	\$199	97.7%	\$199	\$0	\$0	\$0	2020
Vehicles - 2018		\$1,386	\$1,386	\$0	100.0%	\$0	\$0	\$0	\$0	2021
Vehicles - 2019		\$1,454	\$1,352	\$101	93.0%	\$335	\$0	\$0	\$0	2022
Voice Radio System		\$13,315	\$13,158	\$157	98.8%	\$74	\$100	\$0	\$0	2021
Total Niagara Regional Police Services Board		\$29,635	\$26,195	\$3,440	88.4%	\$1,790	\$2,350	\$0	\$0	
Regional Headquarters Landscape Master Plan		\$3,294	\$3,291	\$3	99.9%	\$68	\$0	\$0	\$0	2020
Total Planning		\$3,294	\$3,291	\$3	99.9%	\$68	\$0	\$0	\$0	

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Ambulance & Equipment - 2018		\$2,595	\$2,279	\$316	87.8%	\$614	\$0	\$0	\$0	2020
Ambulance & Equipment - 2019		\$2,201	\$2,070	\$132	94.0%	\$2,093	\$0	\$0	\$0	2020
Total Public Health		\$4,796	\$4,349	\$447	90.7%	\$2,706	\$0	\$0	\$0	
Annual - Storm Sewer & Culvert Program - 2017		\$1,750	\$1,750	\$0	100.0%	\$320	\$0	\$0	\$0	2020
Annual - Storm Sewer & Culvert Program - 2019		\$1,000	\$323	\$677	32.3%	\$975	\$0	\$0	\$0	2021
Capacity Improvements - Charnwood/McLeod		\$7,110	\$6,684	\$426	94.0%	\$1,600	\$341	\$0	\$0	2021
Capacity Improvements - New Escarpment Crossing		\$2,200	\$691	\$1,509	31.4%	\$500	\$1,009	\$0	\$0	2024
Capacity Improvements - New Escarpment Crossing	Uninitiated	\$1,000	\$0	\$1,000	0.0%	\$1,000	\$0	\$0	\$0	2024
Capacity Improvements - Reconstruct Hwy 406 @ Third Interchange		\$1,460	\$727	\$733	49.8%	\$300	\$400	\$33	\$0	2025
Capacity Improvements - Reconstruct QEW @ Glendale Ave Interchange		\$7,000	\$83	\$6,917	1.2%	\$300	\$150	\$6,506	\$0	2023
Capacity Improvements - Reconstruct RR49 Concession 6/Eastwest Line		\$4,591	\$2,753	\$1,839	60.0%	\$0	\$500	\$1,452	\$0	2022
Capacity Improvements - Reconstruct RR49		\$8,278	\$7,654	\$624	92.5%	\$641	\$0	\$0	\$0	2020

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
McLeod, Montrose to Stanley										
Capacity Improvements - RR10 Livingston/QEW-GR		\$11,750	\$1,334	\$10,416	11.4%	\$10,471	\$0	\$0	\$0	2023
Capacity Improvements - RR54 Hwy 20/Merritt		\$7,850	\$6,865	\$985	87.4%	\$1,689	\$0	\$0	\$0	2020
Interchange Sir Isaac Brock Way @ 406 Hwy		\$4,271	\$4,271	\$0	100.0%	\$0	\$0	\$0	\$0	2020
Intersection - RR20 Industrial Park/South Grimsby Road 6		\$2,898	\$2,759	\$139	95.2%	\$190	\$0	\$0	\$0	2022
Intersection - RR20 Industrial Park toTownline Phase 2		\$3,231	\$2,666	\$564	82.5%	\$3,183	\$0	\$0	\$0	2021
Intersection - RR20 Roundabout at S Grimsby Rd		\$5,712	\$5,031	\$681	88.1%	\$5,148	\$0	\$0	\$0	2020
Intersection Improvement - RR46 Geneva/St. Paul		\$5,750	\$5,257	\$493	91.4%	\$1,845	\$0	\$0	\$0	2020
Intersection - RR89 Jacobsen/Burleigh		\$6,256	\$5,492	\$764	87.8%	\$980	\$0	\$0	\$0	2020
Replacement of Burgoyne Bridge****		\$99,534	\$98,517	\$1,018	99.0%	\$146	\$0	\$0	\$879	2020
Roads Facility Program - Patrol Yard Improvement - 2018		\$1,000	\$0	\$1,000	0.0%	\$1,000	\$0	\$0	\$0	2021
Roads Facility Program - Patrol Yard Improvement - 2019		\$1,000	\$11	\$989	1.1%	\$1,000	\$0	\$0	\$0	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Roads Reconstruction - RR20 Station/Rice		\$3,793	\$3,477	\$316	91.7%	\$25	\$80	\$211	\$0	2023
Roads Reconstruction - RR38 QEW/Fourth		\$23,156	\$18,778	\$4,378	81.1%	\$7,500	\$2,180	\$0	\$0	2021
Roads Reconstruction - St Davids Road East		\$6,934	\$569	\$6,365	8.2%	\$5,900	\$500	\$132	\$0	2022
Roads Rehabilitation - RR27 Prince Charles Dr to Lincoln St		\$5,750	\$4,938	\$812	85.9%	\$5,287	\$0	\$0	\$0	2021
Roads Rehabilitation - RR63 Baldwin/Coffee Bridge		\$3,035	\$2,830	\$205	93.3%	\$2,500	\$238	\$0	\$0	2021
Roads Rehabilitation - RR69 Wessel/Centre Phase 3		\$1,000	\$174	\$826	17.4%	\$350	\$486	\$0	\$0	2021
Roads Rehabilitation - RR1 Albert/Lakeshore		\$2,165	\$575	\$1,590	26.6%	\$50	\$1,547	\$0	\$0	2021
Roads Rehabilitation - RR1 Dominion Road, Burleigh/Bufalo		\$12,070	\$11,866	\$204	98.3%	\$577	\$204	\$0	\$0	2021
Roads Rehabilitation - RR45 RR4/RR63		\$1,775	\$404	\$1,371	22.8%	\$800	\$647	\$0	\$0	2021
Roads Rehabilitation - RR56 Glendale to St Davids		\$2,000	\$1,309	\$691	65.4%	\$1,819	\$0	\$0	\$0	2021
Roads Rehabilitation - RR57 Thorold Stone Road Extension		\$19,300	\$9,199	\$10,101	47.7%	\$5,000	\$2,000	\$3,600	\$0	2023

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Roads Rehabilitation - RR69 Effingham/Wessel Phase 2		\$9,118	\$9,059	\$59	99.4%	\$7,537	\$0	\$0	\$0	2020
Roads Rehabilitation - RR87 Third/Seventh		\$1,500	\$1,486	\$14	99.1%	\$370	\$0	\$0	\$0	2021
Roads Rehabilitation - RR87 Townline/Four Mile Creek		\$8,500	\$5,232	\$3,268	61.6%	\$250	\$2,782	\$500	\$0	2022
Roads Resurfacing - 2013		\$4,933	\$4,191	\$742	85.0%	\$720	\$22	\$0	\$0	2021
Roads Resurfacing - 2016 **		\$7,541	\$7,261	\$280	96.3%	\$0	\$0	\$0	\$282	2020
Roads Resurfacing - 2018		\$9,510	\$9,438	\$71	99.3%	\$100	\$27	\$0	\$0	2021
Roads Resurfacing - 2019		\$8,844	\$8,419	\$425	95.2%	\$4,410	\$100	\$0	\$0	2022
Stabilization RR14 Canboro Rd at Warner		\$5,539	\$5,395	\$144	97.4%	\$160	\$0	\$0	\$0	2020
Structural Rehabilitation - 2016 Program		\$3,700	\$1,493	\$2,207	40.3%	\$1,800	\$692	\$0	\$0	2021
Structural Rehabilitation - 2019 Program		\$1,000	\$0	\$1,000	0.0%	\$900	\$100	\$0	\$0	2022
Structural Rehabilitation - Main Street Bridge		\$4,703	\$4,516	\$187	96.0%	\$50	\$200	\$19	\$0	2022
Structural Rehabilitation - Mewburn @ CNR Tracks		\$2,500	\$0	\$2,500	0.0%	\$2,500	\$0	\$0	\$0	2021
Structural Rehabilitation - Ontario Power Generation Bridges over Gibson Lake		\$8,100	\$8,006	\$94	98.8%	\$75	\$36	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Structural Rehabilitation - Reece Bridge		\$9,983	\$9,828	\$155	98.5%	\$815	\$0	\$0	\$0	2020
Structural Rehabilitation - RR81 St Paul West CNR Bridge		\$2,250	\$410	\$1,840	18.2%	\$1,600	\$316	\$0	\$0	2021
Structural Replacement - RR81 20 Mile Arch Bridge		\$5,020	\$422	\$4,598	8.4%	\$367	\$4,400	\$198	\$0	2022
Transportation Infrastructure Means Protection		\$4,000	\$3,944	\$56	98.6%	\$3,900	\$0	\$0	\$0	2022
Public Works - Roads & Fleet		\$361,359	\$286,087	\$75,272	79.2%	\$86,649	\$18,956	\$12,651	\$1,161	
GO Transit		\$31,598	\$6,052	\$25,546	19.2%	\$5,800	\$19,847	\$0	\$0	2023
GO Transit	Uninitiated	\$8,402	\$0	\$8,402	0.0%	\$0	\$4,153	\$4,249	\$0	2023
Total GO Transit		\$40,000	\$6,052	\$33,948	15.1%	\$5,800	\$24,000	\$4,249	\$0	
Inter-Municipal Transit Capital Acquisition - 2017		\$17,200	\$14,039	\$3,161	81.6%	\$11,996	\$3,161	\$0	\$0	2021
Total IMT Transit		\$17,200	\$14,039	\$3,161	81.6%	\$11,996	\$3,161	\$0	\$0	
Total Public Works - Levy		\$418,559	\$306,178	\$112,381	73.2%	\$104,446	\$46,117	\$16,900	\$1,161	
Bridge St - Public Drop Off Depot Improvement	Uninitiated	\$1,145	\$0	\$1,145	0.0%	\$0	\$1,050	\$95	\$0	2022
Glenridge - Leachate Collection System		\$1,210	\$99	\$1,111	8.2%	\$234	\$50	\$861	\$0	2023
Humberstone - Infrastructure Upgrades		\$6,306	\$6,258	\$48	99.2%	\$800	\$165	\$0	\$0	2022
Line 5 - Lechate Collection System**		\$1,020	\$2	\$1,018	0.2%	\$0	\$0	\$0	\$1,018	2022

