



PORT COLBORNE

Subject: 2021 Rate Budgets

To: Committee of the Whole - Budget

From: Corporate Services Department

Report Number: 2021-80

Meeting Date: March 11, 2021

Recommendation:

That Corporate Services Department Report 2021-80 be received; and

That the 2021 Rate Budgets as recommended in this report be approved.

Purpose:

The purpose of this report is to present the proposed 2021 Rate Budgets to Council for approval.

A separate report has been prepared by way of Council report titled, 2021 Rate Setting, Report 2021-81, to establish the water, waste water and storm sewer rates to be charged.

Background:

The 2021 Rate Budgets are presented on an adjusted timeline from that approved in Report 2020-97. In the summer of 2021 Staff will outline a path to have the Rate Budgets approved on a similar timeline to the Levy budget (on or before December 13).

The 2021 Rate Budgets were developed through a collaborative process. Similar to the Levy Budget, Staff based their recommendations after considering:

- Organization capacity to fulfill the direction this budget provides:
 - Staff recognizing the COVID-19 pandemic is on-going
 - Staff changes in the Engineering and Operations division
- Organization financial flexibility and ratepayer affordability recognizing water and wastewater rates are higher but when coupled with property taxes still

- equals a comparable to slightly more affordable total cost than other municipalities. Affordable is discussed in Report 2021-84, Rate Setting.
- A desire to continuously improve:
 - Introduce a new account structure (blue print) to track future success
 - Establish a pathway to identify quick wins and plot a sustainable path forward with respect to water and wastewater improvements.

The budget document should be read in conjunction with the 2021 Capital and Related Project Budget (Report 2020-125) approved by Council at the September 28, 2020 Council meeting and the budget presentation presented to the Committee of the Whole on September 17, 2020.

Financial Services acknowledges that the format of the 2021 Rate Budgets are very different than previous years. Staff took a bottom up approach, including adjusting the account structure to facilitate future triennial financial reporting. Staff did not use the prior year budget plus inflation approach. The hope is Council will find the new format as a continued movement towards increasing accountability and transparency. Financial Services would like to thank the Director and Staff of the Public Works department that worked hand in hand in the development of this budget.

Discussion:

Financial Services highlights the budget is a plan to allocate resources in advance for the maximum benefit of City residents and stakeholders. It is a method to authorize revenue and expense authority. In preparing the 2021 budget, certain assumptions and estimates are necessary. They are based on information available to staff at the time. Actual results will vary although as regulated through the *Municipal Act*, a balanced budget is required.

Rate Budget Impact

Water and Waste Water

If approved as presented, the 2021 water and waste water combined budget increase would be 2.98% (represented by a 8.5% reduction in the water budget offset by a 12.9% increase in the wastewater budget).

Driving the water budget reduction is an improvement in the water billing to purchased ratio from 54.3% in 2018 to approximately 64% in 2020. Directionally this figure should be closer to 85% suggesting the City has made progress but there is more work to be done.

The increase in the wastewater budget is an acknowledgement that a refocus on wastewater is required. In 2020 payments to the Niagara Region to treat the waste water were approximately 86% of total City revenue. Directionally this percentage

should be closer to 50% suggesting the City has significant inflow and infiltration work to be done. City Staff thank Barbara A. Robinson, M.A.Sc., P.Eng., President and Founder, Norton Engineering Inc. for the educational presentation to the Budget Review Committee of the Whole on Inflow and Infiltration (“I&I”) in Sanitary Sewers on February 17, 2021.

Storm Sewer

If approved as presented, the 2021 Storm Sewer budget increase would be 10%. The most significant cost in this budget is the Nickel Storm Sewer project with annual borrowing costs representing approximately \$536 thousand dollars or 63% of the total budget.

Budget Summary

This budget was developed recognizing City rate services have never stopped during the pandemic. Recognizing the ongoing COVID-19 pandemic, Staff have developed budgets that maintain current service levels while providing funding to develop a plan and act as quickly as possible to work towards a more sustainable rate budget environment.

Recent organizational changes have provided for a renewed analysis of City rate services. The City has had an opportunity to discuss with Senior Staff at the Niagara Region and appreciate their insight and cooperation as we work towards a more sustainable rate budget environment for the City.

The 2021 Capital and Related Project Budget approved funding to develop a plan and implement waste water flow monitoring. Staff are working on that plan and related initiative at the time of writing this report. Albert Einstein famously said, “If I had an hour to save the world, I’d spend 55 minutes defining the problem and five minutes finding the solution.” Staff understand residents and local stakeholders would like to move fast to improve the water and wastewater rate environment and investigative works and planning are currently underway to implement those improvements.

