

2017 Annual Review

NIAGARA FALLS BRIDGE COMMISSION





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This publication is produced to comply with the reporting requirements of the Niagara Falls Bridge Commission's enabling legislation which states, "An accurate record of the cost of the bridge and its approaches, the expenditures for maintaining, repairing and operating the same, and the daily tolls collected shall be kept and shall be available for the information of all persons interested." The financial data contained herein has been taken from the NFBC's 2017 audited financial statements.



NIAGARA FALLS BRIDGE COMMISSION

About the NFBC

Entering its 80th year, the Niagara Falls Bridge Commission (NFBC) is the bi-national entity that owns, maintains and operates the Lewiston-Queenston, Rainbow and Whirlpool Rapids (Lower Arch) Bridges. The NFBC was established through a joint resolution of the 1938 U.S. Congressional Third Session and subsequent amendments, and it is licensed to operate by the Extra Provincial Corporations Act of the Province of Ontario, Canada.

The Commission's eight-member board consists of four American and four Canadian representatives. The American Commissioners serve at the pleasure of the Governor of the State of New York, and the Canadian Commissioners serve at the pleasure of the Premier of the Province of Ontario. All officers hold respective office for one year, until the next annual meeting.

Originally created to finance, construct and operate the Rainbow Bridge, the Commission's efficient and effective management of that bridge led to an extension of responsibilities over the Whirlpool Rapids (Lower Arch) and Lewiston-Queenston Bridges.

On both sides of the international border, the NFBC builds and maintains all facilities for Customs and Immigration services. It operates through the collection of tolls and private and public sector tenant leases, with the exception of one-time capital contributions from Canada and Ontario for the fifth lane on the Lewiston-Queenston Bridge and from Canada for the new Canada Border Services Agency facilities at Queenston.

The NFBC is fully committed to fostering the ongoing growth of trade and tourism between Canada and the United States. To facilitate this activity, the Commission aims to enhance and invest in the three international crossings it oversees to ensure the safe, reliable and most efficient flow of goods, services and people.



Our Mission

To build, maintain and operate lower Niagara River border crossings, which facilitate the movement of people and goods in a safe, sustainable and efficient manner.

Our Vision

To be a world class leader in cross border operations, enhancing the quality of life for our employees, customers and partners.