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Niagara Road 12 - Cell 4 Construction & ManHole Rehabilitation *		\$3,930	\$3,795	\$135	96.6%	\$440	\$0	\$0	\$135	2020
Niagara Road 12 & Park Road - Pump Station Upgrades *		\$2,077	\$1,611	\$466	77.6%	\$825	\$85	\$0	\$483	2021
Recycling Centre - Facility Improvements Groundwater		\$1,123	\$1,015	\$109	90.3%	\$50	\$72	\$0	\$0	2021
Total Waste Management		\$16,811	\$12,781	\$4,030	76.0%	\$2,349	\$1,421	\$956	\$1,635	
Combined Sewer Overflow - Grimsby		\$1,725	\$222	\$1,503	12.9%	\$0	\$500	\$1,003	\$0	2022
Decommissioning Wastewater Treatment Plant - Niagara-on-the-Lake		\$12,700	\$337	\$12,363	2.7%	\$300	\$1,500	\$10,563	\$0	2023
Lagoon Upgrade program - Stevensville/Douglastown		\$4,100	\$439	\$3,661	10.7%	\$1,000	\$3,046	\$0	\$0	2021
Miscellaneous Program - Centrifuge Components *		\$1,560	\$1,123	\$437	72.0%	\$1,189	\$0	\$0	\$371	2020
Miscellaneous Program - Chemical System Upgrades - 2017		\$1,400	\$93	\$1,307	6.7%	\$500	\$877	\$0	\$0	2021
Miscellaneous Program - Garner Road		\$5,242	\$4,733	\$509	90.3%	\$817	\$0	\$0	\$0	2020
Miscellaneous Program - Motor Control Centres		\$2,000	\$178	\$1,822	8.9%	\$1,930	\$0	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Pump Station Capacity Expansion Program - Odour Control - Smithville		\$1,500	\$884	\$616	59.0%	\$250	\$422	\$0	\$0	2021
Pump Station Improvement Program - Design ***		\$5,470	\$5,382	\$88	98.4%	\$378	\$0	\$0	- \$240	2020
Pump Station Improvement Program - Haulage Road		\$2,150	\$2,045	\$105	95.1%	\$1,866	\$0	\$0	\$0	2020
Pump Station Improvement Program - Lakeside		\$2,500	\$2,155	\$345	86.2%	\$2,000	\$336	\$0	\$0	2021
Pump Station Improvement Program - NOTL, Garrison Rd, William St		\$3,285	\$3,140	\$145	95.6%	\$145	\$0	\$0	\$0	2020
Pump Station Improvement Program - Park Lane		\$1,400	\$1,012	\$388	72.3%	\$1,304	\$0	\$0	\$0	2022
Pump Station Improvement Program - Riverview SPS		\$1,305	\$881	\$424	67.5%	\$900	\$280	\$0	\$0	2021
Pump Station Improvement Program - South Side High Lift		\$6,651	\$6,370	\$281	95.8%	\$281	\$0	\$0	\$0	2020
Pump Station Improvement Program - Wellandvale		\$2,146	\$2,068	\$78	96.4%	\$783	\$0	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Pump Station Improvement Program - Woodsvew		\$5,420	\$478	\$4,942	8.8%	\$100	\$67	\$4,942	\$0	2022
Sewer & Forcemain Program - Dain City		\$6,025	\$1,974	\$4,051	32.8%	\$4,732	\$0	\$0	\$0	2022
Sewer & Forcemain Program - Highway 406 Trunk		\$1,274	\$1,273	\$1	100.0%	\$1	\$0	\$0	\$0	2020
Sewer & Forcemain Program - Oaks Park Trunk *		\$2,145	\$2,121	\$24	98.9%	\$50	\$0	\$0	\$165	2020
Sewer & Forcemain Program - Stamford Centre		\$10,562	\$10,021	\$541	94.9%	\$5,364	\$0	\$0	\$0	2020
Sewer & Forcemain Program - Tupper Dr Trunk		\$2,910	\$143	\$2,767	4.9%	\$80	\$2,717	\$0	\$0	2021
Sewer Relining Program*		\$1,453	\$1,336	\$118	91.9%	\$0	\$0	\$0	\$120	2020
Wastewater Treatment Plant Capacity Expansion - Niagara-on-the-Lake		\$47,895	\$47,493	\$402	99.2%	\$542	\$0	\$0	\$0	2021
Wastewater Treatment Plant Capacity Expansion - South Niagara Falls		\$4,900	\$2,144	\$2,756	43.7%	\$1,283	\$2,756	\$0	\$0	2021
Wastewater Treatment Plant Digester/Sludge Management - 2013 Program *		\$1,000	\$932	\$68	93.2%	\$0	\$0	\$0	\$68	2020
Digester & Sludge Program - 2018		\$2,550	\$1,068	\$1,482	41.9%	\$1,500	\$778	\$0	\$0	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Wastewater Treatment Plant Upgrade - Garner Road		\$4,500	\$3,976	\$524	88.4%	\$2,500	\$948	\$0	\$0	2022
Wastewater Treatment Plant Upgrade - Niagara Falls		\$2,100	\$1,639	\$461	78.1%	\$1,023	\$0	\$0	\$0	2020
Wastewater Treatment Plant Upgrade - Port Weller *		\$9,900	\$2,930	\$6,970	29.6%	\$2,300	\$3,000	\$66	\$4,000	2022
Wastewater Treatment Plant Upgrade - Port Weller 2017		\$1,310	\$1,286	\$24	98.2%	\$148	\$0	\$0	\$0	2020
Wastewater Treatment Plant Upgrade - Welland		\$21,821	\$21,623	\$198	99.1%	\$4,137	\$0	\$0	\$0	2020
Wastewater Treatment Plant Upgrade - Welland Phase 2		\$2,400	\$0	\$2,400	0.0%	\$1,400	\$1,000	\$0	\$0	2022
Wastewater Treatment Plant Upgrade - Aeration - Seaway		\$1,236	\$1,221	\$14	98.9%	\$69	\$0	\$0	\$0	2020
Wastewater Treatment Plant Upgrade - Bar Screen - Port Weller		\$1,230	\$219	\$1,011	17.8%	\$800	\$252	\$0	\$0	2021
Wastewater Treatment Plant Upgrade - Fine Bubble Aeration - Port Dalhousie		\$29,500	\$1,309	\$28,191	4.4%	\$8,000	\$10,238	\$10,000	\$0	2023
Wastewater Treatment Plant Upgrade - Grit System - Grimsby		\$1,725	\$1,607	\$118	93.1%	\$215	\$0	\$0	\$0	2020

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Wastewater Treatment Plant Upgrade - Primary Digester #2 - Niagara Falls		\$1,000	\$24	\$976	2.4%	\$992	\$0	\$0	\$0	2021
Wastewater Treatment Plant Upgrade - Secondary Clarifier - Seaway		\$3,115	\$2,928	\$187	94.0%	\$2,143	\$0	\$0	\$0	2020
Total Wastewater		\$221,104	\$138,807	\$82,296	62.8%	\$51,022	\$28,720	\$26,574	\$4,485	
Elevated Tank - New - Pelham		\$1,620	\$214	\$1,406	13.2%	\$215	\$1,321	\$0	\$0	2021
Elevated Tank Rehabilitation - Thorold South		\$2,992	\$2,733	\$259	91.4%	\$374	\$364	\$0	\$0	2021
Meter Replacement Program		\$3,550	\$2,012	\$1,538	56.7%	\$2,000	\$474	\$0	\$0	2021
Miscellaneous Program - Evalution & Replacement		\$1,100	\$1,093	\$7	99.4%	\$37	\$0	\$0	\$0	2020
Miscellaneous Program - Granular Activated Carbon Replacement		\$2,260	\$1,929	\$331	85.3%	\$1,011	\$0	\$0	\$0	2021
Miscellaneous Program - System Storage - Grimsby*		\$26,889	\$23,887	\$3,002	88.8%	\$12,167	\$10,000	\$0	\$3,975	2021
Miscellaneous Program - System Storage - Port Colborne		\$11,850	\$11,790	\$60	99.5%	\$204	\$0	\$0	\$0	2020
Transmission Main over Welland River		\$4,080	\$6	\$4,074	0.1%	\$2,000	\$2,074	\$0	\$0	2020

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Water Treatment Plant Raw Water Intake - Niagara Falls		\$15,550	\$263	\$15,287	1.7%	\$2,500	\$12,793	\$0	\$0	2021
Water Treatment Plant Roadway & Parking Lot - Grimsby		\$1,180	\$156	\$1,024	13.2%	\$1,037	\$0	\$0	\$0	2020
Water Treatment Plant Upgrade - Decew Falls - 2016		\$22,250	\$994	\$21,256	4.5%	\$5,000	\$10,000	\$6,557	\$0	2022
Water Treatment Plant Upgrade - Niagara Falls - 2015		\$3,495	\$3,039	\$456	87.0%	\$2,900	\$338	\$0	\$0	2021
Water Treatment Plant Upgrade - Niagara Falls - 2017		\$12,752	\$11,815	\$937	92.7%	\$10,422	\$0	\$0	\$0	2020
Water Treatment Plant Upgrade - Port Colborne		\$8,600	\$812	\$7,788	9.4%	\$3,926	\$4,000	\$0	\$0	2022
Water Treatment Plant Upgrade - Rosehill		\$15,000	\$14,493	\$507	96.6%	\$4,911	\$0	\$0	\$0	2021
Water Treatment Plant Upgrade - Rosehill - 2017		\$1,886	\$295	\$1,591	15.6%	\$154	\$1,591	\$0	\$0	2021
Water Treatment Plant Upgrade - Welland - 2017		\$5,000	\$1,681	\$3,319	33.6%	\$2,589	\$2,000	\$0	\$0	2021
Watermain Program - Along CNR Grimsby		\$12,825	\$11,981	\$844	93.4%	\$10,000	\$1,401	\$844	\$0	2022
Watermain Program - Barrick Road		\$1,965	\$1	\$1,964	0.0%	\$0	\$0	\$1,964	\$0	2022
Watermain Program - Fort Erie Dominion Road*		\$10,615	\$10,426	\$189	98.2%	\$100	\$100	\$0	\$377	2021

Capital Project Forecast (in thousands of dollars) – Continued

Department Total Projects	Project Status	Adjusted Budget	Project-to-date Actuals and Commitments	Budget Remaining	Percentage of Budget Spent and/or Committed	2020 Forecasted Expenditures	2021 Forecasted Expenditures	2022 and Beyond Forecasted Expenditures	Forecasted Surplus/Deficit	Estimated Year of Completion
Watermain Program - Hwy406 Cross Trans		\$1,911	\$1,905	\$6	99.7%	\$6	\$0	\$0	\$0	2020
Watermain Program - Lundy's Lane		\$1,000	\$0	\$1,000	0.0%	\$500	\$400	\$100	\$0	2022
Watermain Program - Welland Canal Extension		\$4,620	\$0	\$4,620	0.0%	\$4,620	\$0	\$0	\$0	2023
Watermain Program - Welland East and West		\$6,200	\$4,798	\$1,402	77.4%	\$1,871	\$0	\$0	\$0	2020
Total Water Works		\$179,191	\$106,324	\$72,867	59.3%	\$68,543	\$46,857	\$9,464	\$4,352	
Total Projects with budgets greater than \$1 million		\$1,111,294	\$779,079	\$332,215	70.1%	\$273,646	\$157,255	\$54,905	\$12,571	

* At the time of report preparation, the surplus either has been returned or is anticipated to be returned to respective reserves or CVP in 2020

** Project close form has been received subsequent to date that report was prepared. Project to be closed and surplus transferred back to CVP in Q1 2020.

