



**REPORT TO:** Chair and Members of the  
Budget Review Committee

**SUBJECT:** 2009 Budget

## RECOMMENDATION

That this Committee considers and then recommends to Regional Council:

1. That this report be received for information.

## EXECUTIVE SUMMARY

This report presents the current status of the 2009 Budget request to Regional Council.

### Current Budget

To date the operating budgets (including Police) for 2009 stand at a gross amount of \$809 million and a net amount of \$413 million. This is an “all in” increase of 3.47% (\$13.9 million) for levy and rate programs combined (before assessment growth).

The levy increase would be 3.38% (\$9.2 million), or after actual assessment growth of 1.2%, (initially estimated at 1.4%) a 2.18% net levy increase. The requisitions to area municipalities for Water and Wastewater would both increase by 3.4%, whereas requisitions for Waste Management are expected to rise 4.47%, for a combined rate increase of 3.66% (\$4.6 million). Information on the respective rates changes will be forthcoming to Council early in 2009. See the attached Appendix 1 for the Current Budget details.

### Recent Changes and Announcements

On October 31<sup>st</sup>, 2008, the province announced the outcome of the Provincial Municipal Fiscal and Service Delivery Review (PMFSDR). The results of this initiative were that a number of services would be uploaded from the Region to the Province over a number of years as indicated in the chart below:

PMFSDR – \$ Millions							
	2008	2009	2010	2011	2012	2013	Total by 2018
ODSP	6.0	4.0	12.0	12.0			34.0
OW			0.4	0.4	1.1	2.0	13.5
OMPF		(4.6)	(3.7)				(8.3)
Court Sec.					0.8	0.8	5.6
<b>Total Net</b>	<b>6.0</b>	<b>(0.67)</b>	<b>8.7</b>	<b>12.4</b>	<b>1.9</b>	<b>2.8</b>	<b>44.8</b>

This is an extremely positive development for two reasons. First the announcement confirmed the Provincial government’s intention to proceed with the ODSP uploading notwithstanding the economic downturn that has developed in recent months. The ODSP uploading was identified as a key component of the Region’s recently developed 10 year Capital Affordability strategy.

Secondly, the announcement revealed the province's intention to also upload Ontario Works Benefits (OW) and Court Security costs. These additional measures increase confidence that the Region's long term taxpayer affordability goals for both current and capital spending can be achieved.

Recently it has also been determined that an OMPF reduction of \$4.6 million will occur in 2009 rather than in 2010, which affects only the timing of the reduction since it was planned for 2010. One time funds to address this shortfall will be identified in the 2008 Year End Transfer report. We note that \$2.2 million from the OMPF final reconciliations for 2006 and 2007 is available to address approximately one half of this shortfall, with the remainder to be funded through year end surpluses.

## **Capital Budget**

For the 2009 Capital Budget the Region undertook a review of the 10 year Capital Program with the intention of determining a sustainable level of affordability. This review revealed that there are challenges that must be addressed with respect to desired capital spending versus affordable capital spending levels. After thorough review of the proposed capital budgets submitted by departments, a 2009 Capital program was prepared in line with the affordability limit of \$120 Million. On December 11, 2008, the Budget Review Committee approved the Region's Capital Budget (excluding Police) of \$116 million. Since the Police Capital Budget was approved by the Police Services Board on December 18<sup>th</sup>, Regional Council will now be able to deal with the Police Capital Budget as well.

Appendix 2 provides a list of the projects included in the 2009 Capital Budget.

## **FINANCIAL IMPLICATIONS**

### **Tax Levy Impact**

Through a corporate wide effort to limit and/or reduce operating costs, as well as managing Provincial uploading/downloading, an overall levy increase of 3.38% has been achieved to date.

Assessment growth of 1.2% would reduce the impact of a 3.38% increase to a levy increase of only 2.18% to taxpayers.

### **Rate Program impact**

As per the proposed rate budgets, total requisitions for rate programs (Water, Wastewater and Waste Management) will increase by an amount of 3.66%.

## **PURPOSE**

This report provides a summary of the 2009 Budget work to date for the Regional Municipality of Niagara. The report includes the process used by the Region to meet the council direction to achieve an overall levy increase less than 3.4%, (< 2.0% after assessment growth) and the results of that process.

## **BACKGROUND**

### **Budget Process**

The 2009 Budget Process continues to focus on taxpayer affordability and on July 24<sup>th</sup>, 2008 a presentation was made to Regional Council, subsequent to which Council endorsed an overall

budget “affordability” target of less than 3.4%, before assessment growth and less than 2% after assessment growth.

As noted in earlier presentations, given that the less than 3.4% target was an all inclusive target, various amounts representing previous or priority commitments for funding in 2009 (for example: debt charges, the NHS hospital commitment, council initiatives) needed to be accommodated within the less than 3.4% target. Therefore in allocating targets to Regional operations these amounts were deducted from the 3.4%, generally leaving an “across the corporation” target of approximately 2.4% for operations. In other words Regional departments, agencies, and boards generally were required to achieve targets of 2.4% excluding debt charges.

Rate Programs as well as the Niagara Region Police Service were assigned individual allocation targets of 3.4%, whereby they were expected to ensure all costs increases, including financing changes were kept in line with the target.

### **Process Results Excluding Police**

Staff prepared their 2009 budget submissions under these guidelines. For the “Regional” components of the budget (including all Agencies and Boards and attended by Police) a Corporate Management Team (CMT) Budget Team met regularly since August 2008 to review priorities and propose funding allocations to various program budgets, all with the ultimate goal of presenting a budget to Regional Council within the target envelope. (Police undertook an independent process for the preparation of their budgets).

As a result of the CMT Budget process, and with the assistance of the provincial uploading of approximately \$4.0 million of ODSP costs, net of certain other downloading of approximately \$2.8 million, a net reduction of approximately \$1.2 million was preserved to return to taxpayers. In addition the following measures also resulted in further reductions from the targeted 3.4% increase, leaving a “Regional” increase (i.e. without Police) of 1.8% compared to the 3.4% target:

• Target maximum increase	\$5.5 m	3.4%
• Net uploading	(\$1.2 m)	
Further levy reductions:		
• Salary restraint	(\$0.7 m)	
• EMS additional grant	(\$0.2 m)	
• Reallocation to Waste	(\$0.3m)	
• NRH additional reduction	<u>(\$0.2 m)</u>	
Total reductions	(2.6 m)	(1.6%)
Proposed levy increase	\$2.9 m	1.8%

**After giving effect to 1.2% actual assessment growth, the “Regional” impact on taxpayers, (excluding Police) is 0.6% versus the target, after assessment growth of less than 2%.**

### **Process Results Combined with Police**

The independent budget process undertaken by the Niagara Regional Police Service has resulted in an NRP Board approved budget request of 5.7% for 2009. The combined effect of the “Regional” and NRPS Budget increases is 3.38% or 2.18% after assessment growth of 1.2%.

## REPORT

### Council Goals

Each Program area incorporates relevant activities to ensure that Council's goals are achieved and the 2009 Budget once again focused on the alignment of their services and budget dollars with Council's plan. The following represent Council's goals for a desired future and have been given priority in the updated plan:

1. A Responsive Region
2. Community and Social Well Being
3. Economic Prosperity
4. Environmental Stewardship
5. Integrated Transportation System
6. Proactive Marketing and Communications

A further initiative supported by Council, in addition to the above goals, is the commitment to fund capital costs of up to \$25 million for Regional Health programs that will be housed within the new Niagara Health System hospital to be built in West St. Catharines. The 2009 Current Budget includes an increased contribution to the NHS of \$500,000 for a total annual contribution of \$1,000,000 in 2009. This contribution represents a second step toward achieving Regional council's longer term annual commitment toward the new facility of \$1.7 million.

### Current (Operating) Budget

As noted previously, since the less than 3.4% target was an all inclusive target, various amounts representing previous or priority commitments for funding in 2009 resulted in an allocation of 2.4% for operations.

In developing the 2.4% target CMT expanded on the success of the approach from the last two years by again identifying funds for which departments could submit business cases to secure additional budget dollars for their services if necessary. This resulted in the following initial allocation of the less than 3.4% target.

### Allocations to 2009 Levy

• 3.4% increase on levy (maximum)	\$9.3 m
• 3.4% to Police	<u>(3.8 m)</u>
• 3.4% for Regional operations	\$5.5 m
• 0.1% to Capital	(0.2m)
• 2.4% target to Region operations	(3.9m)
<b>To Mitigation Fund:</b>	<b>\$1.4 m</b>

### CMT Mitigation Fund Process

• Mitigation Fund amount	\$1.4 m
• Uploading for 2009	<u>4.0 m</u>
• Total Mitigation Fund	\$5.4 m
Allocated to:	
• Business Cases	(\$1.4 m)
• Downloading (business cases)	(2.8 m)

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**Return to Taxpayer** **\$1.2 m**

The "Mitigation Fund" amount was a placeholder for the expected requirements for corporate operating priorities that could not be achieved within the 2.4% target allocated for operations.

### Risks

The Regional budgets have been prepared using the most accurate and up to date information, none-the-less budgets are best estimates. Due to the fact many Regional services are impacted by economic conditions, such as utility costs and client volume, there is always a risk that estimates are too conservative or conversely where revenue is generated, the estimates may be too aggressive. The risk of unexpected economic changes or higher than expected collective agreement settlements is always present.

Concerning collective agreements, the proposed 2009 employee salary improvements are based on Council approved Corporate Salary Administration and Compensation policy. Also included are expected and/or negotiated contract agreements for 2009.

At present it is expected that the above risks are within the Region's ability to mitigate and/or manage. However due to the volatility of the economy currently, the financial environment will continue to be monitored closely until the situation becomes more stable and there is a full economic recovery.