To ensure Council, residents and local stakeholders remain informed Staff commit to including an update on water and waste water planning progress and opportunities in the triannual financial reporting scheduled to start for the period ending April 30, 2021 this year. The first report would be the first Council meeting in June of 2021.

Some of the salient highlights and changes in the 2021 Rate budgets are as follows:

Water and Waste Water

- Includes a low income seniors grant for individual on guaranteed income supplement. The budget for this grant is \$100 thousand. Staff identify at the time of writing this report we do not know how many residents might apply. Based on the analysis and recommendation in Report 2021-84 Staff estimate this would fund approximately 658 individual which would make up 11.7% of the City’s

billing population. As identified budgets are estimates and if there is a budget surplus/deficit as a result of this budget line Staff will adjust when proposing the 2022 budget.

- Includes funding for communications to help explain how the water and waste water systems work and what is being done to improve the systems. While much of this communication is yet to be developed at the time of writing this report, an example of one piece of communication is attached as Appendix H – Water and Wastewater Communication. The budget for this work is \$20 thousand.
- Includes monthly billing with a goal for a go live date of October 1, 2021. The cost of moving to monthly billing is \$40 thousand.
- Includes a one-time \$25 incentive to move to the current equal billing model the City currently offers. The budget plans for and Staff recommend anyone already on the equal billing system to receive the one-time incentive. The cost of this incentive is \$40 thousand.
- The water and waste water combined capital and capital reserve funding amount is recommended to be increased by \$103 thousand year over year. A report completed by PSD Asset Management in 2019 identified the replacement value of our water and wastewater linear assets is \$109.7 million. Recognizing this budget identifies approximately \$1.5 million in capital and related capital reserve funding it would take approximately 73 years to replace the current linear assets within the City at current value dollars (i.e. before accounting for construction price inflation and further deterioration of the pipes).
- Includes one additional Staff member in the role of Manager. The City has historically not dedicated a senior level Staff person to the Water and Wastewater file. Recognizing the Water and Waste Water budget is just over half the City Levy budget, the embedded complexity in operating the system and the impact rates are having on residents and stakeholders in the City, Staff identify this position is sorely needed.
- Supporting and investing in human capital at the City – recognizing that our people are our most important asset, as was mentioned in the Strategic Plan presentation on October 26, 2020. A formal training budget has been implemented across departments amounting to approximately 2.5% of personnel costs.
- The commitment to continuous learning extends to the youth of the City. This budget includes student that help the City meet seasonal demands while providing students with work experience to support them in their future development. Specifically, these students will be reviewing CCTV videos, analysing areas for repairs and taking inventory on wastewater assets to gather data for strategic replacements.

Storm Sewer

- The Storm Sewer budget proposed is primarily a maintenance budget at the current time. As noted 64% of the budget has been allocated to the borrowing costs of the Nickel Storm Sewer.
- The capital budget available for work is \$24 thousand with an additional \$42 thousand being allocated to reserves. The reserve balance at the end of fiscal 2020 is projected at \$470 thousand at the time of writing this report. Staff identify all year end accounting entries have not been recorded at the time of writing this report and this number is subject to change.

Readers of this report will identify consolidated 2020 and prior year comparatives figures in the attached appendices. Highlights include the following:

Water and Waste Water

- The proportion of the water and waste water budgets going to the Niagara Region to purchase water and treat the waste water was 59.6% in 2017, 65.6% based on the 2020 year end forecast and 61% should the 2021 budgets be approved.
- The proposed 2021 combined water and waste water capital and capital reserve transfers are approximately \$50 thousand less than in 2017, even after the year over year increase of \$103 thousand noted above. Highlighted another way in 2017 the City budgeted for 14.5% of the combined water and waste water bill to be allocated to capital and capital reserve transfers. In the proposed 2021 budget the capital funding is proposed to represent 12.8% of the total budget.
- Since 2017 the City has run anywhere between 27% and 43% underbudget on personal expenses as a result of redeploying water and wastewater staff to other projects including transportation and ditching and general vacancies that occur from time to time. This 2021 Rate Budget has split the personal expense between water and wastewater. Engineering and Operations along with Human Resources are going to be reviewing capacity and related need within the various Engineering and Operation departments. While Staff view the City as “one Team” and from time to time sharing between departments is required and supported, the redeployment of water and waste water staff is impacting the capacity to complete water and wastewater projects.
- Due to staff turnover and COVID-19 priorities, the 2020 capital budgets were underspent by \$337 thousand (Water) and \$546 thousand (Waste Water). Notably this represented 100% of the waste water capital budget. These funds are recommended to roll forward to fund capital work to be identified through the water and waste water planning currently underway by Engineering and Operations.
- Staff identify there are reserve funds transfers each year to balance the rate budgets out. The reserve balances at the end of fiscal 2020 are projected at approximately \$700 thousand for water and essentially \$NIL for wastewater at

the time of writing this report. Staff identify all year end accounting entries have not been recorded at the time of writing this report and these number are subject to change.