*** Request for additional funding from CVP has been made.

**** Gross expenditure surplus on this project will be used to offset external revenue shortfall.

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 Project (CVP), or by transferring excess capital project budget dollars to the CVP through a budget reduction.

Transfers to the CVP 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 CVPs are monitored and, if significant excess exists, would be adjusted by transferring the excess to the respective capital reserve in accordance with the Capital Asset Management Policy C-F003.

At the end of the year some of the funds in the CV project have been identified as a funding source for the 2020 capital budget. The excess will be transferred to the respective capital reserves for use in the long-term capital affordability strategy.

Capital Variance Project Reconciliation	Levy Programs	Waste Management	Wastewater	Water	Total Programs
Balance at December 31, 2018 *	\$4,435	\$1,421	\$2,078	\$1,000	\$8,935
Transfer to Active Capital Projects	- \$5,326	- \$570	- \$1,215	- \$847	- \$7,957
Budget Reductions on Active Capital Projects	\$1,970		\$283	\$124	\$2,377
Transfers (to)/from Closed Capital Projects	\$3,712	\$485	\$306	\$3,007	\$7,511
Adjustments to Previously Closed Projects	- \$1				- \$1
Balance at July 24, 2019	\$4,791	\$1,336	\$1,453	\$3,284	\$10,865
Transfer to Active Capital Projects	- \$1,385		- \$292	- \$2,637	- \$4,314
Budget Reductions on Active Capital Projects	\$1,023			\$575	\$1,598
Transfers (to)/from Closed Capital Projects	\$843	\$346		\$384	\$1,573
Balance at October 23, 2019	\$5,272	\$1,683	\$1,161	\$1,606	\$9,721
Transfer to Active Capital Projects	- \$300	- \$1	- \$20	- \$41	- \$362
Budget Reductions on Active Capital Projects	\$837			\$128	\$966
Transfers (to)/from Closed Capital Projects	\$420	\$0	\$803	\$479	\$1,702
Balance at December 31, 2019	\$6,229	\$1,682	\$1,945	\$2,172	\$12,028
Committed to approved 2020 capital budget	- \$4,000	- \$1,100			- \$5,100
Transfer to reserve per Capital Asset Management Policy	- \$1,229		- \$945	- \$1,172	- \$3,346
Uncommitted Balance at December 31, 2019 **	\$1,000	\$582	\$1,000	\$1,000	\$3,582

* At December 31, 2018 the amount in the CVP was not reduced to \$1,000 as there were known CVP request outstanding that could not be processed until the new Council was in place in early 2019 to approve.

** Due to limited funding available in waste management capital reserve for the 2020 budget, funds were committed from the CVP drawing it below \$1,000. It is expected that project closures in early 2020 will replenish this reserve.

Investment Report (in thousands of dollars)

Investment income during Q4 on the primary portfolio amounted to \$5,680, which comprises investment portfolio income and interest on cash balances.

Investment Performance

Investment Income Before Transfers to Reserves:

Unfavorable investment income of \$81, is a result of the declining bond yield environment and the Region choosing to maintain higher cash balances in high-interest savings accounts as a mitigating strategy. Investment income before transfers for 2019 is unfavourable when compared to budget by \$235.

Budget vs Actual before Reserve Transfers	Actuals				Total
	Q1	Q2	Q3	Q4	
Budget	\$4,557	\$5,072	\$5,566	\$5,761	\$20,956
Actual	\$4,835	\$4,726	\$5,481	\$5,680	\$20,722
Variance	\$278	\$-347	\$-86	\$-81	\$-235

Year to date portfolio return:

Q1	Q2	Q3	Q4
2.88%	2.85%	2.95%	2.89%

Investment Income After Transfers to Reserves:

Investment income after transfers is in line with the budgeted amount.

Budget vs Actual after Reserve Transfers	Actuals				Total
	Q1	Q2	Q3	Q4	
Budget	\$4,557	\$5,072	\$5,566	\$5,761	\$20,956
Net Budget Transfers	\$-1,408	\$-1,408	\$-1,408	\$-1,408	\$-5,630
Budget (Net)	\$3,150	\$3,665	\$4,159	\$4,353	\$15,326
Actual	\$4,835	\$4,726	\$5,481	\$5,680	\$20,722
Net Actual Transfers	\$-1,050	\$-1,784	\$-1,733	\$-828	\$-5,395
Actual (Net)	\$3,785	\$2,942	\$3,748	\$4,852	\$15,326
Variance	\$635	\$-723	\$-411	\$499	\$-0

Note: Staff monitor foreign exchange rates during the year to take advantage of favourable opportunities, unrealized exchange losses of \$10 are included in Q4 investment income. Amounts reflected in this report for investment performance above do not include the NRH investment portfolio since these are managed separately.

For completeness, the value of the NRH investments is shown in the total investment holdings.

Investment Term Holdings

Funds	Book Value	Weight
Cash Equivalents < 1 Year	\$28,475	3.7%
2 Year	\$41,698	5.4%
3 Year	\$25,555	3.3%
4 Year	\$22,954	3.0%
5+ Year	\$510,516	65.8%
NRH Investments	\$6,399	0.8%
Subtotal	\$635,597	82.0%
Cash	\$124,520	16.0%
Sinking Fund (Incl. Cash)	\$16,169	2.0%
Total Portfolio	\$776,286	100.0%

Investment Detail (in thousands of dollars)

Institution	Type of Investment	Balance of Investment by Institution	Percentage Holdings *	Policy Percentage Limits
Bank of Montreal	Corporate	\$70,200	10.88%	15.00%
Bank of Nova Scotia	Corporate	\$76,500	11.86%	15.00%
Canadian Imperial Bank of Commerce	Corporate	\$50,000	7.75%	15.00%
HSBC Bank Canada	Corporate	\$0	0.00%	15.00%
National Bank of Canada	Corporate	\$51,500	7.98%	15.00%
Royal Bank of Canada	Corporate	\$48,500	7.52%	15.00%
Total	Corporate	\$296,700	45.99%	50.00%
City of Hamilton	Municipal	\$5,722	0.89%	5.00%
City of London	Municipal	\$0	0.00%	5.00%
City of Montreal	Municipal	\$3,052	0.47%	5.00%
City of Ottawa	Municipal	\$5,341	0.83%	5.00%
City of Quebec	Municipal	\$2,298	0.36%	5.00%
City of Saskatoon	Municipal	\$3,332	0.52%	5.00%
City of Toronto	Municipal	\$8,549	1.33%	5.00%
County of Wellington	Municipal	\$852	0.13%	5.00%
District of Mun of Muskoka	Municipal	\$0	0.00%	5.00%
Municipal Finance Authority of BC	Municipal	\$5,025	0.78%	5.00%
New Brunswick Municipal Finance Authority	Municipal	\$5,506	0.85%	5.00%
Region of Halton	Municipal	\$1,519	0.24%	5.00%
Region of Peel	Municipal	\$3,517	0.55%	5.00%
Region of Waterloo	Municipal	\$13,091	2.03%	5.00%
Region of York	Municipal	\$9,679	1.50%	5.00%
York Region District School Board	Municipal	\$4,259	0.66%	5.00%
York Sinking Fund Debenture	Municipal	\$1,796	0.28%	5.00%
Total	Municipal	\$73,537	11.40%	25.00%
Newfoundland and Labrador Hydro	Provincial	\$732	0.11%	25.00%
Ontario Hydro	Provincial	\$21,890	3.39%	25.00%
Province of Alberta	Provincial	\$1,321	0.20%	25.00%
Province of British Columbia	Provincial	\$7,045	1.09%	25.00%
Province of Manitoba	Provincial	\$35,797	5.55%	25.00%
Province of New Brunswick	Provincial	\$1,841	0.29%	25.00%
Province of Newfoundland	Provincial	\$52,247	8.10%	25.00%
Province of Nova Scotia	Provincial	\$17,017	2.64%	25.00%
Province of Ontario	Provincial	\$45,807	7.10%	25.00%
Province of Prince Edward Island	Provincial	\$2,778	0.43%	25.00%
Province of Quebec	Provincial	\$64,347	9.97%	25.00%
Province of Saskatchewan	Provincial	\$5,201	0.81%	25.00%
Quebec Hydro	Provincial	\$14,032	2.18%	25.00%
Total	Provincial	\$270,055	41.86%	75.00%
Region of Niagara Debentures	Municipal	\$4,846	0.75%	100.00%
NRH Investments		\$6,399		
Total excluding Cash	All	\$651,537	100.00%	100.00%
General Chequing **	Cash	\$39,657		
Savings	Cash	\$84,863		
Sinking Fund	Cash	\$229		
Total		\$124,749		
Total including Cash		\$776,286		

* Note: Holdings by security percentages exclude cash balances.

**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 1.2988.

Debt Report (in thousands of dollars)

S&P (Standard & Poor's) has had Niagara rated AA with 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 8, 2019. The ratings reflect S&P's opinion of Niagara's exceptional liquidity and budgetary performance, strong financial management, and moderate debt burden. The stable outlook reflects S&P's expectations that Niagara will increase its capital spending, which will cause its after-capital surpluses posted in 2017 and 2018 to weaken to a near-balanced position, on average, 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.