### Capital Budget

A new 10 Year Capital Affordability Strategy developed this year has provided a method by which to quantify an affordable level of capital spending. The strategy identifies sustainable levels of debt to which the 2009 Capital Budget has adhered. Federal, Provincial and other external revenue sources were also examined and budgeted using only what is known or is anticipated with some degree of certainty in 2009. Internal financing sources from the current budget have been considered as well as funding from the capital levy reserve.

Where available, certain departments were able to supplement and/or enhance the corporate affordability with their own special purpose or dedicated Reserve Funds.

As a result, on December 11, 2008 the Budget Review Committee approved the proposed 2009 Capital Budget (excluding Police) of \$116 million. This proposed budget is in line with the guidance of the Capital Affordability Strategy. The Police will be presenting their capital budget for approval shortly.

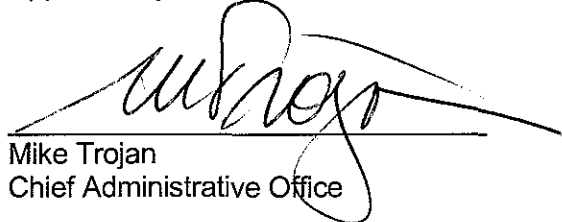
The attached -- Appendix 3 (Current Budget) and Appendix 4 (Capital Budget) presents a summary analysis for each major area of expenditure and source of revenue for both the Current and Capital Budgets for 2009.

Submitted by:



John Bergsma  
Commissioner of Corporate Services

Approved by:



Mike Trojan  
Chief Administrative Office

*This report was prepared by Margaret Murphy, Associate Director Current & Capital Budgets in collaboration with Departmental Budget Coordinators, and in consultation with Gord Lockyer, Treasurer /Director Financial Management & Planning and CMT.*

The Regional Municipality of Niagara  
2009 Budget

Description	2008 Gross Expenditure	2008 Net \$ Expenditure	2009 Gross Expenditure	2009 Net Expenditure	2009 Net Increase	2009 Net % Increase
Corporate Administration	1,981,259	1,981,259	2,193,649	2,193,649	212,390	10.72%
Public Health	33,030,026	6,612,271	33,962,484	6,773,800	161,529	2.44%
Emergency Services	28,709,546	12,197,401	30,464,874	12,869,198	671,797	5.51%
<b>Public Health</b>	<b>61,739,572</b>	<b>18,809,672</b>	<b>64,427,358</b>	<b>19,642,998</b>	<b>833,326</b>	<b>4.43%</b>
Corporate Services	18,188,364	17,062,325	18,106,483	16,843,398	(218,927)	-1.28%
Community Services	314,145,861	61,113,783	320,404,511	59,889,836	(1,223,947)	-2.00%
Public Works	41,981,744	38,926,694	41,972,746	38,606,035	(320,659)	-0.82%
Integrated Community Planning	6,594,492	5,896,514	6,557,605	6,068,725	172,211	2.92%
<b>Regional Departments</b>	<b>444,631,292</b>	<b>143,790,247</b>	<b>453,662,352</b>	<b>143,244,641</b>	<b>(545,606)</b>	<b>-0.38%</b>
Property Assessment	5,294,975	5,294,975	5,445,588	5,445,588	150,613	2.84%
911 Emergency Phone	1,030,773	1,030,773	1,055,895	1,055,895	25,122	2.44%
General Financial Exp	1,773,921	1,488,055	947,732	569,192	(918,863)	-61.75%
Strategic Programs - NHS	500,000	500,000	1,000,000	1,000,000	500,000	100.00%
Debt Charges	-	-	-	-	-	0.00%
Capital Levy	6,519,111	6,519,111	9,557,217	9,557,217	3,038,106	46.60%
<b>Non-Dept Expenses</b>	<b>15,118,780</b>	<b>14,832,914</b>	<b>18,006,432</b>	<b>17,627,892</b>	<b>2,794,978</b>	<b>18.84%</b>
<b>Total Regional Council Controlled Expenditures</b>	<b>459,750,072</b>	<b>158,623,161</b>	<b>471,668,784</b>	<b>160,872,533</b>	<b>2,249,372</b>	<b>1.42%</b>
POA	5,307,478	(777,156)	5,691,043	(800,471)	(23,315)	3.00%
Niagara Regional Housing	46,280,110	24,056,908	46,937,440	24,365,664	308,756	1.28%
NEDC	2,002,100	1,907,100	2,356,633	1,953,633	46,533	2.44%
NPCA	4,088,317	3,788,317	4,283,820	3,963,820	175,503	4.63%
<b>Outside Bds &amp; Agencies</b>	<b>57,678,005</b>	<b>28,975,169</b>	<b>59,268,936</b>	<b>29,482,646</b>	<b>507,477</b>	<b>1.75%</b>
<b>Total Tax Levy Services Excluding Police</b>	<b>517,428,077</b>	<b>187,598,330</b>	<b>530,937,720</b>	<b>190,355,179</b>	<b>2,756,849</b>	<b>1.47%</b>
<b>Total Revenue Source</b>	-	(25,058,341)	-	(24,925,318)	133,023	-0.53%
<b>Total Tax Levy Required Excluding Police</b>	<b>517,428,077</b>	<b>162,539,989</b>	<b>530,937,720</b>	<b>165,429,861</b>	<b>2,889,872</b>	<b>1.78%</b>
<b>Police Services &amp; Board</b>						
Police Services & Board	122,569,054	111,051,762	128,838,540	117,405,097	6,353,335	5.72%
	122,569,054	111,051,762	128,838,540	117,405,097	6,353,335	5.72%
<b>Tax Levy Impact (Full Levy)</b>	<b>639,997,131</b>	<b>273,591,751</b>	<b>659,776,260</b>	<b>282,834,958</b>	<b>9,243,207</b>	<b>3.38%</b>
<b>Self Supporting - Requisitions</b>						
SS Wastewater	59,400,525	55,765,186	61,406,169	57,661,202	1,896,016	3.40%
SS Water	43,117,033	39,453,046	44,589,774	40,794,450	1,341,404	3.40%
SS Waste	45,875,884	30,737,725	43,588,506	32,110,198	1,372,473	4.47%
	148,393,442	125,955,957	149,584,449	130,565,850	4,609,893	3.66%
<b>Tax Levy Impact &amp; Self Supporting Requisitions</b>	<b>788,390,573</b>	<b>399,547,708</b>	<b>809,360,709</b>	<b>413,400,808</b>	<b>13,853,100</b>	<b>3.47%</b>

# 2009 Capital Budget

CSD 22-2009  
January 15, 2009  
Appendix 2

<u>Project Number</u>	<u>Title</u>	<u>Expenditures</u>	<u>Capital Levy</u>	<u>Capital Reserve Fund</u>	<u>Development Charge Reserve Fund</u>	<u>Debentures</u>	<u>Other</u>	<u>Grants and Subsidies</u>
<b>CA N.P. Conservation Authority</b>								
ZCA0901	Flood Protection Services	203,635				203,635		
ZCA0902	Watershed Management	296,250				296,250		
ZCA0903	Resource Inventory & Environmental Monitoring	1,024,110				1,024,110		
ZCA0904	Conservation Land Management	830,004				830,004		
<b>Total</b>		<b>2,353,999</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,353,999</b>	<b>0</b>	<b>0</b>
<b>GC Technology</b>								
ZGC0901	IT Asset Replacement	2,200,000				1,700,000	500,000	
ZGC0902	myHR	150,000	150,000					
ZGC0903	Enterprise Content Management	300,000				300,000		
ZGC0904	IT Disaster Recovery	750,000	155,377			594,623		
ZGC0905	Project Portfolio Tracking	300,000				300,000		
ZGC0906	Smartstream Upgrade	200,000	200,000					
ZGC0907	e-expense replacement	70,000	70,000					
ZGC0908	Identity Management	300,000	300,000					
	Unspecified Reduction	(91,877)				(91,877)		
<b>Total</b>		<b>4,178,123</b>	<b>875,377</b>	<b>0</b>	<b>0</b>	<b>2,802,746</b>	<b>500,000</b>	<b>0</b>
<b>SS Fleet</b>								
ZSS0901	Vehicles & Equipment	1,875,000		1,875,000				
ZSS0902	Fuel Management Implementation	200,000		200,000				
<b>Total</b>		<b>2,075,000</b>	<b>0</b>	<b>2,075,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GD Facilities</b>								
ZGD0901	Building Maintenance Program for Regional Facilities	2,454,623	2,454,623					
ZGD0902	Ontario Disabilities Act Renovations	250,000	250,000					
ZGD0903	Council Chambers Renovations	350,000				350,000		
ZGD0904	Print Shop Equipment	190,000		190,000				
ZGD0905	New Truck	35,000	35,000					
ZGD0906	NF - SAEO office	1,500,000				1,500,000		
<b>Total</b>		<b>4,779,623</b>	<b>2,739,623</b>	<b>190,000</b>	<b>0</b>	<b>1,850,000</b>	<b>0</b>	<b>0</b>
<b>GG General Government</b>								
ZGG0901	Emergency Capital Levy Programs	1,000,000	1,000,000					
<b>Total</b>		<b>1,000,000</b>	<b>1,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>GR Public Health</b>								
ZGR0901	Ambulance & Related Equipment	910,000		910,000				
<b>Total</b>		<b>910,000</b>	<b>0</b>	<b>910,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