Storm Sewer

- The storm sewer fee was new in 2019 and budget to actual review since then has identified a need to adjust certain budget lines to “right” size the budget. Appendix C – 2021 Storm Sewer Budget identifies the figures accordingly.

The following table summarizes the 2021 Rate Budget (combined operating and capital):

Water and Waste Water

	2020	2020	2021	\$	%
	Forecast	Budget	Budget	Y/Y Budget Change	
Combined Water and Waste Water					
Penalties and other fees	58,102	69,100	72,998	3,898	5.64%
Variable	3,916,395	5,159,839	4,336,213	- 823,626	-15.96%
Fixed	6,170,930	5,939,314	7,091,895	1,152,581	19.41%
Total Revenue	10,145,427	11,168,253	11,501,106	332,853	2.98%
Niagara Region	6,655,617	6,974,499	7,017,840	43,341	0.62%
Personal costs	649,699	1,144,524	1,122,700	- 21,824	-1.91%
Operations	1,599,271	1,327,081	1,524,310	197,229	14.86%
Capital [^]	171,261	1,054,792	600,000	- 454,792	-43.12%
Capital Pay-as-you-go (Carryforward) [^]	883,531	-	-	-	0.00%
Borrowing costs	362,242	364,299	364,300	1	0.00%
Reserve transfers	- 176,194	303,058	871,956	568,898	187.72%
Total Expenses	10,145,427	11,168,253	11,501,106	332,853	2.98%
Surplus / (Deficit)	-	-	-	-	
Niagara Region %	65.6%	62.4%	61.0%		
Capital & Reserves %	0.0%	12.2%	12.8%		
	65.6%	74.6%	73.8%		

The main driver of the water and wastewater budgets are flows. The budget utilizes the Niagara Region’s three year rolling average calculations but adjusted water purchases downward to reflect improvements to the system in 2018. The rationale for keeping the three year moving average for wastewater despite Niagara Region billings being less than budgeted in 2020 was weather; given there was no change in the wastewater system in 2020. Staff note precipitation in 2020 was 12% less than 2019, 47% less than 2018 and 8% less than 2017 which helped reduce infiltration in 2020 and bring actual

Niagara Region billings in less than budget. Appendix I – Water and Wastewater Usage and Billings provides 5 years of flow information.

While this report already identifies budgets are estimates Staff highlights billing and the Niagara Region charges are highly susceptible to variation. In the event there is a shortfall the reserve transfer intended for future capital work is utilized to balance the budget.

The City's employee group works every day to support the residents and stakeholders of the City. The dedicated full-time equivalent (FTE) is 12.31 and head count is 15. Included in these numbers are 4 student positions.

Appendix A – Water and Appendix B – Waste Water provides a detailed listing of operating expenses.

The capital and reserve transfers which are intended for capital purposes have on a combined basis increase by \$116 thousand. Even after this increase which is being incorporated in the aggregate budget increase of 2.98% the percentage of the budget dedicated to capital is only 12.8% which as noted above is down from 14.5% in 2017.

^ The capital budget was approved at the November 23, 2020 Council meeting through Report 2020-125.

Note: The variable and fixed figures above work on the assumption no change is made to the historical budget relationship from 2020. Should Council approve a change to the variable and fixed billing relationship in Report 2021-84 – Rates Setting, where a potential alternative is illustrated, the total revenue will remain the same but the ratio of variable and fixed would change. This change will adjust the total value on the individual variable and fixed budget lines but the aggregate budgeted revenue will stay the same.

Storm Sewer

	2019	2019	2020	2020	2021	\$	%
	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Installation Service Fees	1,112	5,000	- 276	5,000	-	- 5,000	-100.00%
Rate Fees	730,566	740,800	777,016	770,279	854,720	84,441	10.96%
Total Revenue	731,678	745,800	776,740	775,279	854,720	79,441	10.25%
			-	-	-		
Operations	265,847	220,350	278,264	248,181	252,870	4,689	1.89%
Capital	-	-	39,998	-	23,724	23,724	-
Borrowing Costs	299,819	299,819	308,186	299,819	535,819	236,000	78.71%
Reserve Transfers	166,012	225,631	150,292	227,279	42,307	- 184,972	-81.39%
Total Expenses	731,678	745,800	776,740	775,279	854,720	79,441	10.25%
Surplus / (Deficit)	-	-	-	-	-	-	

The capital budget was approved at the November 23, 2020 Council meeting through Report 2020-125.