Standard and Poor uses an assessment scale of 1 to 5, with an assessment score of 1 being exceptional and 5 being the weakest score.

Key Rating Factor	Institutional Framework	Economy	Financial Management	Budgetary Performance	Liquidity	Debt Burden
Standard & Poor’s Assessment	2	3	2	1	1	3

Department	Total Debt as at December 31, 2018 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at December 31, 2019 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt As at December 31, 2019	Annual Repayment Limits**
General Government	\$23,098	\$458	\$-2,378	\$-55	\$21,122	\$6,350	\$27,472	
Police	\$82,982	\$9,375	\$-4,661	\$-207	\$87,489	\$2,314	\$89,803	
Transportation	\$121,568	\$26,060	\$-15,804	\$-239	\$131,585	\$46,820	\$178,405	
Public Health	\$14,318	\$2,640	\$-2,301	\$0	\$14,657	\$3,037	\$17,694	
Community Services	\$22,049	\$0	\$-2,511	\$0	\$19,538	\$15,335	\$34,873	
NRH	\$24,205	\$15,171	\$-3,019	\$0	\$36,357	\$0	\$36,357	
Planning	\$63	\$0	\$-31	\$0	\$32	\$0	\$32	
Total Levy	\$288,283	\$53,703	\$-30,706	\$-501	\$310,779	\$73,856	\$384,635	
Wastewater	\$55,898	\$4,080	\$-2,121	\$-1,059	\$56,797	\$32,296	\$89,093	
Water	\$11,245	\$480	\$-347	\$-264	\$11,114	\$22,249	\$33,363	
Waste Management	\$1,558	\$4,560	\$-763	\$0	\$795	\$0	\$795	
Total Rate	\$68,700	\$4,560	\$-3,231	\$-1,323	\$68,706	\$54,545	\$123,251	
Total Niagara Region	\$356,983	\$58,263	\$-33,936	\$-1,824	\$379,485	\$128,401	\$507,886	7.09%

Debt Report (in thousands of dollars) - Continued

Department	Total Debt as at December 31, 2018 including Sinking Fund Assets	Year to Date Debt Issued	Year to Date Principal Payments	Sinking Fund Contributions and Asset Earnings	Total Debt as at December 31, 2019 including Sinking Fund Assets	Unissued Debt*	Total Debt & Unissued Debt As at December 31, 2019	Annual Repayment Limits**
Fort Erie	\$7,383	\$0	\$-1,049	\$0	\$6,333	\$0	\$6,333	2.52%
Grimsby***	\$3,485	\$0	\$-345	\$0	\$3,140	\$0	\$3,140	1.69%
Lincoln	\$4,485	\$2,661	\$-470	\$0	\$6,676	\$0	\$6,676	2.54%
NOTL	\$2,225	\$1,805	\$-421	\$0	\$3,609	\$0	\$3,609	1.51%
Niagara Falls***	\$48,219	\$4,100	\$-3,758	\$0	\$48,560	\$0	\$48,560	3.02%
Pelham	\$30,089	\$4,018	\$-1,855	\$0	\$32,252	\$0	\$32,252	13.40%
Port Colborne***	\$28,749	\$0	\$-1,504	\$0	\$27,246	\$0	\$27,246	7.56%
St. Catharines	\$113,948	\$16,144	\$-11,802	\$-257	\$118,033	\$0	\$118,033	7.72%
Thorold	\$1,065	\$0	\$-115	\$0	\$950	\$0	\$950	0.55%
Wainfleet***	\$266	\$1,496	\$-53	\$0	\$1,708	\$0	\$1,708	0.81%
Welland	\$50,046	\$5,188	\$-6,034	\$0	\$49,199	\$0	\$49,199	8.71%
West Lincoln	\$15,025	\$4,000	\$-529	\$0	\$18,496	\$0	\$18,496	7.63%
NPCA	\$700	\$0	\$-484	\$0	\$216	\$0	\$216	
Separate School Board	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Debt Assumed for Others (External)	\$305,684	\$39,412	\$-28,420	\$-257	\$316,419	\$0	\$316,419	
Total Niagara Region & External	\$662,667	\$97,675	\$-62,357	\$-2,081	\$695,904	\$128,401	\$824,305	

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

Calculated with 2018 FIR data (*)2017 used where 2018 not available) and 2019 debt servicing charges.

2019 Debt Issuances

- By-law 2019-59: Capital Markets \$63,392, 10 years, 2.371% for Niagara Region and municipalities of Niagara Falls, Welland, St. Catharines, Pelham, and Wainfleet
- By-law 2019-82: Infrastructure Ontario \$2,661, 20 years, 2.80% for Lincoln
- By-law 2019-83: Infrastructure Ontario \$1,805, 15 years, 2.69% for Niagara-on-the-Lake
- By-law 2019-84: Infrastructure Ontario \$25,817, 30 years, 2.91% for Niagara Region
- By-law 2019-101: Infrastructure Ontario \$4,000, 30 years, 2.80% for West Lincoln

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	Status
Canada Border Service Agency – FCMB	\$31	Multiple invoices issued on behalf of NRPS for vehicle purchases; payment will be issued for all invoices in one lump sum and should be received in Q1 2020.	Collection to continue
City of Niagara Falls	\$73	2018 RDC invoice in dispute with developer (\$60), applied for NFP grant, which was denied. Collection to continue which may include collecting through property tax. 2019 RDC's (\$13) for one multiple permit and City will advise once collected from the permit holder.	Collection to continue
City of Port Colborne	\$35	2019 RDC balances due to permit information being sent monthly and payment being remitted quarterly. \$16 to be included with Q4 payment, which should be received in Q1 2020. \$19 for one Single Family Dwelling and one multiple permit and City will advise once collected from the permit holder.	Collection to continue
Merritton Mills Redevelopment Corp	\$386	Receivable of 2007 tipping fees for the last of four redeveloped brownfield sites. Niagara Region will offset the tipping fees against the Tax Increment Grant (TIG) being paid on the development, which was initiated in 2019 and is expected to be fully recovered by 2024. In the interim, the Niagara Region is holding a Letter of Credit (LOC) as security for the full amount of the receivable.	2019 TIG agreements Collection to continue
Seniors Resident 12006	\$28	Resident passed away November 30, 2019. Report going to CSC in Q1 2020 for write-off approval.	Write-off imminent
Seniors Resident 11338	\$63	Resident still active. Many attempts have been made to the family to collect and on-going efforts continue to mitigate risk.	Collection to continue

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

Customer Name	Over 120	Explanation of Account	Status
Town of Fort Erie	\$56	2019 RDC's to be included with Q4 payment, which should be received in Q1 2020.	Collection to continue
Town of Grimsby	\$845	2018 RDC invoice in dispute with developer (\$843), Grimsby to collect additional amounts outstanding through property tax (with Grimsby legal). 2019 RDC's (\$2) to be included with Q4 payment, which should be received in Q1 2020.	Collection to continue
Town of Lincoln	\$85	2018 RDC building permits on hold as a result of archeological findings on-site. Collection to be made once site has been released from the archeological hold.	Collection to continue
Town of NOTL	\$313	2019 RDC balances due to permit information being sent monthly and payment being remitted quarterly. Amounts will be included with Q4 payment, which should be received in Q1 2020.	Collection to continue
TOTAL	\$1,915	\$385 of the outstanding RDCs relate to timing differences between billing and collection as result of revised Regional processes for collection and accounting for RDCs. Region to review for further enhancements.	

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") and includes all unfunded liabilities, impacts of amortization and capital fund activity. This report is unaudited and prepared with information as at February 28, 2020. Small changes will occur between this version and the final audited financial statements published in May 2020 as final adjustments relating to capital accounting are processed in March.

	Dec. 31, 2019	Dec. 31, 2018
FINANCIAL ASSETS		
Cash	\$ 135,681	\$ 106,902
Investments	635,596	585,420
Accounts receivable	80,139	80,713
Other current assets	418	329
Tangible capital assets held for sale	756	756
Debt Recoverable from others	316,419	305,684
	1,169,009	1,079,804
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	129,653	114,195
Employee future benefits and post-employment liabilities	109,462	104,421
Deferred revenue	219,750	178,320
Landfill closure and post-closure liability	61,277	61,397
Long-term liabilities	700,256	662,658
	1,220,398	1,120,991
Net debt	(51,389)	(41,187)
NON-FINANCIAL ASSETS		
Tangible capital assets	1,830,021	1,755,117
Inventory	7,498	7,360
Prepaid expenses	18,610	20,836
	1,856,129	1,783,313
Accumulated surplus	\$ 1,804,740	\$ 1,742,126

Accumulated surplus reconciliation:

	Dec. 31, 2019	Dec. 31, 2018
Invested in tangible capital assets	\$ 1,446,184	\$ 1,398,144
Capital fund – unexpended capital financing	271,536	226,159
Operating fund	(11,890)	(12,686)
Unfunded landfill closure & post-closure liability	(61,277)	(61,397)
Unfunded employee future benefits & post-employment liabilities	(108,148)	(103,112)
Total surplus	1,546,405	1,447,108
Total reserves and reserves funds (page 53)	268,335	295,018
Total accumulated surplus	\$ 1,804,740	\$ 1,742,126

Explanation of Statement of Operations

The statements of operations provided in the preceding pages summarize the Niagara Region’s financial activity as of December 31, 2019. These statements have been compiled by Corporate 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.

Definition of Column Headings

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, 2019. 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.

Definition of 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 through 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

Definition of 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.

Definition of 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).

Definition of 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.

Definition of 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.