<u>Project Number</u>	<u>Title</u>	<u>Expenditures</u>	<u>Capital Levy</u>	<u>Capital Res. Fund</u>	<u>Development Charge Reserve Fund</u>	<u>Debentures</u>	<u>Other</u>	<u>Grants and Subsidies</u>
<b>RC</b>	<b>Roads Construction</b>							
ZRC0227	Widening RR 77 (Fourth Ave), Vansickle Rd to First St, SC	1,300,000			1,300,000			
ZRC0526	Reconstruction RR 77 (Welland Ave), Niagara St to QEW, SC	4,200,000					1,250,000	2,950,000
ZRC0527	Reconstruction RR 73 (Fly Rd), Tintern Rd to Spiece Rd, LN	500,000						500,000
ZRC0528	Reconstruction RR 98 (Montrose Rd), Mount Carmel Blvd to Matthews Rd, NF	1,460,000						1,460,000
ZRC0630	Rehabilitation Str 047215 Dean's Bridge over Lyons Creek	1,500,000						1,500,000
ZRC0642	Reconstruction RR 81 (Queenston St), Westchester Cr to Woodburn Ave, SC	700,000				700,000		
ZRC0812	Embankment Stabilization, RR 14 (Canboro Rd) at Warner Rd, WL	1,450,000				1,450,000		
ZRC0626	Reconstruction RR 20 (Old Hwy 20), Cataract Rd to Hwy 406 Ph 3, TH	930,000			930,000			
ZRC0901	Roads Resurfacing Program	6,000,000				6,000,000		
ZRC0902	Intersection St. Catharines Street at Gateway Subdivision, SC	400,000	200,000				200,000	
ZRC0903	Intersection Lincoln St at Riverside Dr, WE	500,000			200,000	300,000		
ZRC0904	Railway Crossing Improvements	50,000	50,000					
ZRC0905	Intersection Geneva St at St Paul St, SC	500,000				500,000		
ZRC0906	Intersection Montrose Rd at Schisler Rd, NF	500,000	200,000		300,000			
ZRC0907	Engineering for future projects	200,000	200,000					
ZRC0908	Miscellaneous Properties	200,000	200,000					
ZRC0925	Illumination Installation	55,000	55,000					
ZRC0928	Guide Rail Improvement Program	300,000				300,000		
ZRC0929	Guide Rail Installation Program	50,000	50,000					
ZRC0930	Structure Rehabilitation Program	200,000	200,000					
ZRC0931	Major Culvert Replacement Program	50,000	50,000					
ZRC0932	Development Related Projects	1,000,000					1,000,000	
ZRC0933	Reconstruction RR 49 (McLeod Rd), Montrose Rd to Stanley Ave, NF	1,000,000			1,000,000			
ZRC0934	Rehabilitation RR 18 (Mountain Rd), George St to King St, LN	150,000	150,000					
ZRC0935	Rehabilitation RR 46 (Collier Rd), St Davids Rd to Hwy 406, TH	1,000,000				1,000,000		
ZRC0936	Rehabilitation Str 039210 (15 Mile Creek Bridge) over 15 Mile Creek, SC	140,000	140,000					
ZRC0937	Reconstruction RR 89 (Glendale Ave), CNR to Canal Pkwy, Ph 2, SC	860,000			860,000			
ZRC0938	Reconstruction RR 41 (Woodlawn Rd), First St to Rice Rd, Ph 3, WE	250,000			250,000			
ZRC0939	South Niagara East West Arterial	500,000			500,000			
ZRC0940	Reconstruction Hwy 406 Interchange at First & Third, SC	300,000			300,000			
ZRC0941	Reconstruction RR 89 (Glendale Ave) Interchange at QEW, NOTL	300,000			300,000			
ZRC0942	Rehabilitation RR 112 (Point Abino Rd), Hwy 3 to Michener Rd, FE	1,130,000						1,130,000
ZRC0943	Rehabilitation RR 101 (Mountain Rd), Taylor Rd to QEW, Ph 1, NF	2,000,000						2,000,000
ZRC0944	Rehabilitation Burgoyne Bridge RR 81 over Hwy 406, SC	300,000				300,000		

<u>Project Number</u>	<u>Title</u>	<u>Expenditures</u>	<u>Capital Levy</u>	<u>Capital Res. Fund</u>	<u>Development Charge Reserve Fund</u>	<u>Debentures</u>	<u>Other</u>	<u>Grants and Subsidies</u>
ZRC0950	Roads Facility Program	950,000		100,000		850,000		
ZRC0955	Cost Sharing on Bike paths (non-regional roads)	200,000	200,000					
ZRC0960	Roads Equipment Program	160,000		160,000				
ZRD0901	Drainage Assessments	100,000	100,000					
ZRD0902	Storm Sewer Cost Sharing	200,000	200,000					
ZRT0901	Traffic Signal Rehab Program	1,200,000				1,200,000		
ZRT0902	New Traffic Signal Program	1,350,000				450,000	900,000	
ZRT0903	Traffic Warning Beacons	40,000	40,000					
ZRC0661	New Radio Repeaters	100,000		100,000				
ZRC0662	Sign Processing Equipment	50,000		50,000				
<b>Total</b>		<b>34,325,000</b>	<b>2,035,000</b>	<b>410,000</b>	<b>5,940,000</b>	<b>13,050,000</b>	<b>3,350,000</b>	<b>9,540,000</b>
<b>RH</b>	<b>Niagara Regional Housing</b>							
ZRH0901	Building Interior	2,569,450		244,016		1,530,330		795,104
ZRH0902	Building Exterior	385,000				265,868		119,132
ZRH0903	Grounds	386,000				266,559		119,441
ZRH0904	Emergency Capital Repairs	120,000		120,000				
<b>Total</b>		<b>3,460,450</b>	<b>0</b>	<b>364,016</b>	<b>0</b>	<b>2,062,757</b>	<b>0</b>	<b>1,033,677</b>
<b>SC</b>	<b>Community Services</b>							
ZSC0901	Roof Replacement	29,000	29,000					
ZSC0902	Capital Improvements and Repairs	216,500	216,500					
ZSC0903	Resident Care Equipment	232,500	232,500					
ZSC0904	Machinery & Equipment	182,000	182,000					
ZSC0905	Bed Replacement	90,000	90,000					
ZSC0906	Child Care	100,000	100,000					
ZSC0907	Child Care Site	650,000	650,000					
<b>Total</b>		<b>1,500,000</b>	<b>1,500,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sub Total Levy Supported Capital Programs (excluding Police)</b>		<b>54,582,195</b>	<b>8,150,000</b>	<b>3,949,016</b>	<b>5,940,000</b>	<b>22,119,502</b>	<b>3,850,000</b>	<b>10,573,677</b>
<b>GL</b>	<b>Waste Management</b>							
ZGL0510	Stormwater & Leachate Management Improvement	400,000		400,000				
ZGL0807	Re-Use Centre	175,000		175,000				
ZGL0902	Site Imp - Closure Works @ Elm St Landfill	400,000		400,000				
ZGL0903	Site Imp - Landfill Gas Coll Sys @ Humberstone Landfill	175,000		175,000				

<u>Project Number</u>	<u>Title</u>	<u>Expenditures</u>	<u>Capital Levy</u>	<u>Capital Res. Fund</u>	<u>Development Charge Reserve Fund</u>	<u>Debentures</u>	<u>Other</u>	<u>Grants and Subsidies</u>
ZGL0904	Site Imp - Final Cover @ Station Rd Landfill	620,000		620,000				
ZGL0906	Site Imp - Landfill Gas Coll Sys @ Niagara Rd Landfill	100,000		100,000				
ZGL0907	Recycling Centre - Facility Equipment (NF)	655,000		655,000				
ZGL0910	Site Imp - Cap Reconstruction @ Mountain Rd Landfill	200,000		200,000				
ZGL0912	Site Imp - Closure Works @ Humberstone Landfill	200,000		200,000				
ZGL0914	Site Imp - Leachate Remedial Option Eval @ Glenridge Quarry	100,000		100,000				
ZGL0915	Site Imp - Landfill Gas & Coll Sys @ Glenridge Quarry	200,000		200,000				
<b>Total</b>		<b>3,225,000</b>	<b>0</b>	<b>3,225,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CW Water Works</b>								
ZCW0405	New Trunk Watermains in Decew System	13,500,000		13,000,000	500,000			
ZCW0514	New Trunk Watermains in Rosehill System	5,000,000		4,650,000	350,000			
ZCW0902	Watermain Replacement	1,200,000		1,200,000				
ZCW0903	Asbestos Management Survey & Removal	300,000		300,000				
ZCW0904	Centralized Maintenance Facility & Emergency Ops Centre	50,000		50,000				
ZCW0907	Reservoir & Storage Upgrade	200,000		200,000				
ZCW9504	Niagara Falls WTP Upgrade	200,000		200,000				
<b>Total</b>		<b>20,450,000</b>	<b>0</b>	<b>19,600,000</b>	<b>850,000</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>SW Wastewater</b>								
ZSW0004	Wet Weather Flow/CSO Control Program	6,600,000		6,600,000				
ZSW0115	Emergency Sewer & Forcemain Replacement Program	200,000		200,000				
ZSW0118	Infrastructure Improvement Program	11,025,000		11,025,000				
ZSW0512	Frenchman's Creek Trunk Sewer	1,000,000		1,000,000				
ZSW0607	Stevensville Pumping Station Upgrade	500,000		250,000	250,000			
ZSW0712	Port Dalhousie WWTP Upgrade Program	3,500,000						3,500,000
ZSW0714	Niagara Falls WWTP Upgrade Program	1,000,000						1,000,000
ZSW0716	Anger Ave WWTP Upgrades Program	2,000,000						2,000,000
ZSW0718	Queenston WWTP Upgrade Program	50,000		50,000				
ZSW0721	Crystal Beach WWTP Upgrade Program	2,000,000		550,000	1,450,000			
ZSW0901	Vehicles - sewage vacuum truck	400,000		400,000				
ZSW0902	Welland WWTP Upgrade Program	1,500,000						1,500,000
ZSW0903	WWTP Digester Upgrade Program	1,000,000						1,000,000
ZSW0904	NOTL WWTP Upgrade-Expansion	800,000						800,000
ZSW0905	Smithville Pumping Station Upgrade	800,000						800,000
ZSW0906	Sewer & Forcemain Replacement Program	4,900,000		2,025,000			475,000	2,400,000