Water and Waste Water, Including Storm Sewer Past Projects

Over the past number of years, a multitude of projects have been completed by Public Works staff pertaining to the different systems. These projects include:

- A full CCTVing and documenting of the main sanitary system
- Reconstruction of Janet St.
- Reconstruction of Carter St.
- Grouting of manholes
- Nickel area storm sewer installation with sump pump and roof leader disconnect
- Application for Combined Sewer Overflow funds from Niagara Region
- Bulk Water station purchase
- Fire service water meters in industrial facilities
- All new water meters for residential homes connected to the water system
- Lakeshore Rd. watermain project
- Elm/Prosperity/Rosedale watermain replacement
- Lowering of water services to reduce frozen pipes

New Budget Document

Corporate Services hopes that Council finds this new budget document helpful in assessing the budget. As denoted in Report 202-168, 2021 Levy Budget Corporate Services has been making a number of changes to the account structure and budget development process. Corporate Services sees this as an initial step in a continuous improvement process. Council input and recommendations to the budget process are appreciated.

Looking forward

As many wise Councillors have said several times before, “everyday is budget day”. Financial Services anticipates this new budget layout may provide the opportunity for new questions and direction from Council. Financial Services will identify that continuous improvements is a process. Looking forward to 2021, Staff identify the following projects that will help determine the financial outcomes of the City going into the 2022 budget process:

- Complete the City’s strategic plan and develop tactical plans for each department
- Review the organization structure
- Establish a cost allocation model consistent with the Provincial Financial Information Return (FIR) guidelines to approximate the full cost accounting for programs
- Review cost allocations between the Levy and Rate budgets
- Address the recommendations from the Service Delivery Review
- Establish Key Performance Indicators (KPIs) and related benchmarks, where applicable, for departments and related costs driven by shared service levels

- Complete the Infrastructure Needs Assessment to support future capital and related project budgets
 - Upon completion of the infrastructure needs work develop a road map and discuss with other levels of government the possibility of support for improving the efficiency of the system
 - Enhancing capital planning
 - Review the purchasing by-law, including delegated processes within the City
-

Internal Consultations:

This budget is a joint submission of Corporate Services and Public Works.

Financial Implications:

Financial Services identifies the proposed 2021 Rate Budgets are a staff recommendation which Council can adjust, if required.

Conclusion:

That the 2021 Rate Budgets as recommended in this report be approved.

In making this recommendation Staff acknowledge these budgets continue to be underfunded in terms of capital investments. Once Staff have completed the infrastructure needs assessment further discussion on capital funding, which may include grant applications, if available, will be required.

Appendices: (If none delete section)

- a. 2021 Water Budget
- b. 2021 Waste Water Budget
- c. 2021 Storm Sewer Budget
- d. Summary - Five Year Combined Water and Waste Water Budgets
- e. Summary - Five Year Water Budget
- f. Summary - Five Year Waste Water Budget
- g. Summary - Three Year Storm Sewer Budget
- h. Water and Waste Water Communication
- i. Water and Wastewater Usage and Billing Metrics

Respectfully submitted,

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Report Approval:

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final approval is by the Chief Administrative Officer.

Appendix A - 2021 Water Budget

	2020		2021	\$	%
	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	43,772	49,600	39,998	- 9,602	-19.36%
Variable	2,192,599	2,600,201	2,128,931	- 471,270	-18.12%
Fixed	2,649,504	2,530,023	2,572,569	42,546	1.68%
Total Revenue	4,885,875	5,179,824	4,741,498	- 438,326	-8.46%
Fixed Ratio	55%	49%	55%		
Niagara Region Charges	2,124,086	2,430,382	2,212,840	- 217,542	-8.95%
Personnel costs	540,705	790,145	561,350	- 228,795	-28.96%
Operations	877,788	741,748	739,260	- 2,488	-0.34%
Capital Pay-as-you-go^	171,261	509,219	250,000	- 259,219	-50.91%
Capital Pay-as-you-go (Carryforward)^	337,958	-	-	-	0.00%
Borrowing Costs^	362,242	364,299	364,300	1	0.00%
Reserve Transfers	471,835	344,031	613,748	269,717	78.40%
Total Expenses	4,885,875	5,179,824	4,741,498	- 438,326	-8.46%
Surplus / (Deficit)	-	-	-	-	