Q4 FINANCIAL UPDATE | DECEMBER 2019

Niagara  **Region**

1815 SIR ISAAC BROCK WAY THOROLD, ON L2V 4T7

FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

Niagara R

Date Prepared:	
MSO Office:	Central
Prepared By:	
Tier	UT

2018 Households:	201,063
2018 Population	472,448
2019 MFIC Index	n/a

Median Household Income:	66,137
Taxable Residential Assessment as a % of Total Taxable Assessment:	72.2%
Own Purpose Taxation:	354,302,331

SUSTAINABILITY INDICATORS

Indicator	Ranges		Actuals	South - UT - Regions		Level of Risk
				Median	Average	
Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied	Low: < 10% Mod: 10% to 15% High: > 15%	2014	0.0%	0.0%	0.0%	LOW
		2015	0.0%	0.0%	0.0%	LOW
		2016	0.0%	0.0%	0.0%	LOW
		2017	0.0%	0.0%	0.0%	LOW
		2018	0.0%	0.0%	0.0%	LOW
Net Financial Assets or Net Debt as % of Own Source Revenues	Low: > -50% Mod: -50% to -100% High: < -100%	2014	-5.1%	-6.0%	7.7%	LOW
		2015	-11.9%	-4.1%	15.7%	LOW
		2016	-17.1%	7.7%	20.5%	LOW
		2017	-14.2%	18.3%	28.4%	LOW
		2018	-6.7%	30.3%	42.0%	LOW
Total Reserves and Discretionary Reserve Funds as a % of Municipal Expenses	Low: > 20% Mod: 10% to 20% High: < 10%	2014	34.4%	83.3%	72.0%	LOW
		2015	34.0%	87.2%	81.0%	LOW
		2016	32.4%	89.3%	85.3%	LOW
		2017	32.3%	93.2%	87.5%	LOW
		2018	32.5%	94.4%	91.8%	LOW
Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)	Low: > 0.5:1 Mod: 0.5:1 to 0.25:1 High: < 0.25:1	2014	1.15:1	0.93:1	1.58:1	LOW
		2015	1.26:1	0.96:1	1.59:1	LOW
		2016	0.82:1	0.78:1	1.43:1	LOW
		2017	1.18:1	0.75:1	1.38:1	LOW
		2018	0.94:1	0.84:1	1.63:1	LOW

FLEXIBILITY INDICATORS

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)	Low: < 5% Mod: 5% to 10% High: >10%	2014	4.2%	5.4%	5.4%	LOW
		2015	4.2%	5.2%	5.1%	LOW
		2016	4.3%	4.7%	5.3%	LOW
		2017	4.6%	4.6%	6.0%	LOW
		2018	4.2%	4.3%	4.3%	LOW
Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)	Low: < 50% Mod: 50% to 75% High: > 75%	2014	42.7%	33.6%	34.9%	LOW
		2015	43.2%	34.1%	34.7%	LOW
		2016	41.6%	34.5%	35.0%	LOW
		2017	42.5%	34.2%	34.7%	LOW
		2018	43.9%	34.6%	35.6%	LOW
Annual Surplus / (Deficit) as a % of Own Source Revenues	Low: > -1% Mod: -1% to -30% High: < -30%	2014	9.0%	17.0%	19.9%	LOW
		2015	15.0%	23.4%	28.5%	LOW
		2016	12.4%	22.8%	26.9%	LOW
		2017	7.8%	25.9%	23.6%	LOW
		2018	11.1%	23.6%	25.1%	LOW

The data and information contained in this document is for informational purposes only. It is not an opinion about a municipality and is not intended to be used on its own - it should be used in conjunction with other financial information and resources available. It may be used, for example, to support a variety of strategic and policy discussions.

FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

Niagara R

NOTES

Financial Information Returns ("FIRs") are a standard set of year-end reports submitted by municipalities to the Province which capture certain financial information. On an annual basis, Ministry staff prepare certain financial indicators for each municipality, based on the information contained in the FIRs. It is important to remember that these financial indicators provide a snapshot at a particular moment in time and should not be considered in isolation, but supported with other relevant information sources. In keeping with our Financial Information Return review process and follow-up, Ministry staff may routinely contact and discuss this information with municipal officials.

Supplementary Indicators of Sustainability and Flexibility

The following is a summary, adapted from the Chartered Professional Accountants of Canada Statement of Recommended Practice (SORP) 4.

- A government (including a municipality) may choose to report supplementary information on financial condition, to expand on and help explain the government's financial statements.
- Supplementary assessment of a government's financial condition needs to consider the elements of sustainability and flexibility.
- Sustainability in this context may be seen as the degree to which a municipality can maintain its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others without inappropriately increasing the debt or tax burden relative to the economy within which it operates.
- Sustainability is an important element to include in an assessment of financial condition because it may help to describe a government's ability to manage its financial and service commitments and debt burden. It may also help to describe the impact that the level of debt could have on service provision.
- Flexibility is the degree to which a government can change its debt or tax level on the economy within which it operates to meet its existing financial obligations both in respect of its service commitments to the public and financial commitments to creditors, employees and others.
- Flexibility provides insights into how a government manages its finances. Increasing taxation or user fees may reduce a municipality's flexibility to respond when adverse circumstances develop if the municipality approaches the limit that citizens and businesses are willing to bear.
A municipality may temporarily use current borrowing, subject to the requirements set out in the Municipal Act to meet expenses and certain other amounts required in the year, until taxes are collected and other revenues are received. Municipal current borrowing cannot be carried over the long term or converted to long term borrowing except in very limited circumstances.
- For each element of financial condition, the report on indicators of financial condition should include municipality-specific indicators and municipality-related indicators. It may be useful to also include economy-wide information when discussing financial condition.

Additional Notes on what Financial Indicators may indicate:

Total Taxes Receivable less Allowance for Uncollectibles as a % of Total Taxes Levied - Shows how much of the taxes billed are not collected.

Net Financial Assets or Net Debt as % of Own Source Revenues - Indicates how much property tax and user fee revenue is servicing debt.

Reserves and Reserve Funds as a % of Municipal Expenses - Indicates how much money is set aside for future needs and contingencies.

Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities) - Indicates how much cash and liquid investments could be available to cover current obligations.

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs) - Indicates how much of each dollar raised in revenue is spent on paying down existing debt.

Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio) - Indicates how much of the assets' life expectancy has been consumed.

Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues - Indicates the municipality's ability to cover its operational costs and have funds available for other purposes (e.g. reserves, debt repayment, etc.)

The Northern and Rural Municipal Fiscal Circumstances Index (MFICI) is used by the Ministry of Finance to calculate the "Northern and Rural Fiscal Circumstances Grant" aimed at northern as well as single and lower-tier rural municipalities. The index measures a municipality's fiscal circumstances. The MFICI is determined by six indicators: Weighted Assessment per Household, Median Household Income, Average Annual Change in Assessment (New Construction), Employment Rate, Ratio of Working Age to Dependent Population, and Per Cent of Population Above Low-Income Threshold. A lower MFICI corresponds to relatively positive fiscal circumstances, whereas a higher MFICI corresponds to more challenging fiscal circumstances. (Note: the MFICI index is only available for northern and rural municipalities)

FINANCIAL INDICATOR REVIEW

(Based on 2018 Financial Information Return)

Niagara R

CALCULATIONS

Total Taxes Rec. less Allowance for Uncollectibles as % of Total Taxes Levied

SLC 70 0699 01 / (SLC 26 9199 03 - SLC 72 2899 09)

Net Financial Assets or Net Debt as % of Own Source Revenues

SLC 70 9945 01 / (SLC 10 9910 01 - SLC 10 0699 01 - SLC 10 0899 01 -
SLC 10 1098 01 - SLC 10 1099 01 - SLC 10 1811 01 - SLC 10 1812 01 - SLC 10 1813 01 -
SLC 10 1814 01 - SLC 10 1830 01 - SLC 10 1831 01 - SLC 12 1850 04)

Total Reserves and Reserve Funds as a % of Municipal Expenses

(SLC 60 2099 02+SLC 60 2099 03)/(SLC 40 9910 11-SLC 12 9910 03-SLC 12 9910 07)

Cash Ratio (Total Cash and Cash Equivalents as a % of Current Liabilities)

SLC 70 0299 01 / (SLC 70 2099 01 + SLC 70 2299 01)

Debt Servicing Cost as a % of Total Revenues (Less Donated TCAs)

(SLC 74 3099 01 + SLC 74 3099 02) / (SLC 10 9910 01 - SLC 10 1831 01)

Closing Amortization Balance as a % of Total Cost of Capital Assets (Asset Consumption Ratio)

SLC 51 9910 10 / SLC 51 9910 06

Annual Surplus / (Deficit) (Less Donated TCAs) as a % of Own Source Revenues

(SLC 10 2099 01 - SLC 10 1831 01) / (SLC 10 9910 01 - SLC 10 0699 01 -
SLC 10 0899 01 - SLC 10 1098 01 - SLC 10 1099 01 - SLC 10 1811 01 - SLC 10 1812 01 -
SLC 10 1813 01 - SLC 10 1814 01 - SLC 10 1830 01 - SLC 10 1831 01 - SLC 12 1850 04)



NIAGARA REGIONAL POLICE SERVICE Police Services Board Report

2.

PUBLIC AGENDA

Subject: Niagara Regional Service and Board Financial Variance Overview for the Year Ending December 31, 2019

Report To: Chair and Members, Niagara Police Services Board Finance Committee

Report Date: 2020-02-05



Recommendation(s)

That subject to the approval by Regional Municipality of Niagara (Region) Council of the Consolidated Regional Year End Transfer Report, the Niagara Police Services Board approves the:

1. Transfer to the Police Service Board (Board) Contingency Reserve of \$89,411 to offset the costs related to upcoming contract negotiations that will commence in 2020 and to cover a significant matter in accordance with the Board's legal indemnification responsibilities as required by the Collective Agreement.
2. Transfer of \$204,332 to the Niagara Regional Police Service (Service) Contingency Reserve to use for significant unforeseen issues in future years.

Key Facts

- The purpose of the report is to provide an analysis of the 2019 year-end financial results of the Service and Board as per the Financial Reporting, Control and Procurement of Goods and Services By-Law 384-2019.
- The Niagara Region requires that all Operating Departments and Agencies, Boards and Commissions (ABCs) report on variances between actual operating results and approved budgets as part of the Year End Results and Transfer Report to Council.
- For the year ending December 31, 2019, the Service and Board have a combined net expenditure before indirect allocations surplus of \$341,918 or 0.2% below the 2019 approved budget.

Financial Considerations

Approval of the recommendations would provide for the transfer of surplus funds to Service and Board reserves to offset future budget shortfalls.

Analysis

The year-end variance summary (Appendix 1) provides a synopsis of the combined financial operations for the Police Service and the Board for the year ended December 31, 2019. The variance compares the result for 2019 to the budget approved by the Police Service Board and Regional Council.

For the year ended December 31, 2019, the Service and Board have a combined Net Expenditure before Indirect Allocations surplus of \$341,918. The Service is recommending a transfer to reserves as detailed in the table below.