<u>Project Number</u>	<u>Title</u>	<u>Expenditures</u>	<u>Capital Levy</u>	<u>Capital Res. Fund</u>	<u>Development Charge Reserve Fund</u>	<u>Debentures</u>	<u>Other</u>	<u>Grants and Subsidies</u>
ZSW0907	Asbestos Mgmt Survey & Removal	300,000		300,000				
ZSW0908	Environmental Centre Energy Efficiency Upgrade	500,000		500,000				
ZSW0909	Centralized Maintenance Facility & Emergency Operations Centre	100,000		100,000				
<b>Total</b>		<b>38,175,000</b>	<b>0</b>	<b>23,000,000</b>	<b>1,700,000</b>	<b>0</b>	<b>475,000</b>	<b>13,000,000</b>
<b>Sub Total Rate Supported Capital Programs</b>		<b>61,850,000</b>	<b>0</b>	<b>45,825,000</b>	<b>2,550,000</b>	<b>0</b>	<b>475,000</b>	<b>13,000,000</b>
<b>Approved Budget Dec. 11/08 (Rate/Levy excl. Police)</b>		<b>116,432,195</b>	<b>8,150,000</b>	<b>49,774,016</b>	<b>8,490,000</b>	<b>22,119,502</b>	<b>4,325,000</b>	<b>23,573,677</b>

**PO Police Capital Budget Request for Consideration**

ZPO0509	Long Term Accomodations	14,396,000				14,396,000		
ZPO0901	2009 Vehicles	1,700,000		1,700,000				
ZPO0903	Radio System Infra. & Eq'm.	200,000		200,000				
ZPO0904	MWS Data Radio System	300,000		300,000				
ZPO0905	IT Equipment Replacement	500,000		500,000				
ZPO0906	Telephone System Upgrades	75,000		75,000				
ZPO0907	Single Sign-On/Secure Logon	105,000		105,000				
ZPO0908	In-Car Camera systems	240,000		240,000				
ZPO0909	Capital Asset Acquisitions	135,950		135,950				
<b>Sub Total Police</b>		<b>17,651,950</b>		<b>3,255,950</b>	<b>0</b>	<b>14,396,000</b>	<b>0</b>	<b>0</b>

## **APPENDIX 1 -- CURRENT BUDGET**

### **Corporate Administration (Gross \$2,193,649 – Net \$2,193,649)**

When compared to the 2008 Approved Budget, the Corporate Administration 2008 operating Budget proposal includes an expenditure increase of \$212,390 (10.72%). An amount of \$82,000 relates to the proposed provincial and federal lobbying initiative by the Chairman's Office. As well, an increase of \$130,390 (6.58%) relates to inflationary & other cost increases in administrative accounts, including projected salary and benefit adjustments.

The Corporate Administration Department includes the budget for the Office of the Regional Chairman, Regional Councillors and the Office of the Chief Administrative Officer.

### **Goals**

The Corporate Administration Department acts as a champion for Regional Council's Business Plan, to promote the vision and mission of the Corporation and work to achieve these. Specifically our goals include:

- Overseeing the implementation of Council's Business Plan – strategic actions
- Fostering economic prosperity through community engagement and partnerships
- Building capacity to address complex Niagara community issues (e.g. economic, environment, social planning)
- Providing organizational leadership and vision
- Promoting continuous improvement

### **Opportunities**

Through the successful implementation efforts of the 2007-2011 Council Business Plan we expect to be able to coordinate the advancement on Council Priorities

- A Responsive Region
- Community and Social Well Being
- Economic Prosperity
- Environmental Stewardship
- Integrated Transportation System
- Proactive Marketing and Communications

Advancement in these priority areas is expected to generate opportunities in the following key areas:

- Improved sustainability of funding through innovation and partnership
- Overseeing the implementation of approved organizational changes
- Promoting opportunities to speak with one voice on issues of common interest.

### **Challenges**

Challenges in 2009 will include:

- Ensuring appropriate levels of coordination to address priorities with inter-governmental, inter-municipal, inter-agency and inter-departmental focus
- Ensuring effective implementation plans, alignment with departmental plans, appropriate success measures and mechanism for progress reporting

- Ensuring appropriate Regional roles (as partner, facilitator, catalyst, or coordinator) in community-based planning and implementation initiatives
- Meeting the objectives while maintaining our focus on the direct delivery of services to the public

## **Risks**

Risks include:

- Limited ability to respond to economic conditions with strategic investments and innovation
  - Limited ability to quickly respond to community needs
  - Continued deterioration of taxpayer affordability
- 

## **Corporate Services Department (*Gross \$18,106,483 – Net \$16,843,398*)**

When compared to the 2008 Approved Budget, the Corporate Services direct operating 2009 Budget proposal includes a gross expenditure decrease of (\$81,881) (0.45%) with a net expenditure decrease of (\$218,927) (1.28%). The Corporate Services department assists customers in succeeding by providing integrated support services.

## **Goals**

Goals and objectives for the year 2009 and beyond have been designed to support Council's Business Plan:

- Understand our customers
  - Taxpayer
  - Internal departments / Boards & Agencies
  - Area Municipalities
- Deliver value for money
  - Focus on Taxpayer affordability
  - Enable productivity improvements
  - Service excellence
- Satisfy customers
  - TB<sup>2</sup>DSOWCB
  - Do business as a Shared Services organization
  - Customer choice
- Grow the business
  - Willing buyers
  - Affordability message
  - Opportunistic

## **Opportunities**

With an emphasis on innovation particularly in information technology, there is opportunity for improved solutions throughout the corporation. Staff will focus on business improvement opportunities within Corporate Services including improving Employee Service Centre efficiencies to reduce administrative costs per regional employee; Integrated Financial Planning; Tax Policy Review; and Energy Savings initiatives.

## Challenges

Challenges associated with preparing the 2009 budget include the potential impact on Tax payer Affordability of worsening economic conditions; waste affordability issues; the attraction of talent with tight labour supply and lower salary market competitiveness to other Regions and reduction in costs in various administrative accounts throughout the department.

## Risks

Any risks identified are minor and in our judgment well within our ability to mitigate and/or manage.

## Community Services Department (*Gross \$320,404,511 - Net \$59,889,836*)

When compared to the 2008 Approved Budget, the Community Services operating 2009 budget proposal includes a gross expenditure increase of \$6,258,650 (1.99%) with a net expenditure decrease of \$1,223,947 (2.00%).

Increases by Program Area	Gross	%	Net	%
Provincially Operated Programs	(\$705,148)	0.50)	(\$2,419,724)	(7.90)
Social Assistance and Employment Opportunities	\$1,691,816	2.07	\$886,833	4.56
Seniors Services	\$3,159,888	5.04	\$179,291	3.13
Children's Services	<u>\$2,112,094</u>	<u>7.45</u>	<u>\$129,653</u>	<u>2.43</u>
Total	\$6,258,650	1.99	(\$1,223,947)	(2.00)

## Benchmark Information based on 2007 OMBI data.

### Social Assistance and Employment Opportunities

The average time on social assistance in Niagara is 13.6 months compared to an average of 15.3 months.

Monthly social assistance caseload per full time equivalent staff in Niagara is 40.7 compared to an average of 32.0.

Social assistance response time to client eligibility (days) in Niagara is 5.46 compared to an average of 7.29.

Monthly social assistance administration program cost per case in Niagara is \$177.72 compared to an average of \$236.71.

Gross hostel cost per emergency shelter bed night in Niagara is \$49.68 compared to an average of \$50.78.

Average nightly number of emergency shelter beds available per 100,000 population in Niagara is 33.7 compared to an average of 33.7.

### Children's Services

The percentage of children in Niagara (12 and under) that are LICO children is 15.3% compared to an average of 15.6%.

The regulated child care spaces in Niagara per 1000 children (12 and under) is 134.3 compared to an average of 135.7.

The annual child care service cost per normalized child care space in Niagara is \$5,861 compared to \$4,995.

### Senior Services

The long term care facility (LTC) cost per LTC facility bed day (CMI adjusted) in Niagara is \$174.79 compared to an average of \$202.92.

The LTC community program cost per LTC community program day in Niagara is \$70.89 compared to an average of \$73.91.

### **Goals**

Community Services' 2009 Current Budget will continue to strive to achieve the Community Services Department 2008 – 2011 Strategic Plan as well as the Niagara Regional Councils 2007 - 2011 Business Plan by pursuing the following goals:

1. Increase collaboration with stakeholders;
2. Enhance individual and family centered service;
3. Enable staff to provide great service; and
4. Strengthen responsible use of resources.

### **Departmental Priorities**

- Community planning mechanism
- Child Poverty
- Expansion of early learning and child care
- Increased level of care for seniors

### **Divisional Opportunities and Challenges**

Social Assistance and Employment Opportunities will have the following key priorities for the 2009 year:

- Continue to achieve provincial targets to maximize revenues;
- Enhance supports to families transitioned to the Ontario Child Benefit; and
- Evaluate three pilots related to priorities identified in the Niagara Region Homelessness Services Community Plan.