	Operating Costs
Association / Membership Fees	2,000
Communications & Public Relations	10,000
Computer Software	7,900
Contract Services	170,760
PAP / Online Incentives	20,000
Seniors Discounts	-
Equipment - Purchase	17,300
Equipment - Rental	2,900
Office Supplies	13,750
Postage & Courier	40,000
Protective & Uniform Clothing	6,000
Repairs and Maintenance - Parts and Consumables	104,500
Staff Training & Development	18,400
Subject Matter Experts - Consultants	34,000
Telephone/Internet	8,800
Travel	1,800
Utilities - Hydro	2,600
Chargebacks	278,550
	<u>739,260</u>

	R&M - P&C	Contracted Services
Water Main Maintenance	30000	34160
Water Main Valve Maintenance	4000	8000
Repair / Replacement	6500	9000
Water Main Flushing	2000	0
Fire Hydrants	29400	14300
Meters	7800	10200
Services (including thaws)	22200	38100
Leak Detection	500	52500
Locates	500	2500
Elizabeth St. Bulk Water Depot (W)	1100	1000
Elm St. Bulk Water Depot (W)	500	1000
	<u>104,500</u>	<u>170,760</u>

Costs covered in the levy including fleet, engineering, billing clerk, collections, etc

^ The capital budget was approved at the November 23, 2020 Council meeting through Report 2020-125.

Appendix B - 2021 Waste Water Budget

	2020		2021	\$	%
	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	14,330	19,500	33,000	13,500	69.23%
Variable	1,723,796	2,559,638	2,207,282	- 352,356	-13.77%
Fixed	3,521,426	3,409,291	4,519,326	1,110,035	32.56%
Total Revenue	5,259,552	5,988,429	6,759,608	771,179	12.88%
Fixed Ratio	67%	57%	67%		
Niagara Region Charges	4,531,531	4,544,117	4,805,000	260,883	5.74%
Personnel costs	108,994	354,379	561,350	206,971	58.40%
Operations	721,483	585,333	785,050	199,717	34.12%
Capital Pay-as-you-go^	-	545,573	350,000	- 195,573	-35.85%
Capital Pay-as-you-go (Carryforward)^	545,573	-	-	-	0.00%
Borrowing Costs^	-	-	-	-	0.00%
Reserve Transfers	- 648,029	- 40,973	258,208	299,181	-730.19%
Total Expenses	5,259,552	5,988,429	6,759,608	771,179	12.88%
Surplus / (Deficit)	-	-	-	-	0.00%

	Operating Costs
Association / Membership Fees	2,000
Communications & Public Relations	10,000
Computer Software	5,000
Contract Services	187,550
PAP / Online Incentives	20,000
Seniors Discounts	100,000
Equipment - Purchase	13,500
Equipment - Rental	-
Office Supplies	13,750
Postage & Courier	40,000
Protective & Uniform Clothing	4,000
Repairs and Maintenance - Parts and Consumables	45,100
Staff Training & Development	18,400
Subject Matter Experts - Consultants	25,000
Telephone/Internet	-
Travel	1,800
Utilities - Hydro	20,400
Chargebacks	278,550
	<u>785,050</u>

	R&M - P&C	Contracted Services
Sewer Mains	14000	16750
Sewer Laterals	19500	50000
Maintenance Hole	6000	42000
Locates	600	2500
Extraneous Flows	2500	63300
Scholfield Pumping	2500	13000
	<u>45100</u>	<u>187550</u>

Costs covered in the levy including fleet, engineering, billing clerk, collections, etc

^ The capital budget was approved at the November 23, 2020 Council meeting through Report 2020-125.

Appendix C - 2021 Storm Sewer Budget

* Revised

	2020 Forecast	2020 Budget	2021 Budget	\$ Y/Y Budget Change*	%
Installation Service Fee	- 276	5,000	-	- 5,000	1811.59%
Rate Fees	777,016	770,279	854,720	84,441	10.87%
	<u>776,740</u>	<u>775,279</u>	<u>854,720</u>	<u>79,441</u>	<u>10.23%</u>
	-	-	-	-	0.00%
Operations	278,264	248,181	252,870	4,689	1.69%
Capital Pay-as-you-go^	39,998	-	23,724	23,724	59.31%
Borrowing Costs^	308,186	299,819	535,819	236,000	76.58%
Reserve Transfers	150,292	227,279	42,307	- 184,972	-123.08%
	<u>776,740</u>	<u>775,279</u>	<u>854,720</u>	<u>79,441</u>	<u>10.23%</u>
Surplus / (Deficit)	-	-	-	-	-

^ The capital budget was approved at the November 23, 2020 Council meeting through Report 2020-125.