Ontario Police Video Training Alliance (OPVTA)	48,175
Police Service Board	89,411
Niagara Regional Police Service	204,332
Surplus–Net Expenditure before Indirect Allocations	\$341,918

A detailed discussion of the actual performance to budget by major expense category for Police Operations follows:

Personnel Costs:

The actual performance when compared to budget resulted in a favorable variance of \$330,907 or 0.2% of the total Personnel budget. This positive spending pattern is mainly the result of lower than expected utilization of uniform staffing due to lags in hiring during periods of staff turnover and from relief coverage during periods of absenteeism. This resulted in both uniform salary and benefit savings. The surplus can also be contributed to an overall favorable health and dental benefit claims experience.

Continued trends in civilian staffing due to pressures in operationally essential units such as Communications, Prisoner Management and Records and Information Management, as well as greater than expected sick leave payouts, all contributed unfavorably to the overall personnel surplus position.

Other Operational Expenditures:

Other Operational Expenditures are comprised of all other operating expenditures excluding Personnel Costs, Financial Expenditures and Interfunctional Transfer. For

the year ending December 31, 2019, the Other Operational Expenditures resulted in a net deficit of \$203,923. There are a number of supply accounts contributing to this deficit; however, the main variance is due to the purchase of uniform equipment, specifically protective body armor.

The other operational expenditures for 2019 include all known potential liabilities resulting from Service operations.

Recoveries & Revenues:

For the year ending December 31 2019, Gross Revenues and Recoveries were \$116,192 below budget due to a shortfall to Provincial grant funding offset by additional revenue from one-time cost recovery services.

Early this year, the Ministry of Community Safety and Correctional Services announced the end of the PEM grant program as of March 31, 2019. The introduction of the new Community Safety and Policing (CSP) Grant for the years 2019/20, 2020/21 and 2021/22 resulted in overall lower funding allocation for police services. Despite the success of the Service's applications under the CSP program, when compared to other police services, we realized a funding shortfall of \$356,639 for the 2019 fiscal year.

Transfers to/from Reserves:

Appendix 2 summarizes the Service's year-end reserve funds as at December 31, 2019. The schedule includes only those transfers to and from the Reserve Funds approved during the 2019 Budget. The Service recommends the surplus balance, before indirect allocation of \$341,918, be transferred as follows:

	Amount
OPVTA Reserve	48,175
PSB Contingency Reserve	89,411
Service Contingency Reserve	204,332
Total	\$ 341,918

The OPVTA reserve transfer of \$48,175 includes a surplus of \$33,175 from the reconciliation of the 2019 OPVTA financial results and all expenses associated with the 2019 Annual General Meeting and Annual Executive Board Meeting. The balance of \$15,000 is the result of funding for a video production made for the Canadian National Railway.

The Police Services Board ended the 2019 year with a surplus balance of \$89,411 from the lower than expected usage of legal services. A recommendation to transfer these

funds to the PSB Contingency Reserve to offset the costs related to upcoming contract negotiations that will commence in 2020, and to cover a significant matter in accordance with the Board's legal indemnification responsibilities as required by the Collective Agreement.

In alignment with Regional policy, Service staff recommends the transfer of the Service's portion of the surplus, \$204,332 to the contingency reserve to address significant unforeseen cost pressures not addressed in the approved budget.

Conclusion:

The detailed variance analysis has been prepared based on results of operations at December 31, 2019. The Service year end surplus of \$341,918 represents 0.2% of the total budget. The results include the actual expenditures incurred and provisions for all known liabilities and offsetting revenues at December 31, 2019.

Alternatives Reviewed

The alternative, not recommended by the Service, is to report the year end result without any transfers to reserves.

Relationship to Police Service/Board Strategic Priorities

To ensure compliance to the Financial Reporting, Control and Procurement of Goods and Services in the Niagara Regional Police Service By-Law 384-2019.

Relevant Policy Considerations

- Section 289 of the Municipal Act requires municipalities to prepare a balanced budget that includes all of the expenditures and revenues for the taxation year.
- C-F-022 Operating Surplus/Deficit Policy (Region Policy) states year end surpluses will allocate to those areas identified as underfunded per the Reserve and Reserve Fund Policy C-F-013 and/or one time funding needs as recommended by Council.

Other Pertinent Reports

- Minute No.117.2019 NRPS Financial Variance Overview and Year-End Forecast for the period ending March 31 2019.
- Minute No.159.2019 NRPS Financial Variance Overview and Year-End Forecast for the period ending June 30 2019.

- Minute No.198.2019 NRPS Financial Variance Overview and Year-End Forecast for the period ending September 30, 2019.

This report was prepared by Laura Rullo, Manager, Finance, and reviewed by Lisa DiDonato-DeChellis, Director, Business Services and Acting Deputy Chief David Meade, Support Services.



Submitted by:

for Bryan MacCulloch, M.O.M. #5835
Chief of Police

Appendices

- Appendix 1 Niagara Regional Police Service and Board Year End Variance Summary
- Appendix 2 Niagara Regional Police Service and Board 2019 Year End Reserves Schedule

Appendix 1
Niagara Regional Police Service and Board
December, 2019 Variance Summary

	2018 Actual	2019 Budget	YTD Dec 2018 Actual	YTD Dec 2019 Budget	YTD Dec 2019 Actual	% Budget Spent	Act vs. Budget Surplus/(Deficit)
Police Service							
Uniform Salaries	75,262,841	79,725,832	75,262,841	79,725,832	77,091,676	97%	2,634,156
Uniform Overtime	5,286,873	3,807,696	5,286,873	3,807,696	5,932,873	156%	(2,125,177)
Total Uniform	80,549,714	83,533,528	80,549,714	83,533,528	83,024,549	99%	508,979
Civilian Salaries and Wages	27,663,056	28,950,213	27,663,056	28,950,213	28,939,606	100%	10,607
Civilian Overtime	728,689	525,272	728,689	525,272	1,147,548	218%	(622,276)
Total Civilian	28,391,745	29,475,485	28,391,745	29,475,485	30,087,154	102%	(611,669)
Other Salaries and Wages	2,579,443	2,428,680	2,579,443	2,428,680	2,431,858	100%	(3,178)
Total Salaries and Wages	111,520,902	115,437,693	111,520,902	115,437,693	115,543,561	100%	(105,868)
Employee Benefits	27,681,502	29,636,706	27,681,502	29,636,706	28,675,253	97%	961,453
WSIB	1,420,366	1,775,000	1,420,366	1,775,000	1,754,524	99%	20,476
Sick Leave Payouts	1,048,773	450,000	1,048,773	450,000	1,206,490	268%	(756,490)
Specialty Allowance	1,683,686	1,859,916	1,683,686	1,859,916	1,691,779	91%	168,137
Other Allowances and Benefits	682,178	778,535	682,178	778,535	735,335	94%	43,200
Total Benefits and Allowances	32,516,505	34,500,157	32,516,505	34,500,157	34,063,382	99%	436,775
Total Personnel Costs	144,037,406	149,937,850	144,037,406	149,937,850	149,606,943	100%	330,907
Telephone & Communications	931,156	978,908	931,156	978,908	882,143	90%	96,765
Other Administrative Expenses	2,833,575	2,880,680	2,833,575	2,880,680	2,943,530	102%	(62,849)
Total Administrative Expenses	3,764,731	3,859,588	3,764,731	3,859,588	3,825,672	99%	33,916
Total Operational & Supply	2,388,453	2,251,400	2,388,453	2,251,400	2,476,288	110%	(224,888)
Total Occupancy & Infrastructure	191,461	298,197	191,461	298,197	311,149	104%	(12,952)
Fuel	1,498,751	1,472,420	1,498,751	1,472,420	1,380,156	94%	92,264
Maintenance Contracts	2,613,582	3,065,667	2,613,582	3,065,667	3,014,733	98%	50,934
Other Equipment, Vehicles and Technology	1,615,053	1,898,497	1,615,053	1,898,497	1,804,598	95%	93,899
Total Equipment, Vehicles and Technology	5,727,385	6,436,584	5,727,385	6,436,584	6,199,488	96%	237,096
Transfer to Capital Levy Reserve	-	1,200,000	-	1,200,000	1,200,000	100%	-
Transfer to Benefits Liabilities Reserve	-	-	-	-	-	0%	-
Transfer to Vehicle & Eq'm Repl. Reserve	1,400,000	1,500,000	1,400,000	1,500,000	1,500,000	100%	-
Transfer to Contingency Reserve	-	250,000	-	250,000	484,494	194%	(234,494)
Transfer to WSIB Reserve	200,000	200,000	200,000	200,000	200,000	100%	-
Transfer to OPTVA Reserve	-	-	-	-	18,013	-	(18,013)
Transfer to PSB Reserve	-	-	-	-	89,411	0%	(89,411)
Transfer to Long Term Accommodation Reserve	5,123,092	-	5,123,092	-	-	0%	-
Total - Transfers to Reserve Fund	6,723,092	3,150,000	6,723,092	3,150,000	3,491,918	111%	(341,918)

Appendix 1
Niagara Regional Police Service and Board
December, 2019 Variance Summary

Police Service	2018 Actual	2019 Budget	YTD Dec 2018 Actual	YTD Dec 2019 Budget	YTD Dec 2019 Actual	% Budget Spent	Act vs. Budget Surplus/(Deficit)
Financial Expenditures	10,090	3,500	10,090	3,500	6,118	175%	(2,618)
Intercompany Chargebacks	134,106	242,554	134,106	242,554	145,905	60%	96,649
Total - Financial Expenditures and Chargebacks	144,197	246,054	144,197	246,054	152,024	62%	94,031
Total Gross Expenditures	162,976,725	166,179,674	162,976,725	166,179,674	166,063,481	100%	116,193
Total Recoveries	(1,516,172)	(1,562,311)	(1,516,172)	(1,562,311)	(1,568,469)	100%	6,158
Grants	(10,037,218)	(10,007,795)	(10,037,218)	(10,007,795)	(9,651,756)	96%	(356,039)
Fees	(6,261,747)	(5,849,431)	(6,261,747)	(5,849,431)	(5,800,277)	99%	(49,154)
Other Revenues	(1,992,437)	(2,045,923)	(1,992,437)	(2,045,923)	(2,328,766)	114%	282,843
Transfer From OPTVA Reserve	-	-	-	-	-	0%	-
Transfer From PSB Contingency Reserve	-	-	-	-	-	0%	-
Transfer From Contingency Reserve	-	-	-	-	-	0%	-
Transfer From Capital Levy Reserve	-	-	-	-	-	0%	-
Transfer From Employee Future Benefits Reserve	-	-	-	-	-	0%	-
Transfer From Accum. Sick Lv. Res. Fund.	-	-	-	-	-	0%	-
Total Revenues	(18,291,403)	(17,903,149)	(18,291,403)	(17,903,149)	(17,780,799)	99%	(122,350)
Net Exp. before Indirect Allocations	143,169,150	146,714,214	143,169,150	146,714,214	146,714,213	100%	0

Appendix 2:
Niagara Regional Police Service and Board
2019 Year End Reserve Schedule

Description	Fund 20550	Balance at 31-Dec-2018	Trf. From Current RR1	Trf. To Current RE1	Trf. To Capital RE2	Transfers from/to Region	Close Out Report & YE	Balance at 12/31/2019
Accumulated Sick Leave	562	1,679,575	-	-	-	-	-	1,679,575
Vehicles and Equipment Replacement	506	224,044	1,500,000	-	(1,700,000)	-	-	24,044
Benefits Liabilities	563	4,152,398	-	-	-	-	-	4,152,398
WSIB	564	3,069,590	200,000	-	-	-	-	3,269,590
Contingency Reserve	534	-	250,000	-	-	-	-	250,000
Capital Levy	507	719,208	1,200,000	-	(1,388,500)	-	30,456	561,163
PSB Contingency	535	152,708	-	-	-	-	-	152,708
OPTVA Reserve	505	61,122	-	-	-	-	-	61,122
TOTAL		10,058,645	3,150,000	-	(3,088,500)	-	30,456	10,150,601



NIAGARA REGIONAL POLICE SERVICE

Police Services Board Report

1.