In 2009, SAEO faces challenges in the proposed 2009 budget. Additional uncertainties include:

- Increasing caseloads resulting from labour market shifts and legislative changes regarding eligibility for OW;
- Provincial funding provided for program management is fixed at a 2005 rate;
- Transition to the Ontario Child Benefit may increase the need for transitional and emergency assistance to families; and
- The increased incidence of homelessness and hostel use in Niagara.

Children's Services have the following key priorities for 2009:

Three key priorities will continue to guide Children's Services. They include:

- *Stabilization* of the existing child care system through cost of living and wage enhancement payments, improved business processes through increased use of technology;
- *Enhancement of Quality of Services* by continuing to support "Quality Child Care Niagara" with purchased and directly operated services to improve standards of accountability and quality assurance; and
- *Enhanced Partnerships* with all licensed child care programs and support agencies in addition to the Early Years Niagara Planning Council, Niagara's four school boards,

Francophone, Aboriginal, immigrant and refugee children and the Ontario Early Years Centres.

In 2009 Children's faces the following challenges:

1. Sustaining annualized financial commitments to support child care spaces where demand for child care continues to exist;
2. Potential changes to governmental policies including the potential introduction of full day Junior and Senior Kindergarten;
3. Continue experience with the provincial shift of a fee subsidy systems based on "income testing" and the expansion of fee subsidy to higher income earners while continuing to meet the needs and demands of low income families;
4. Provision of health and safety funding for an under resourced and aging system; and
5. Recruitment and retention of qualified staff in an aging and underpaid workforce.

Seniors Services have the following priorities for 2009

Seniors Services has continued to implement its Business Plan as one of its key priorities since 1995. The Business Plan was approved by Regional Council to achieve the following:

- Sustainability of the long term care homes;
- Reduction of the overall Regional Contribution to the Seniors Services operating budget; and
- Improvement of quality of care.

In 2009, Seniors faces the following challenges;

- Cost pressures from contractual wage increases
- Rising costs for utilities
- Support increased needs of seniors in our homes.

## **Economic Contingencies**

### **Risks**

- Increased demand for child care subsidy
- Bad debt expenses in Seniors and Children's
- Increased caseload growth in SAEO
- Increased demand for employment/training programs in SAEO
- Increased homelessness.

### **Mitigation**

- Social Assistance Reserve Fund is available to support a deficit in SAEO
- Child care subsidy wait list.

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## **Integrated Community Planning Department (Gross \$6,557,605 - Net \$6,068,725)**

When compared to the 2008 Approved Budget, the Integrated Community Planning Department 2009 operating budget proposal includes a net expenditure increase of \$172,211 (2.92%). The increase is made up of approximately \$83,000 in salary, benefits and inflationary adjustments and \$89,000 in proposed program changes summarized below.

The Integrated Community Planning Department (ICP) is a new department established by Regional Council earlier this year. The department draws on existing resources from across the organization with broad policy and planning roles and responsibilities.

The vision for the department is to provide high level strategic thinking that will inform the delivery of programs and services across the organization. The department is to support Council and the Corporate Management Team by acting as the coordinator and engager of organizations involved with the Region. The department will serve as a vehicle to support implementation of the Council Business Plan.

The mandate for ICP is to develop and improve linkages between various areas of the organization to create an integrated corporate perspective. There is a separation between planning and strategy and the execution, but also a recognition that successful strategy needs to evolve as operational issues arise. There must be a connection between strategy and service delivery. Also part of the ICP mandate is an expanded emphasis on the health, prosperity and capacity of residents to contribute.

The new department includes the following major functional areas that are migrating from other areas of the organization:

- Commissioner ICP
- Regional Policy Planning Group
- Corporate Communications
- Special Initiatives
- Office of the Regional Clerk
- Emergency Management
- Economic/Fiscal policy

In addition the Department will make linkages to departments through secondment arrangements. For example we will be continuing to support the work initiated by Opportunities Niagara in social planning, through a secondment arrangement with the Community Services Department. Similar connections are anticipated with the Healthy active Living programming and the Water Smart agenda.

## **Goals**

The major focus for 2009 in the Integrated Community Planning Department will be on the following key areas:

- Initiatives driven by Council's Business Plan such as:
  - Agricultural Action Plan/Local Food
  - Climate Change
  - Culture Plan
- Niagara 2031 Implementation
- Partnership and relationship management (Bi-national agenda, IJC Centennial)
- Investing in Community Engagement and renewing focus on performance measurement
- Supporting Social Planning efforts
- Implementation of New Departmental structure
- Assisting in addressing key social infrastructure issues (e.g. Transit)

- Updating our Sustainability Plan to ensure alignment with the Provincial/Municipal Service Delivery Review

The achievement of these objectives is supported by ongoing work such as:

- Provincial review responsibilities, especially on comprehensive planning
- Support to a range of citizen-based committees (e.g., Smarter Niagara, EEAC, Bicycling, GNCR, Culture, Chair's Agricultural Task Force)
- Advice and support to area municipalities
- Smarter Niagara Financial Incentives, Summit event, Community Improvement Plans
- Participating in corporate and community performance measurement initiatives

### Proposed Program Changes

The 2009 budget proposal contains two proposed program changes designed to strengthen our capacity to achieve the mandate of the department

- Communications – Web Writer
  - An additional position to ensure the quality and consistency of web content
  - Good content assists with transparency and ease of access to service information
  - This increased capacity will advance the objective in Council's Business Plan of Proactive Communications and Marketing
- Emergency Management - Administrative Support
  - Additional support to improve capacity to support the alignment of emergency management plans across Niagara
  - The cost is anticipated to be offset by a one time federal grant
  - This will improve our ability to support the cross-jurisdictional committee ensuring collaboration among the 13 emergency management programs

### **Opportunities**

The establishment of the new ICP department is a continuation of the evolution of how planning is done. This broader view creates an opportunity to respond to the changing environment (economic, social, environmental, and cultural) and make sure that such trends and changes are reflected in the Region's plans.

With a commitment to the departmental mandate, the following elements will be supported:

- Continued broadening of our role in planning to encompass cross-sectoral considerations of health, social economic, environmental and cultural. This type of change is positively impacted by cross functional participation ("speaking with one voice")
- A commitment for partnership among the multiple internal stakeholders (Regional Councillors, and collaboration amongst Managers and staff) and external stakeholders
- A commitment for staff development/education and development of a unique departmental culture
- A commitment for a responsible, transparent and accountable financial management

Council's commitment to ensure ICP resources are properly positioned to address both legislated and community priorities is fully respected and appreciated.

## Challenges

The proposed 2009 budget for ICP brings together the existing envelopes of funding from various parts of the organization. With the exception of the noted program changes it assumes status quo within each of the groups. As the new departmental structure is refined the challenge will be to assess our overall capacity to achieve our mandate within those resources.

A number of implementation projects are expected to arise from the completion of Phase 4 of the Growth Management Study. These initiatives will need to be prioritized, managed and have lead roles assigned appropriately

To ensure that the proposed fiscal measures do not sacrifice the primary services of the Planning Department, the following points/challenges need to be recognized:

Inherent challenges in implementing systemic changes and consolidating resources in reorganization– to affect changes at the functional level, responsible parties will need to develop common outcome-oriented goals, objectives and performance measurements. Because of the diversity of functional areas being brought together, cooperation and integration are required.

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## Public Works Department (Levy) (**Gross \$41,972,746 - Net \$38,606,035**)

When compared to the 2008 Approved Budget, the Public Works (Levy) direct operating 2009 Budget proposal includes a gross expenditure decrease of (\$8,998) or (-0.02%) with a net expenditure decrease of (\$320,659) or (-0.82%).

## Opportunities and Challenges

Opportunities and challenges include the continued review of Transportation Services for program efficiencies, legislative compliance and effective levels of service. 2009 initiatives relate to transportation strategies and planning, the Specialized Transit system funding methodology and sustainable funding for infrastructure. The impact of increased costs for salt and the area maintenance contract are significant and over the budget guidelines. Additional funding of \$500K was approved for winter operations to provide funding to maintain the programs and service levels.

OMBI Performance Measures note that the overall percentage of the Regional road network is above average of OMBI's partner municipalities within the Good to Very Good condition assessment category is above average.

The 2008 corporate reorganization created the new Development Services Division. This has provided consolidation of development-related services within Public Works and includes the private sewage system approvals.

## Budget Drivers

New technology and revised operating methods within Transportation Operations will reduce costs and increase efficiencies. Continued upgrades and improvements include LED lighting, salt management plan and operation reorganization will effect changes.

Debt charges are significantly reduced based on the amount of debt anticipated to be issued. More debt is being retired than new being issued.

A 2008 transfer of capital expenditures to current resulted in a reduction in the funding necessary to maintain programs such as crack sealing, spot improvements and studies. The 2008 (\$440,000) funding has been adjusted by \$200,000 for 2009. This will not have any significant impact on operational works but will reduce the funding to undertake studies.

Operating costs for labour, equipment, materials, utilities and contracted services has increased significantly more than budget increase guidelines. Reductions in areas such as winter control, supervision and roadside maintenance have been reduced to offset the inflationary increases. It is not anticipated that these reductions will impact the ability to provide the Provincial minimum maintenance standards, however adjustments may be necessary.

## **RISKS**

External revenues related to permits may be vulnerable to economic variability. This may impact those programs that are fully cost recovered.

Deferrals due to budget reductions may impact the rehabilitation / replacement of aging infrastructure. Weather conditions may impact snow removal and oil price volatility along with supply shortages of salt would reduce service levels.

### **Public Works Department (Water) (Gross \$44,589,774 - Net requisition \$40,794,450)**

When compared to the 2008 Approved Budget, the Public Works (Water) direct operating 2009 Budget proposal includes a gross expenditure increase of \$1,472,741 (3.42%).

The requisitions for 2009 Water total \$40,794,450 which results in an increase of \$1,341,404 (3.4%) over the 2008 requisitions.