Operations	
Contracted Services	137,700
Equipment - Rental	12,000
Repairs and Maintenance - Consumables and Parts	8,500
Utilities - Hydro	5,000
Utilities - Water	900
Property Tax	10,440
City Storm Sewer Charges	28,330
Chargeback - Payroll Expenses	50,000
	<u>252,870</u>

Appendix D - Summary - Five Year Combined Water and Waste Water Budgets

	2017	2017	2018	2018	2019	2019	2020	2020	2021	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	59,149	186,275	97,711	58,100	104,433	63,600	58,102	69,100	72,998	3,898	5.64%
Variable	3,706,604	5,469,310	3,771,125	4,726,277	3,805,042	4,817,159	3,916,395	5,159,839	4,336,213	- 823,626	-15.96%
Fixed	4,895,458	4,857,281	5,369,658	5,362,624	5,771,540	5,669,554	6,170,930	5,939,314	7,091,895	1,152,581	19.41%
Total Revenue	8,661,211	10,512,866	9,238,494	10,147,001	9,681,015	10,550,313	10,145,427	11,168,253	11,501,106	332,853	2.98%
Fixed vs. Variable	57%	47%	59%	53%	60%	54%	61%	54%	62%		
Niagara Region	6,076,889	6,270,601	6,375,722	6,226,420	6,496,959	6,452,082	6,655,617	6,974,499	7,017,840	43,341	0.62%
Personnel costs	663,079	981,083	670,552	1,015,850	784,858	1,073,198	649,699	1,144,524	1,122,700	- 21,824	-1.91%
Operations	1,048,896	1,314,700	1,277,636	1,235,071	1,440,670	1,255,473	1,599,271	1,327,081	1,524,310	197,229	14.86%
Capital	343,639	749,615	186,519	754,372	734,603	1,054,792	171,261	1,054,792	600,000	- 454,792	-43.12%
Capital Pay-as-you-go (Carry forward)	-	-	-	-	-	-	883,531	-	-	-	0.00%
Borrowing costs	414,826	417,768	434,480	434,480	362,571	364,380	362,242	364,299	364,300	1	0.00%
Reserve transfers	113,882	779,099	293,585	480,808	- 138,646	350,388	- 176,194	303,058	871,956	568,898	187.72%
Total Expenses	8,661,211	10,512,866	9,238,494	10,147,001	9,681,015	10,550,313	10,145,427	11,168,253	11,501,106	332,853	2.98%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	
Revenue Budget to Actual / Forecast	- 1,851,655		- 908,507		- 869,298		- 1,022,826				
Niagara Region	70.2%	59.6%	69.0%	61.4%	67.1%	61.2%	65.6%	62.4%	61.0%		
Capital & Reserves	5.3%	14.5%	5.2%	12.2%	6.2%	13.3%	0.0%	12.2%	12.8%		
% of Total Revenue	75.4%	74.2%	74.2%	73.5%	73.3%	74.5%	65.6%	74.6%	73.8%		

This summary highlights that every year to balance the budget as a result of the revenue shortfall people were re-directed to other non water and wastewater tasks, capital plans were not deployed or reserves were reduced.