PUBLIC AGENDA

Subject: Transfer of Funds to the Ontario Police Video Training Alliance Reserve Fund.

Report To: Chair and Members, Niagara Police Services Board Finance Committee

Report Date: 2020-02-06



Recommendation(s)

That the Niagara Police Services Board Finance Committee approves the transfer of funds to the Ontario Police Video Training Alliance (OPVTA) Reserve Account in the amount of \$48,175.00

Key Facts

- The purpose of this report is to seek the Board's approval to transfer funds in the amount of \$48,175.00 to the OPVTA Reserve Account.
- OPVTA operates on a non-profit, cost recovery basis achieved through the collection of membership fees.
- During 2019, an unplanned retirement within the Video Unit created a gap in staffing which resulted in a surplus in salaries and several expense lines.
- The OPVTA received revenue in the amount of \$15,000.00 for a project funded first through membership and subsequently through cost recovery from the requesting agency, CN Rail. These excess revenues are intended to be held in trust in the Reserve Account on behalf of member agencies.
- \$48,175.00 represents the OPVTA share of surplus in the Video Unit's 2019 Operating Budget in the amount of \$33,175.00 as well as \$15,000.00 in cost recovery for a production on behalf of CN Rail.

Financial Considerations

The funds recommended for deposit to the OPVTA Reserve Account represent a reconciliation of the Video Unit's 2019 Operating Budget, revenue generated through an externally funded project and non-production related expenses for OPVTA. There are no financial implications for the Service.

Analysis

The OPVTA was formed in 1996 as a cost-effective means of providing high quality video-based programs to Ontario's policing community. Through its leadership role in the OPVTA, and in conjunction with the Ontario Police College, the Service's Video Unit produces and distributes training videos, e-learning courses and support materials to a police audience of more than 26,000 officers representing 86 member agencies.

A seven-member Executive comprised of training specialists from OPVTA member agencies represents the interests of the membership, while the Niagara Regional Police Service provides a Senior Officer in the role of Executive Director to OPVTA and a Video Unit Coordinator who together liaise with the OPVTA Board of Directors and serve as points of contact regarding OPVTA video productions.

All costs associated with the OPVTA are recovered through membership fees. A detailed Business Plan confirming OPVTA costs, projected revenues, recommended deliverables and fee schedules, is submitted annually to the Police Services Board.

While both the Board and the Service reasonably expect all OPVTA-related costs to be offset by revenues, the Service has also been firm in its commitment to member services that the OPVTA operate on a non-profit basis. In 2002, the Police Services Board authorized the creation of an OPVTA Reserve Account in order to accommodate unanticipated revenues from projects that were effectively "double-funded" (first through membership dues and subsequently through grant/cost recovery initiatives). This reserve account provides an appropriate place for the Police Services Board to hold "in-trust" any excess/redundant revenues on behalf of OPVTA member services.

At its Annual Executive Meeting in October of 2015, the OPVTA Executive approved a motion clarifying which OPVTA-related expenses should be subject to reimbursement to the Service from the OPVTA reserve. Specifically, the Executive agreed that any OPVTA expenses not related to the day-to-day deliverables (videos and e-courses) should be reimbursed through the reserve account. These would include expenses related to the OPVTA Annual General Meeting, conferences, Executive Meetings (hotels, meals) and promotional materials. It was further agreed that the OPVTA Executive would review eligible expenses on an annual, item-by-item basis and would recommend reimbursement to the Service accordingly. Deposits into, and transfers from this account, are subject to approval by the Police Services Board on a case-by-case basis.

In May of 2019, a Video Producer retired from the Niagara Regional Police Service creating an unexpected gap in staffing. The position remained vacant for the remainder of the year while the Video Unit Coordinator worked with Human Resources to search first within the organization and then externally to identify and hire a replacement. The impact of this vacancy for a period of seven months led to a surplus in budgeted salaries. When combined with other significant reductions in OPVTA expenses such as

the sharing of training materials in digital format, (which led to a marked reduction in costs associated to hard copy DVDs); and savings in web hosting, led to an operating surplus of \$33,175.00 (refer to Appendix 1). This scenario was accounted for in the 2019 OPVTA Business Plan, which was approved by the Police Services Board at its Public Meeting held on November 22, 2018. To that point, the Business Plan stated; "In the event that revenue is found to exceed actual costs attributed to Service involvement in the OPVTA, an application will be made to have the resulting variance deposited in the OPVTA reserve account."

As in prior years, the OPVTA incurred non-production expenses incurred through their Annual General Meeting held at the Ontario Police College on May 1, 2019, and the Annual Executive Meeting that was hosted at Niagara Regional Police Headquarters on November 7, 2019. These expenses in the amount of \$5,809.01 cover travel, lodging, meals and speaker gifts and appreciations. These non-production expenses are found in Appendix 2 and were vetted and approved by the OPVTA Executive Board. They are borne entirely by OPVTA and are accounted for (net of any HST rebate) in Appendix 1 in the overall calculation of the 2019 surplus.

Pending Board approval, \$48,175.00 will be deposited to the OPVTA Reserve Account. This deposit represents a reconciliation of \$15,000 paid to the OPVTA through CN Police for funding of the production entitled *Railway Investigation*, plus \$33,175.00 in operating surplus which factors in expenses attributed to non-production related expenses of the OPVTA Executive.

Alternatives Reviewed

Reject the recommendation. This is not recommended. Since its creation, the OPVTA has requested two Board-approved deposits and four Board-approved withdrawals. The reserve provides a buffer to allow OPVTA to maintain fairly consistent membership rates year over year, manage ebbs and flows in membership, as well as unanticipated expenses.

Relationship to Police Service/Board Strategic Priorities

Not applicable.

Relevant Policy Considerations

Not applicable.

Other Pertinent Reports

251.2017 OPVTA Reserve Fund Transfer Request.

This report was prepared by Acting Deputy Chief David Meade, Support Services, in consultation with Finance Manager, Ms. Laura Rullo, and with the assistance of Financial Analyst, Mr. Curtis Custer.

Bryan MacCulloch

Submitted by:

Bryan MacCulloch, M.O.M. #5835
Chief of Police

Appendices

Appendix 1 OPVTA Financial Variance Overview for the year ending December 31, 2019

Appendix 2 Reconciliation of Non-Production Expenses Subject to Reimbursement to the Service

Appendix 1
OPVTA Financial Variance Overview
for the year ending December 31, 2019

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Revenues	<u>318,192</u>	<u>318,900</u>	<u>(708)</u>
Expenses			
Compensation	237,609	222,699	(14,910)
Consulting Services	30,000	22,603	(7,397)
Administrative	12,380	5,763	(6,617)
Operational & Supply	5,400	6,917	1,517
Equipment & Technology	<u>12,500</u>	<u>8,481</u>	<u>(4,019)</u>
	297,889	266,463	(31,426)
Allocated Costs	<u>20,224</u>	<u>19,262</u>	<u>(962)</u>
Total Expenses	<u>318,113</u>	<u>285,725</u>	<u>(32,388)</u>
(Surplus) / Deficit	<u>(79)</u>	<u>(33,175)</u>	<u>(33,096)</u>

Appendix 2
Reconciliation of Non-Production Expenses
Subject to Reimbursement to the Service
(December 3, 2019)

Invoice Date	Amount	Payable to	Account	Details
May 2, 2019	\$1027.15	Delta Airlines	43121-44160	Flight (Thompson)
May 14, 2019	\$1682.50	William G. Thompson/LESPPS	43121-41013	AGM Keynote speaker
May 2, 2019	\$144.48	Hertz Rental Car	43121-52022	Transportation (Thompson)
May 2, 2019	\$350.20	Courtyard Toronto Airport	43121-44160	Accommodation (Thompson)
Nov 6, 2019	\$960.12	Napoli Ristorante	43121-41527	OPVTA Executive Dinner (x16)
Nov 7, 2019	\$233.51	Courtyard Niagara Falls	43121-44160	Accommodation (O'Brien)
Nov 7, 2019	\$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (deHaas)
Nov 7, 2019	\$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (Morphet)
Nov 7, 2019	\$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (Bradley)
Nov 7, 2019	\$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (Novacich)
Nov 7, 2019	\$148.82	Courtyard Niagara Falls	43121-44160	Accommodation (Foreman)
Nov 7, 2019	\$72.52	Tim Hortons #1922	43121-41527	OPVTA Meeting Refreshments (x11)
Nov 7, 2019	\$203.22	Pasta Fresca	43121-41527	OPVTA Executive Lunch
Dec 3, 2019	\$391.21	Strathcraft Awards	43121-44160	Plaques for former members: Nick Novacich, George Bench, Geoffrey Holmes
TOTAL	\$5809.01			



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Web site: www.nrh.ca

February 14, 2020

Ann-Marie Norio, Regional Clerk
Niagara Region
1815 Sir Isaac Brock Way
Thorold, ON L2V 4T7

Dear Ms. Norio,

At their February 14, 2020 meeting, the Niagara Regional Housing Board of Directors, passed the following motion as recommended in attached report NRH 2-2020:

1. That the unaudited summarized results for Niagara Regional Housing as detailed in Appendix 1, **BE RECEIVED**.
2. That the following 2019 year-end operating surplus transfers of \$1,185,178 **BE APPROVED** as follows:
 - a) \$580,000 transfer to the NRH Owned Units Reserve to fund heat control system upgrades in owned units to be completed in 2020
 - b) \$250,000 transfer to the Niagara Regional Housing Reserve to fund the Affordable Housing Master Plan to be completed in 2020
 - c) \$355,178 remaining surplus to be transferred to the Niagara Regional Housing Reserve to be utilized for new capital development opportunities to reduce the housing wait list
3. That this report be **REFERRED** to the March 11, 2020 Corporate Services Committee (CSC) meeting.