## **Opportunities and Challenges**

The Mission statement of the Water and Wastewater Services Division is as follows;

“Through dedicated teamwork, innovation and commitment, provide high quality, safe and reliable water and wastewater services, while practicing good stewardship of resources to benefit present and future generations.”

Compliance with Provincial legislation such as the Safe Drinking Water Act and its associated Regulations as well as the provision of quality drinking water at best cost continue to be the prime objectives of the Water Operations.

2009 opportunities and challenges include implementation of the Drinking Water Quality Management Standards, a requirement of the Safe Drinking Water Act. Succession planning and implementation along with recruitment and retention will continue to be a challenge for the Division. Energy efficiency initiatives, new and/or refined processes and equipment optimization will assist and provide long term benefits.

OMBI Performance Measures show that the Region is slightly above the median average for Cost per Megalitre of Drinking Water Treated. Participation in the National Water and Wastewater Benchmarking Initiative and internal Plant to Plant benchmarking have and will continue to enhance improvement opportunities

Studies on rates and development charges started in 2008 will wrap up in 2009. The Financial Plan, required as per the Safe Drinking Water Act, and an update to the Region's Master Service Plan will commence in 2009.

### **Budget Drivers**

The sufficiency and sustainability of the Region's water network, from both an infrastructure and financial planning perspective, will be the 2009 driver. The draft Drinking Water Quality Management System Operational Plan was submitted to the Ministry of Environment in 2008 and the Plan must be implemented in 2009. This quality management approach will be an ongoing requirement and Niagara will need to demonstrate that they meet the Operational Plan. Funding will be provided annually to meet the associated implementation and compliance requirements.

Continued upgrades and improvements for energy efficiencies and process improvements throughout the water system will continue to be evaluated and implemented.

Operating costs for labour, equipment, materials, utilities, chemicals and insurance have increased more than budget increase guidelines. Reductions have been incorporated to offset the inflationary increases without negatively impacting operating levels within the water system.

### **RISKS**

Risks include compliance with Provincial legislation, particularly the Safe Drinking Water and Clean Water Acts. Escalation and inflationary costs and rate recovery shortfalls due to wet weather conditions may have long term impacts on reserves.

### **Public Works Department (Wastewater) (*Gross \$61,406,169 - Net requisition \$57,661,202*)**

When compared to the 2008 Approved Budget, the Public Works (Wastewater) direct operating 2009 Budget proposal includes a gross expenditure increase of \$2,005,644 (3.38%).

- The requisitions for 2009 Wastewater total \$57,661,202 which results in an increase of \$1,896,016 (3.4%) over the 2008 requisitions.

### **Opportunities and Challenges**

Compliance with Provincial and Federal legislation, as well as the provision of reliable wastewater services at best cost, continues to be the prime objectives of Wastewater Operations.

Succession planning and implementation along with recruitment and retention were critical issues in 2008 and will continue to be challenges for the Division in 2009. Energy efficiency initiatives, new and/or refined processes and equipment optimization will assist and provide long term benefits. Wet weather impacts were significant in 2008 and will continue to challenge the overall wastewater system. Continued CSO initiatives will assist in mitigating the potential for and impact of overflows.

OMBI Performance Measures show that the Region is above the median average for Operating Cost for the Wastewater Treatment / Disposal per Megalitre Treated. Participation in the National Water and Wastewater Benchmarking Initiative and internal Plant to Plant benchmarking has and will continue to enhance improvement opportunities.

Studies on rates and development charges started in 2008 will wrap up in 2009. An update to the Region's Master Service Plan will commence in 2009 incorporating the Growth Management Strategy findings. Financial sufficiency and system sustainability are guiding principles of these initiatives.

### **Budget Drivers**

Operating costs for labour, equipment, materials, utilities, chemicals and property taxes has increased more than budget increase guidelines. Reductions have been incorporated to offset the inflationary increases. Impacts to operating service levels within the system will be mitigated, weather contingent.

### **RISKS**

A number of plant upgrades to ensure compliance with the CCME (Canadian Council of Ministers of the Environment) requirements are ongoing. Additional CCME requirements, pertaining to wastewater effluent quality, are on the horizon and are being monitored. Escalation and inflationary costs may have long term impacts on reserves. Wet weather and associated inflow and infiltration will continue to impact transmission and plant processes and capacities.

### **Public Works Department (Waste Management) (Gross \$43,588,506 - Net requisition \$32,110,198)**

The Waste Management Division's 2009 gross budget is \$43,588,506, compared to \$45,875,884 in 2008, a difference of -4.99%.

The municipal requisitions in 2009 total \$32,110,198, compared to \$30,737,725 in 2008, an increase of 4.47%, including debt.

### **Opportunities and Challenges**

Approximately 27% of the Waste Management budget is funded through revenue sources which include Waste Diversion Ontario (WDO) funding, sale of recyclables and tipping fees:

- Starting in 2009, new producer responsibility programs will be phased in to provide 100% funding for materials such as Municipal Household and Special, computers, televisions, tires, etc.
- As part of Stewardship Ontario Blue Box funding, applications will be made for grants related to recycling facility capital improvements to increase efficiencies.
- Closure of three municipal landfill sites requires a shift to private sector capacity and loss of industrial and commercial tipping fees:
  - Closure of the Elm St. and Station Road Landfill Sites on Dec. 31, 2008;
  - Projected closure of Bridge St. late 2009/early 2010.

Opportunities and challenges include service level decisions for the next waste collection contract. There is the opportunity to standardize service levels across the Region, improve contract efficiencies and provide recycling services to the multi-family residential sector and in public spaces.

Major challenges are associated with unstable fuel and energy costs in addition to increased amounts of difficult to recycle packaging.

OMBI Performance Measures show that the Region is above the median average for disposal cost per tonne for municipally owned facilities, which can be attributed to the fact that Niagara Region owns and operates 5 small landfill sites. Niagara's diversion cost per tonne is less than average.

### **Budget Drivers**

Application of new composting processing technology and increased contract costs are the key budget drivers:

- New compost contract beginning April 1, 2009 which includes an annualized impact of \$613,600 due to increased processing costs associated with GORE technology and more tonnage collected through the Green Bin program.
- New Municipal Hazardous and Special Waste Processing and Disposal Contract.
- Waste, recycling and organics collection contract increases based on 2% residential unit increase and 3% CPI/diesel fuel increase.

### **RISKS**

Revenues from sales of recyclables was estimated to be \$6M in the 2009 budget. Recently, market prices have plunged and some are at a negative value. Overseas markets have dried up resulting in an oversupply. Lower-than-forecasted revenues for recyclable materials may result in a revenue risk of \$1–2M on this budget amount due to volatile markets.

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### **Public Health Department (*Gross \$64,427,358 - Net \$19,642,998*)**

When compared to the 2008 Approved Budget, the Public Health direct operating 2009 Budget proposal includes a gross expenditure increase of \$2,687,786 (4.35%) with a net expenditure increase of \$833,326 (4.43%). Public Health strives to reach milestones towards achieving council's business plan through persistent efforts to promote health, prevent disease, prolong life and improve the quality of life through the organized efforts of society.

### **Goals**

The department will pursue these internal goals for 2009:

- Develop and recommend strategies that mitigate and/or capitalize on potential future climate change.
- Continue the development of sound retention, recruitment, and student strategies to ensure a robust public health workforce for Niagara.
- Jointly develop and evaluation tool and continue refinement of the tool in 2009 to meet the requirements of the Ambulance Dispatch contract with the Ministry of Health and Long-Term Care.
- Ensure a robust 2009 PHD strategic planning process.
- Shape OHD programs and services according to newly legislated Program Standards and Protocols.
- Support departmental, corporate, and community initiatives contributing to a reduction in rates of overweight/obesity.

### **Opportunities**

Public Health will attempt to take advantage of the following opportunities:

- To maximize available funding opportunities to provide taxpayer relief where possible.

## Challenges

There is an ongoing challenge for Public Health to continually meet its mandates from the Ministry of Health and Long Term Care and budget targets set by the Region in light of the increasing costs of providing services. There is a challenge in many areas of Public Health which are experiencing an increased demand for services from the community as well as additional reporting requirements through the Ministry of Health and Long Term care. These challenges include:

- Emergency preparedness including pandemic planning and business continuity for all programs.
- Obtaining adequate sustainable funding for programs that are either mandated by the Ministry or fulfill council objectives.
- Provincial legislation has been passed to download the inspection of “small” communal drinking water systems from the Ministry of the Environment to Public Health in Jan. 2009.
- The continued increasing demands in service and budgetary constraints in the areas of Vaccines, Community Mental Health, Infant Education and Parent Teaching.
- Economic downturn and potential tightening of provincial funding.
- developing surge capacity – e.g. handling health emergencies (outbreaks, etc) while maintaining regular program operations
- sustainable Region share of funding for Vector-Borne Disease program.

## Risk

Ministry of Health and Long Term Care funding has been included in the budget with a 3% growth factor over 2008. Ministry approval for that amount of funding will not be received until approximately August 2009. There is a risk that should the Ministry may not approve the full amount of funding requested. Should that occur, Public Health will have to review its budget and take action to mitigate the shortfall, if any. The Emergency Medical Services (EMS) area facing the following challenges:

- Challenges in maintaining service levels due to off-load delays and impending implementation of the NHS HIP.
- Increasing debt charges.
- MOHLTC 50/50 funding.

There is a risk in estimating funding from the Ministry as this can be subject to change. Also, there is no commitment from MOHLTC for ongoing increase in EMS funding once the 50/50 cost share is achieved.