Appendix E - Summary - Five Year Water Budgets

	2017	2017	2018	2018	2019	2019	2020	2020	2021	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	47,769	174,275	74,022	47,600	79,870	49,600	43,772	49,600	39,998	- 9,602	-19.36%
Variable	1,978,670	2,460,675	2,199,721	2,515,978	2,090,175	2,545,523	2,192,599	2,600,201	2,128,931	- 471,270	-18.12%
Fixed	2,282,776	2,248,934	2,407,161	2,365,535	2,529,022	2,463,697	2,649,504	2,530,023	2,572,569	42,546	1.68%
Total Revenue	4,309,215	4,883,884	4,680,904	4,929,113	4,699,067	5,058,820	4,885,875	5,179,824	4,741,498	- 438,326	-8.46%
Fixed vs. Variable	54%	48%	52%	48%	55%	49%	55%	49%	55%		
Niagara Region	2,328,268	2,265,352	2,400,104	2,316,757	2,128,971	2,375,340	2,124,086	2,430,382	2,212,840	- 217,542	-8.95%
Personnel costs	505,082	661,524	580,239	688,565	735,049	746,829	540,705	790,145	561,350	- 228,795	-28.96%
Operations	663,327	761,439	801,052	706,061	975,565	719,021	877,788	741,748	739,260	- 2,488	-0.34%
Capital	343,639	424,235	168,899	429,219	507,255	509,219	171,261	509,219	250,000	- 259,219	-50.91%
Capital Pay-as-you-go (Carry forward)	-	-	-	-	-	-	337,958	-	-	-	0.00%
Borrowing costs	414,826	417,768	434,480	434,480	362,571	364,380	362,242	364,299	364,300	1	0.00%
Reserve transfers	54,073	353,566	296,130	354,031	- 10,344	344,031	471,835	344,031	613,748	269,717	78.40%
Total Expenses	4,309,215	4,883,884	4,680,904	4,929,113	4,699,067	5,058,820	4,885,875	5,179,824	4,741,498	- 438,326	-8.46%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	
Revenue Budget to Actual / Forecast	- 574,669		- 248,209		- 359,753		- 293,949				
Niagara Region	54.0%	46.4%	51.3%	47.0%	45.3%	47.0%	43.5%	46.9%	46.7%		
Capital & Reserves	9.2%	15.9%	9.9%	15.9%	10.6%	16.9%	13.2%	16.5%	18.2%		
% of Total Revenue	63.3%	62.3%	61.2%	62.9%	55.9%	63.8%	56.6%	63.4%	64.9%		

This summary highlights that every year to balance the budget as a result of the revenue shortfall people were re-directed to other non water and wastewater tasks, capital plans were not deployed or reserves were reduced.

Appendix F - Summary - Five Year Waste Water Budgets

	2017	2017	2018	2018	2019	2019	2020	2020	2021	\$	%
	Actual	Budget	Actual	Budget	Actual	Budget	Forecast	Budget	Budget	Y/Y Budget Change	
Penalties and other fees	11,380	12,000	23,689	10,500	24,563	14,000	14,330	19,500	33,000	13,500	69.23%
Variable	1,727,934	3,008,635	1,571,404	2,210,299	1,714,867	2,271,636	1,723,796	2,559,638	2,207,282	- 352,356	-13.77%
Fixed	2,612,682	2,608,347	2,962,497	2,997,089	3,242,518	3,205,857	3,521,426	3,409,291	4,519,326	1,110,035	32.56%
Total Revenue	4,351,996	5,628,982	4,557,590	5,217,888	4,981,948	5,491,493	5,259,552	5,988,429	6,759,608	771,179	12.88%
Fixed vs. Variable	60%	46%	65%	58%	65%	59%	67%	57%	67%		
Niagara Region	3,748,621	4,005,249	3,975,618	3,909,663	4,367,988	4,076,742	4,531,531	4,544,117	4,805,000	260,883	5.74%
Personnel costs	157,997	319,559	90,313	327,285	49,809	326,369	108,994	354,379	561,350	206,971	58.40%
Operations	385,569	553,261	476,584	529,010	465,105	536,452	721,483	585,333	785,050	199,717	34.12%
Capital	-	325,380	17,620	325,153	227,348	545,573	-	545,573	350,000	- 195,573	-35.85%
Capital Pay-as-you-go (Carry forward)	-	-	-	-	-	-	545,573	-	-	-	0.00%
Borrowing costs	-	-	-	-	-	-	-	-	-	-	-
Reserve transfers	59,809	425,533	- 2,545	126,777	- 128,302	6,357	- 648,029	- 40,973	258,208	299,181	-730.19%
Total Expenses	4,351,996	5,628,982	4,557,590	5,217,888	4,981,948	5,491,493	5,259,552	5,988,429	6,759,608	771,179	12.88%
Surplus / (Deficit)	-	-	-	-	-	-	-	-	-	-	
Revenue Budget to Actual / Forecast	- 1,276,986		- 660,298		- 509,545		- 728,877				
Niagara Region	86.1%	71.2%	87.2%	74.9%	87.7%	74.2%	86.2%	75.9%	71.1%		
Capital & Reserves	1.4%	13.3%	0.3%	8.7%	2.0%	10.1%	-1.9%	8.4%	9.0%		
% of Total Revenue	87.5%	84.5%	87.6%	83.6%	89.7%	84.3%	84.2%	84.3%	80.1%		

This summary highlights that every year to balance the budget as a result of the revenue shortfall people were re-directed to other non water and wastewater tasks, capital plans were not deployed or reserves were reduced.