Your assistance is requested in moving report NRH 2-2020 through proper channels for approval.

Sincerely,



Mayor Walter Sendzik
Chair

REPORT TO: Board of Directors of Niagara Regional Housing

SUBJECT: 2019 Year-End Transfer Report

RECOMMENDATIONS

That the Niagara Regional Housing (NRH) Board of Directors **APPROVE** the following recommendations:

1. That the unaudited summarized results for Niagara Regional Housing as detailed in Appendix 1, **BE RECEIVED**.
2. That the following 2019 year-end operating surplus transfers of \$1,185,178 **BE APPROVED** as follows:
 - a) \$580,000 transfer to the NRH Owned Units Reserve to fund heat control system upgrades in owned units to be completed in 2020
 - b) \$250,000 transfer to the Niagara Regional Housing Reserve to fund the Affordable Housing Master Plan to be completed in 2020
 - c) \$355,178 remaining surplus to be transferred to the Niagara Regional Housing Reserve to be utilized for new capital development opportunities to reduce the housing wait list
3. That this report be **REFERRED** to the March 11, 2020 Corporate Services Committee (CSC) meeting.

KEY FACTS

- As of December 31, 2019, the operating statements for Niagara Regional Housing (NRH) indicate a 2019 budget surplus before indirect allocations of \$1,185,178 or 4.3 percent of NRH's overall net budget
- The purpose of this report is to obtain approval from the NRH Board to transfer the year-end surplus to the NRH Owned Units Reserve, the NRH Reserve and to the Niagara Region (Recommendation #1)
- The transfer to the NRH Owned Units Reserve (Recommendation #1a) is recommended to fund heat control system upgrades in owned units which will realize immediate savings on energy costs. This will be allocated via budget adjustment to NRH's 2020 budget to execute the project.

- The transfer to the NRH Reserve (Recommendation #1b) is recommended to fund the Affordable Housing Master Plan. This will be allocated via budget adjustment to NRH's 2020 budget to execute the project.
- The transfer to the Niagara Region (Recommendation #1c) is recommended to allow Council to consider the full impact of all consolidated levy results and direct any remaining surplus/deficit in accordance with the Niagara Region's Operating Surplus/Deficit Policy C-F-022.

CONSIDERATIONS

Financial

Allocations of 2019 Surplus:

- **Heat Control System Upgrades**

During the year, the Niagara Regional Housing Board of Directors approved a \$1.2 million allocation of 2019 surplus resulting from lower than budgeted subsidy payments to non-profit, co-op and federal housing providers to fund heat control system upgrades (K3D) for the providers to create future operating savings for those entities. Further correspondence with the providers has indicated a less than anticipated take-up of this initiative during 2019, with only \$506 thousand committed to providers.

It is recommended that a transfer to the NRH Owned Units Reserve (Recommendation #1a) from 2019 surplus be used to fund the installation of K3D upgrades in NRH owned units. A total of 10 NRH owned unit properties have been identified (333 units) for a total estimated cost of \$580 thousand (including non-refundable portion of HST) to install the K3D upgrades.

An examination of the Niagara Regional Housing building on Buckley Ave in Niagara Falls since the conversion to K3D limiting thermostats has yielded approximately \$147/ unit in savings annually. (Based on the current rates provided by the Ontario Energy Board). The K3D technology provides a savings of 1,100 kWh (kilowatt hour) annually per unit. On a 60 unit building an energy savings of 66,000 kWh would be realized annually for a total of nearly \$9,000/ year.

These figures are based on electric heat only and not overall electricity savings for the unit.

- **Affordable Housing Master Plan**

The Board of Directors requested a feasibility study on the owned units to explore regeneration/intensification opportunities as approved in the Business Plan for 2019-2020. This scope of the plan has expanded from the feasibility study to a 25 year Affordable Housing Master Plan. NRH has been engaging with a consultant to put together a draft scope of work for the project. The recommended funding allocation of \$250 thousand to the Niagara Regional Housing Reserve would be used to fund the plan as the expanded scope was not considered in the 2020 budget.

The Master Plan will direct NRH and the Region to present a vision and a strategy to revitalize community housing through redevelopment and growth as well as maintain the current housing stock in Niagara.

The Master Plan will explore how and when potential divestment strategies to either replace existing units or generate revenue to increase the supply of affordable housing in Niagara.

- **Transfer to Niagara Region**

At the time of writing this report, the Niagara Region is consolidating its overall levy results and expects any consolidated levy surplus/deficit after specific transfers recommended for strategic one-time initiatives (like the heat control system upgrades and the affordable housing master plan) to be nominal. In accordance with the Niagara Region's Operating Surplus/Deficit Policy C-F-022, the Niagara Region would like to recommend any unused surplus be allocated to areas identified as underfunded per the Reserve and Reserve Fund Policy C-F-013.

In the Q3 2019 consolidated financial update, it was identified that the Niagara Region's corporate stabilization reserves that support all levy programs including Niagara Regional Housing are well below recommended targets and should be considered in the yearend transfer recommendation.

Main Drivers of 2019 Surplus:

- \$121 thousand surplus is due to actual health and dental claims experienced in the year being less than budgeted.
- \$295 thousand surplus is due to the timing of executive-office initiatives and the designated substance survey reports for housing providers. The consultant did not complete all of the survey reports prior to yearend; as a result, a request has been made to encumber \$109 thousand into the 2020 budget.
- \$944 thousand deficit is a result of an expanded preventative maintenance program and move-out costs (\$660 thousand), higher than anticipated pest control costs (\$301 thousand), and higher than budgeted snow removal costs in the first half of the year (\$156 thousand); offset by lower than budgeted utility costs resulting from capital improvements and new heating control systems (\$223 thousand).
- \$3.1 million surplus in budgeted subsidy payments to non-profit, co-op and federal providers, in addition to the timing of take-up for Ministry-funded programs expected to be utilized in 2020. This variance is partially offset by the \$1.4 million unfavourable variance in Federal & Provincial Grants as revenue is deferred to align with timing of program spending and related administrative costs.

- \$681 thousand surplus in Other Revenue mainly due to higher than anticipated rental revenues for NRH-owned units (\$526 thousand) and a favourable variance in investment income (\$184 thousand)
- The overall 2019 surplus is partially offset by \$735 thousand encumbrance to the 2020 budget for ongoing strategic initiatives. These initiatives include ongoing costs relating to heat control system upgrades for providers as mentioned previously (\$506 thousand); the designated substance surveys initiative (\$110 thousand); masonry wall investigations at various housing providers (\$87 thousand); and ongoing housing provider system software development (\$32 thousand). No further initiatives are being recommended to be encumbered to the 2020 budget.

The NRH 2020 operating budget, approved at the end of 2019, considered the main drivers of the current surplus and was adjusted accordingly to reflect anticipated spending in 2020.

See attached Appendix 1: 2019 Year-End Summary

Corporate

The Corporate Year-End Results and Transfer Report will be considered at CSC on March 11, 2020 and will include a recommendation to refer the requested year-end transfers to the Regional Council meeting on March 26, 2020.

Other Pertinent Reports

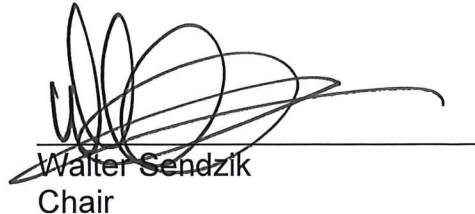
- 19-184-3.2 – Housing Programs Variance Spent Report

Submitted by:



Donna Woiceshyn
Chief Executive Officer

Approved by:



Walter Sendzik
Chair

This report was prepared by Donovan D'Amboise, Program Financial Specialist, in consultation with Dan Ane, Manager Program Financial Support, Cameron Banach, Manager Housing Operations and Donna Woiceshyn, CEO.

Appendix 1: Year-End Summary

2019 NRH Variance Summary	Budget to Actual Variance \$ Surplus (Deficit)	Comments
Expenditures		
Compensation	121,466	(+) Less than budgeted utilization of employee benefits
Administration	294,609	(+) Timing of executive office initiatives & the designated substance survey reports for housing providers
Operational & Supply	6,732	
Property Taxes & Rent	(50,274)	(-) Unfavourable property tax billings compared to budget estimate (on total budget of \$4.9 million)
Property Infrastructure & Maintenance	(961,100)	(-) Unfavourable driven by expanded preventative maintenance program, move-out costs & higher than expected costs related to pest control
Grounds	(155,973)	(-) Higher than expected grounds costs driven by higher than budgeted snow removal costs in the first half of the year
Utilities	222,954	(+) Favourable utilities due to savings in electricity costs due to capital improvements and new heating control systems
Occupancy & Infrastructure	(944,393)	
Equipment, Vehicles, Technology	41,004	(+) Timing of Integrated Housing Provider solution software
Community Assistance	3,102,730	(+) Timing of Ministry funded programs: SIF, IAH-E, OPHI, COCHI (+) Lower than budgeted subsidy payments to non-profit and co-op providers and rent supplement to landlords (-) Support to Community Services Homelessness division
Financial Expenditures	29,294	
Total Variance - Expenditures	2,651,441	
Revenue		
Federal & Provincial Grants	(1,381,483)	(-) Deferred recognition based on timing of Ministry funded programs & related administrative costs: SIF, IAH-E, OPHI, COCHI
Other Revenue	680,598	(+) Higher NRH-owned units rental revenue (+) Investment income
Total Variance - Revenue	(700,885)	
Total Intercompany Charges	(6,546)	
Total Transfers	(758,833)	(-) 2019 Year-end Encumbrances including Designated Substance Surveys, Completion of Integrated Housing Provider software implementation to support housing providers and capital asset management; Heat control system upgrades for providers
Total Surplus After Transfers & Before Indirect Allocations	1,185,178	