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## **Non-Departmental Expenses (Gross \$18,006,432 - Net \$17,627,892)**

When compared to the 2008 Approved Budget, the Non-Departmental direct operating 2009 Budget proposal includes a net expenditure increase of \$2,794,978 representing an increase of 18.84%. This increase is driven by an increased capital levy and increase to NHS funding.

The non-departmental section of the operating budget covers areas such as Corporate Management Team initiatives, property assessment costs, 911 services, general financial expenses, as well as capital financing costs and NHS funding. These are described as follows:

***Property Assessment (Net \$5,445,588)***

Since 1998 the Region has had the responsibility to fund costs associated with Property Assessment Services. These services are directly provided by the Municipal Property Assessment Corporation (MPAC). In 2009, the following services are expected to cost \$5,445,588:

1. Determining assessed value of each property in the Region of Niagara
2. Sending out Notices of Property Assessment
3. Answering inquiries from the public about property assessment
4. Defending assessments before tribunals and courts
5. Conducting an enumeration every 3 years to support municipal and school board elections.

***911 Emergency Phone Services (Net \$1,055,895)***

The Region has contracted with the Police Services Board to meet its responsibilities to provide 911 emergency telephone services to the Regional community. This cost has increased in 2009 by \$25,122. This increase is mainly related to costs associated with staffing the call center.

***General Financial Expenditures (Gross \$947,732 - Net \$569,192)***

General Financial Expenditures covers areas such as sick leave payouts, WSIB costs, audit expenses and banking charges. The 2009 budget is \$918,863 lower than the preceding year. This decrease was primarily due to adjustments to salaries being housed in general financial temporarily and to be distributed departmentally.

***Capital Levy (Net \$9,557,217)***

The Region relies on annual current contributions (capital levy) to help fund its capital programs. The 2009 contribution is \$3,038,106 higher than the previous year. This is increasing to support the capital strategy.

***Strategic Programs-NHS (Net 1,000,000)***

This is the NHS contribution. The 2009 budget is \$500,000 higher than the previous year. This increase is a result of expanding the contribution to the NHS facility.

**Goals**

The goals for the non-departmental budgets are for a variety of services. This includes areas such as Capital Levy, Banking services, 911 Emergency Service, Physician Recruitment and Property Assessment. This also is reflected in many of the council goals.

**Opportunities**

Many opportunities are identified within non-departmental. The vast variety of services budgeted in this area is fully directed by the corporate management team and their initiatives.

**Challenges**

The budget pressures are primarily salary increases in 911 Emergency Services and the increased needs of the capital levy reserve.

## Risks

The risks associated with limiting the non-departmental area may impact Capital Budget availability and related debt limits.

## Net Revenue Budget (**\$24,925,318**)

Included in the net revenue budget are municipal contributions in the form of Payments in Lieu and Supplemental Taxes, less tax write-offs. The Net Revenue budget also includes a continued contribution from the provincial government – Ontario Municipal Partnership Fund, as well as investment income, general surplus carry forward and transfers from reserves. The 2009 net revenue budget (excluding the tax levy) has increased \$133,023 (0.53%) from the 2008 budget.

## Goals

Goals for 2009 include maximizing investment income through preserving principle, maintaining liquidity, maximizing yield while adhering to statutory requirements. Another goal is to compile outside information on OMPF, PIL's, Supplemental taxes, and write-offs in a timely manner. Lastly, there is a goal to be reasonable when estimating the Prior Year General Surplus.

## Opportunities

The net revenue budget opportunities are often found in being alert to take advantage of new legislation while maintaining compliance with statutory requirements.

## Challenges

Challenges for 2009 include predicting interest rates, general surplus and the lack of control over write-offs as these are municipality responsibilities. The supplemental taxes are dependent on MPAC adding assessments, which reduce our control over these budgets. Also, predicting appeal timing and resulting decisions can be challenging.

## Risks

Risks include unexpected economic changes and risk of appeal decisions being unfavorable or different than expected. Unexpected prior year adjustments affecting the surplus can also pose a risk.

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## OUTSIDE BOARDS & AGENCIES

### **Provincial Offences Act (POA) (*Gross \$5,691,043 excluding area municipality revenue share the Gross is \$4,890,572 – Net Revenue \$800,471*)**

When compared to the 2008 Approved Budget, the Provincial Offences Act (POA) direct operating 2009 Budget proposal includes a net revenue increase of \$23,315 (3.00%).

When compared to the 2008 Approved Budget, the Provincial Offences Act (POA) direct operating 2009 Budget proposal includes a gross expenditure increase of \$ 360,250 (8 %). Included in this increase is \$ 55,304 for the addition of one staff position to meet increased service demands and an increase of \$ 274,058 in the contribution to the reserve account. Total gross revenue is

expected to increase by 6.7% to \$ 6,491,514 with net revenue increasing by \$23,315 (3.00%) to \$ 800,471.

### **Goals**

For 2009, goals include transition from tape-based court recording technology to digital court recording technology in the Welland court and development of Niagara's response to the Ministry of the Attorney General streamlining initiative for POA courts.

### **Opportunities**

The streamlining of POA court administration processes, the proposed introduction of web based ICON software and the expanded use of technology in the court setting through the implementation of e-ticketing will present opportunities for POA staff.

### **Challenges**

Increasing service demands, the potential impact relating to the introduction of new road safety legislation, the reliability of the Provincial ICON system and the operation and administration of multiple court locations present ongoing challenges as we attempt to provide effective and efficient service to the public.

### **Risks**

Inherent with the administration of Provincial Offences courts is the risk of court cancellations due to the low priority of POA matters and the lack of control over available judicial resources. Fluctuating levels of enforcement remain a constant risk.

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### **Niagara Regional Housing (NRH) (Gross \$46,937,440 - Net \$24,365,664)**

When compared to the 2008 Approved Budget, the Niagara Regional Housing's direct operating 2009 Budget Proposal includes a gross expenditure increase of \$657,330 (1.42%) with a net expenditure increase of \$308,756 (1.28%). The increase for 2009 is primarily driven by increases in costs for utilities, taxes and day-to-day repairs.

### **Goals**

Niagara Regional Housing is committed to providing and advocating for secure, affordable housing in Niagara Region. Funding will be used to support Niagara Region's strategic plan and the goals of the NRH's Business Plan to:

- To seek out innovative solutions to address the growing need for affordable housing in Niagara
- Continue to improve the safety, efficiency and environmental sensibility of new and existing buildings while maintaining affordability and cost-effectiveness
- To develop and foster partnerships that are instrumental in the development of affordable housing and providing residents with the supports that are necessary to live full and productive lives
- To put the appropriate supports in place that will assist NRH employees and the housing provider network in its work

## Opportunities

Through independent consultation it was confirmed that the portfolio of NRH is in good condition and by contributing to long range financial reserves the portfolio will be protected for future needs.

The 10 year capital plan projects a need for over \$40 million dollars (2004 dollars) in capital spending or \$30 million net once Federal Funding is applied.

The NRH 2009 Operating budget includes the full 15% annual contribution for the capital program. Although the balance of the Capital program will be funded through debentures, applying the 15% helps to reduce the ongoing costs of those debentures. As in previous years, it is very important that any surpluses achieved by NRH be applied to the NRH Reserve Fund for Owned Units.

## Challenges

Flat lining of tenant revenue from a weakening economy and the ongoing reduction in Federal funding are reducing NRH's alternative revenue sources and placing greater pressure on the levy.

## Risks

Every effort was made to identify areas where savings could be gained. However, with over 91% of the budget dedicated to non-discretionary expenses such as taxes, utilities, and subsidies that are not controlled by NRH there is limited opportunity to reduce costs and considerable exposure to increased costs.

Although the current year's request of \$364,016 for transfer to reserves meets the 15% guideline, it does not address the long term needs of the portfolio. The Board of NRH remains concerned, that this portfolio which was transferred from the Province without a reserve fund, places a liability with the Board for the long-term protection of the asset and its residents.

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## Niagara Economic Development Corporation (NEDC) (*Gross \$2,356,633 - Net \$1,953,633*)

NEDC proposes that the 2009 Net Budget request of the Region be \$1,953,633 compared to Net budget of \$1,907,100 in 2008. This represents an increase of \$46,533 (2.44%) compared to 2008. The 2.44% increase falls within the 2009 council approved increase for Regional departments, agencies, boards and commissions.

This request is \$230,668 less than the 2009 NEDC budget. The full budget is not being requested as NEDC has accessed significant one-time funding through third-party partnerships and Ministries for various projects, along with internal cost-savings. External funding allows NEDC to expend amounts against project dollars hence reducing dependence on Niagara Region and tax payers.

This reduction is a reflection of:

1. Additional revenues the organization attracted in 2007/2008 for programs and projects from other governments and the private sector.
2. Reduction and outsourcing of human resource and administrative expenses to increase efficiency and effectiveness.

Since much of the reduction in the request from Regional Council for 2009 is as a result of one-time funding from third parties, the 2009 funding should not be used as the only baseline for 2009.

## **Goals**

NEDC carries out four broad functions:

- Investment Marketing
- Advocacy and Strategy Development
- Business Retention and Expansion
- Regional Tourism Destination Marketing

These functions support the Regional Council Business Plan 2008-2011, including:

### Economic Prosperity

- Update the Economic Growth Strategy including identification of economic sectors with high potential for Niagara.
- Develop a plan for engaging business leaders in the promotion of the Region as an investment opportunity.
- Work with postsecondary institutions to build skills and expertise in identified areas.
- Undertake an assessment of the Region's economic attractiveness.

### Environmental Stewardship

- Encourage the development of Brownfield remediation strategies.

### Integrated Transportation System

- Lobby federal, provincial and bi-national activities concerning Niagara's transportation needs.