WE ARE BRIDGING THE WATER GAP

Each year, 2.6 million m³ of water is taken from the water plant and distributed to Port Colborne homes and businesses. The plant is monitored 24 hours a day.

\$119.7 million

WHAT IS NEEDED

WHAT WE'RE SPENDING

\$1.5 million

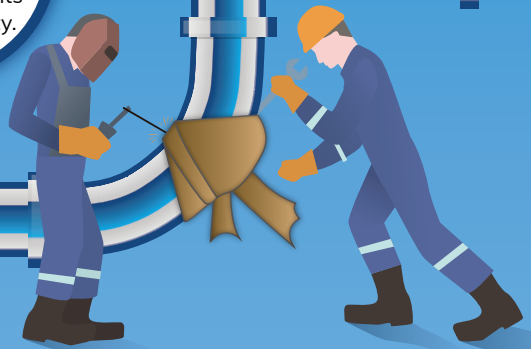
STATISTICS

A leak of 1 litre per second would fill an Olympic sized swimming pool in a month.



There are 119 km of watermains in Port Colborne & 600 fire hydrants across the City.

Water is tested more than 1800 times per year to ensure quality and safety.



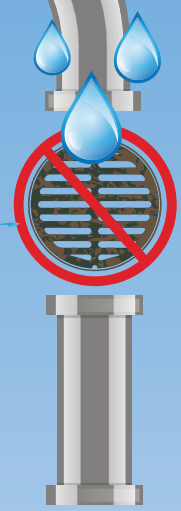
Water loss has been reduced by 12% over the last 5 years.

Did you know, when you pay your water and wastewater bill, **62%** goes to Niagara Region?

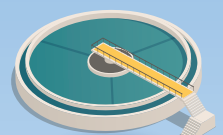
WATER BILL - PORT COLBORNE	
John Doe 1234 Water Way Port Colborne, ON L1S 2R4	
PMT WATER PAYMENT	69.48
PMT SEWER PAYMENT	63.16
WATF WATER FIXED	26.53
WATR WATER USAGE	27.61
WATR WATER USAGE	10.74
SEWF SEWER FIXED	32.53
SEWR SEWER USAGE	27.35
TOTAL DUE:	\$113.56

Do you have a sump pump or roof leaders? Do you know where they go?
Please note, these should not be connected to the sewer.

Have questions?
Give us a call
905-835-2900.

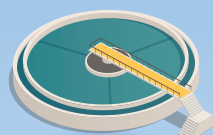


WASTEWATER STATISTICS



Each year we return 4.8 million m³ to the Wastewater Treatment Plant.

Treating inflow and infiltration at the Wastewater Treatment Plant costs \$\$\$



Half the volume of wastewater treated is unnecessary infiltration.



PORT COLBORNE

For more information please visit www.portcolborne.ca/water

*BASED ON PSD ASSET MANAGEMENT STATISTICS REPORT COMPLETED IN 2019.

Appendix I - Water and Wastewater Usage and Billing Metrics

	2017	2018	2019	2020	2021 (Forecast)
Water					
Water purchase from Region (Actual)	3,182,370	3,233,180	2,656,040	2,515,060	2,656,040
Water purchase from Region (3 year average for budget)	3,097,000	3,048,000	3,023,863	2,801,427	2,873,000
Water of Region Total (3 year average for Budget purposes)	57,682,000	57,525,000	58,130,000	57,148,000	57,096,000
Port Colborne %	5.37%	5.30%	5.20%	4.90%	5.03%
Wastewater					
Wastewater to Region (Actual)	4,389,000	4,547,000	4,846,000	4,231,113	
Wastewater to Region (Budget basis - 3 Year Average - Oct 31 Ending)	4,200,000	3,934,000	3,944,000	4,480,000	4,590,000
Wastewater of Region (Budget basis - 3 Year Average - Oct 31 Ending)	70,095,000	68,571,000	70,306,000	75,938,000	
Port Colborne %	5.99%	5.74%	5.61%	5.90%	
Billing					
Water bill	1,678,488	1,754,042	1,632,548	1,610,607	1,610,607
Water billed vs. Water Purchased (Goal 85%)	52.7%	54.3%	61.5%	64.0%	60.6%
Wastewater billed	1,592,219	1,096,608	1,215,366	1,254,118	1,254,118
Wastewater billed vs. Wastewater cleaned	36.3%	24.1%	25.1%	29.6%	
Additional Data					
Lake Level (Avg. cm above datum)	109	115	134	139.5	
Percipitation (MM)	1030.75	1405.2	1078.3	953	