### Proactive Marketing and Communications

- Continue to implement the one-voice strategy to promote the Niagara community.
- Implement a proactive media relations strategy.
- Create a community-supported Niagara "brand."
- Brand Niagara specifically for business investment.

## **Program Highlights in 2009**

- Continued support of the one-voice agenda with provincial and federal government advocacy (Niagara Week @ Queen's Park, Ottawa Days, etc.).
- Advocacy towards federal recognition of Niagara as major Canadian economic gateway and corridor.
- Analysis and definition of Gateway Economic Zone and Gateway Economic Centre with EDOs and the Province.
- Update of the Economic Growth Strategy to complement Regional Council Business Plan 2008-2011.
- Establishment of Performance Measures and Benchmarks for economic development (as per CAO Report).
- Development of the NiagaraBrand for attracting new business investment.
- Implementation/marketing of the NiagaraBrand to targeted business audiences.

- Continue the joint planning and implementation of strategies and projects with municipal EDOs, especially in manufacturing.
- Identification of future growth sectors of Niagara's new economy.
- Targeted marketing of Niagara's top redevelopment opportunities (based on the result of the municipal/FCM-funded project).
- Continue updating of niagaracanada.com business Website and establishment of a new Smart Growth site.
- Continue implementation of the Niagara Tourism Strategy, including brand development, to maximize partnership opportunities among all the DMOs and industry.

### **Opportunities**

- Continue leveraging the strength of "one-voice" in advocating public/private sector policies and investments to the benefit of all 12 municipalities.
- Continue close working relationships with municipal EDOs and local DMOs.
- Position Niagara in the external business/investment community with a clear, differentiated brand position.
- Finalize the identification of new growth industries of Niagara that should be targeted and promoted over the next five years.

### **Challenges**

In 2009 there will be more company reductions and financial problems, generating more negative publicity about Niagara. There is a need to balance this coverage with positive news about Niagara's economy and business.

The structure and lack of diversification of the Niagara economy evolved over decades, and the transition of the economic mix will take long-term commitment and focus.

Even Niagara as a whole is a relatively small competitor in the world, Canada, and Ontario, therefore resources and marketing need to be highly targeted and sustainable year after year.

The marketing of Niagara for business investment must be considered in terms of a 5 to 10-year perspective, not constantly changed or in and out of markets serendipitously.

### **Risks**

Momentum must be continued to position Niagara as a competitive business community that supports new investment. The strategic building blocks have been put in place the past few years in order to lay a foundation for new public and private investment (e.g., Economic Growth Strategy 2005-2010, Places to Grow, Niagara to GTA Corridor).

Unless Niagara aggressively markets itself to both senior levels of government and targeted private-sector businesses, Niagara will not attract the investment and business expansion needed to grow the economy. Our existing "brand" in the marketplace is neither "top of mind" nor positively differentiated with the external business/investment community.

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**Niagara Peninsula Conservation Authority (NPCA) (Gross \$4,283,820 - Net \$3,963,820)**

When compared to the 2008 Approved Budget, the NPCA direct operating 2009 Budget proposal includes a net expenditure increase of \$175,503 (4.63%).

**Goals**

In 2009, the Conservation Authority will continue to implement water and land management programs to meet the water and resource management needs of our watershed, its member municipalities and residents. The programs of the Conservation Authority support and are aligned with the objectives of Environmental Stewardship in Council's draft 2008-2011 Business Plan.

**Opportunities & Challenges**

In the 2009 Current Budget, 2 technical positions which were hired late in 2008 will continue as FTE's to address the additional workload requirements associated with the transfer of the Tree Conservation By-law from the Region to the Conservation Authority. The 2009 budget includes an increase of approximately \$96,000 representing the additional cost beyond the 2008 funding transfer for the Tree Conservation By-law.

Other adjustments are to undertake Gypsy Moth spraying at Conservation Areas (\$20,000) and additional legal costs (\$10,000) for implementation of the Conservation Authority's Regulation. The Authority utilizes the Legal Services staff from the Region in this regard.

The remaining adjustments are related to inflationary cost increases.

**Risks**

The Conservation Authority recognizes the fiscal challenges facing the Region of Niagara and their other member municipalities and has endeavored to maintain its program costs at as low a level as possible while still addressing the important water and natural resource management needs of our watershed.

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**Niagara Regional Police Services and Board (NRP) (Gross \$128,838,540 – Net \$117,405,097)**

When compared to the 2008 Approved Budget, the Police Services & Board 2009 Budget proposal includes a gross expenditure increase of \$6,269,486 (5.12%) with a net expenditure increase of \$6,353,335 (5.72%). See correspondence item BRCOW 9 - Niagara Police Services Board – 2009 Consolidated Current Budget.

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## **APPENDIX 4 -- CAPITAL BUDGET**

### **Corporate Services (Technology) (\$4,178,123)**

This portion of the capital budget will focus on implementing a Disaster Recovery site for maintaining or restoring access to critical systems in the event of a major disruption to IT processing capabilities.

The 2009 capital program for Technology amounts to \$4,178,123 which includes: EIS related initiatives, replacement of end-of-life infrastructure and several smaller projects to improve productivity and functionality.

### **Corporate Services (Facilities) (\$4,779,623)**

The Facilities capital budget focuses on replacing equipment that has reached the end of its useful lifespan and to address regulatory issues relating to barrier free access, business continuity planning, energy efficiency, etc. and completing projects that will restore the assets to an original state.

The 2009 capital program for Facilities amounts to \$4,779,623, which includes: ongoing renovations to various Regional buildings; renovations to Council Chambers to improve communications with constituents; and updates to Print Shop equipment.

### **Corporate Services (General Government) (\$1,000,000)**

As in previous years a capital allocation of \$1,000,000 has been set aside to fund emergency capital expenditures. Emergency capital expenditures may arise during the course of the year which may be allocated a portion of these funds if approved by Council. If these funds are not need the project is closed at year end and the funds returned to the capital levy reserve.

### **Planning**

The Planning Department does not have a capital program request for 2009.

### **Community Services (\$1,500,000)**

The Community Services capital program consists of equipment purchases, asset maintenance/upgrades and health and safety regulations requirements. The 2009 capital program for Community Services amounts to \$1,500,000 which includes a new Child Care Site.

### **Public Health (\$910,000)**

The 2009 capital program for Public Health amounts to \$910,000. This amount represents the annual program for vehicle and equipment replacement for the Ambulance service.

**Public Works (Fleet) (\$2,075,000)**

Included for 2009 is funding of \$1,875,000 for annual Vehicle and Equipment Replacement Program as well as \$200,000 for a new Fuel Management Program.

**Public Works (Roads) (\$34,325,000)**

The 2009 capital program totals approximately \$34M. Included within this allocation are a number of significant reconstruction and new road construction and bridge works as well as the annual resurfacing program valued at \$6M.

**Public Works (Waste Management) (\$3,225,000)**

The 2009 Waste Management capital program includes equipment improvements at the Recycling Centre and various landfill site works which includes leachate and landfill gas collection system. The 2009 capital budget for Waste Management is \$3,225,000.

**Public Works (Wastewater) (\$38,175,000)**

The \$38M 2009 capital program targets a number of growth related servicing priorities. \$11M for infrastructure wastewater treatment plant upgrades at various plants. Regulatory compliance, in order to meet required effluent criteria, the \$6.6M cost sharing for CSO and risk management works further mitigate environmental concerns within the Region's watershed.

**Public Works (Water) (\$20,450,000)**

The 2009 capital budget for Water is \$20.4 million. \$13.5M to be used for new watermains within the Decew system and \$5M to be used for new watermains within the Rosehill system.

**Niagara Regional Housing (NRH) (\$3,460,450)**

The 2009 Capital Program for Niagara Regional Housing of \$3,460,450 ensures that the housing properties are maintained in a safe and marketable condition. For 2009 the NRH Capital Program includes the following: \$385,500 for Building Exterior projects, \$2,569,450 for Building Interior projects, \$386,000 for Grounds and \$120,000 for Emergency Capital. Of these amounts it is projected that \$1,033,677 will be funded from external contributions and \$364,016 will come from Reserves.

**Niagara Peninsula Conservation Authority (NPCA) (\$2,353,999)**

The Region of Niagara's portion of the Conservation Authority's 2009 capital budget is \$2,353,999.

In the Water Management program, work will continue on the preparation of watershed plans, as recommended in the Niagara Water Quality Protection Strategy, for a number of areas including South Niagara Falls Creeks, the Central Welland River, the Lake Erie North Shore watersheds and Beaverdams & Shriners Creek. The program includes starting the Upper Welland River Watershed Plan.

Following the recommendations of the Niagara Water Quality Protection Strategy, watershed restoration projects will continue in the Welland River, 12 Mile Creek, 20 Mile Creek as well as the Fort Erie and Niagara-on-the-Lake watersheds and the 15, 16 & 18 Mile Creeks watershed.

In the Flood Protection Program, erosion works are required at the Binbrook Dam reservoir. This work was not identified in the multi year capital program; however, erosion has progressed to a point where minor works will be required to prevent major projects in the future. As well additional gauge station installations which have been recommended in the Niagara Water Quality Improvement Strategy and the various watershed plans have been identified.

In the Conservation Land Management program, implementation of the multi-year Conservation Area development program as approved in 2002 will continue.

**Niagara Regional Police (NRP) (\$17,651,950)**

The 2009 proposed capital budget for Police Services was submitted at an amount of \$17.7 M which included a \$14.4 M allocation to the Long Term Accommodation strategy.

Capital projects for Police Services also include \$1.7 M for Vehicles and \$1.6 M for other various capital related expenditures. See correspondence item BRCOTW 10 -Niagara Police Services Board – 2009 Capital Budget & 9-Year Capital Forecast.