2017 Board of Commissioners



Russell G. Quarantello
Chairperson



John A. Lopinski
Vice Chairperson



Marcia T. Heit



Linda L. McAusland



Kathleen L. Neville



Harry R. Palladino



Ernest K. Smith



Francis A. Soda

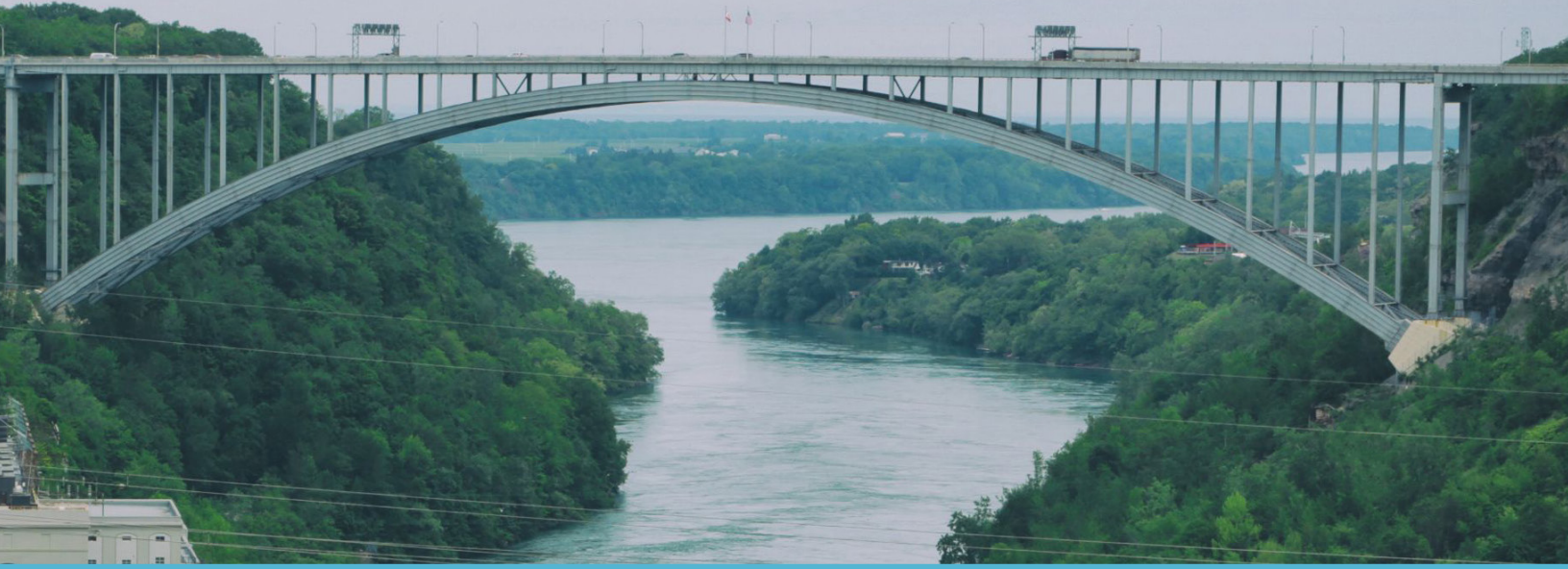
General Manager



Kenneth N. Bieger

In 2017, the NFBC Board of Commissioners officially announced the selection of Kenneth N. Bieger to succeed outgoing General Manager Lew Holloway, who held the NFBC's senior administrative position for the previous eight years. Mr. Bieger formerly served as Manager of Administration & Finance, Chief Financial Officer, and brings more than 35 years of professional management experience to the General Manager's position.

Niagara Crossings



Lewiston-Queenston Bridge

2017 IN REVIEW

The expansion and renovation of the Lewiston Plaza continues, following the completion of the first phase in 2016. In 2017, the Lewiston Plaza redevelopment team made substantial progress on the design and engineering of Phase 2. Phase 2 will include a new Administration facility and secondary processing canopy, new primary lanes for both automobiles and trucks and a dedicated bus processing lane. During 2017, the team reached agreement on a phased development approach that will ensure the current number of lanes (10) will remain open through the duration of construction, in order to mitigate delays during the various stages of the project. Construction is expected to begin in the Summer of 2018. Additionally, the Queenston Plaza continues to enjoy enhanced functionality and traveler accessibility following its own reconstruction project, which was completed in 2014.

HISTORY OF THE SPAN

The Lewiston-Queenston Bridge was constructed in 1962, 370 feet above the Niagara River and connects United States Interstate 190 with Canadian Highway 405. 1,600 feet in length, the bridge boasts the fourth highest volume of commercial traffic between Canada and the United States, and its five reversible lanes support hundreds of thousands of annual tourists and travelers. For those visiting Niagara Falls, Niagara-on-the-Lake and various entertainment and shopping destinations in both Southern Ontario and Western New York, the Lewiston-Queenston Bridge is a popular choice.





Whirlpool Rapids (Lower Arch) Bridge

2017 IN REVIEW

Projects at the Whirlpool Rapids Bridge throughout 2017 included the rehabilitation of two concrete bases at the Canadian bridge approach; repair of the upper columns between the bridge and the roadway at the Canadian Plaza; and, finally, the restoration of the concrete around the bridge abutment/deck expansion joint in the roadway.

HISTORY OF THE SPAN

The Whirlpool Rapids (Lower Arch) Bridge is the eldest of the three spans owned and operated by the NFBC. The bridge was first opened in 1897, sits 225 feet above the Niagara River and is 1,069 feet in length. The span was purchased by the Commission in 1959. A NEXUS-only bridge, the Whirlpool Bridge offers expedited customs processing and border crossing for pre-approved trusted travelers on its lower roadway, while the upper deck is utilized for rail crossings.

Rainbow Bridge

2017 IN REVIEW

Rainbow Bridge was outfitted with new LED overhead signage at both the toll booths and Canada Customs primary inspection lanes to assist the public with plaza navigation and general wayfinding. In addition to improved signage, Automated Border Wait Time technology was installed during 2017, which provides wait time updates every five minutes for motorists, replacing a manual process that updated motorists only once an hour. Completion of this project allows for further integration with the transportation authorities in both Canada and the U.S. as they work to implement an advanced integrated corridor management plan. 2017 also provided an opportunity for NFBC and CBP to team up to renovate the Bus and Pedestrian facility at Rainbow U.S. Engineering and design was completed and construction began in the Fall of 2017, with an expected completion in Spring 2018.

HISTORY OF THE SPAN

Only 1,000 feet downriver from the American Falls, the Rainbow Bridge opened in 1941. The bridge is positioned 202 feet above the Niagara River and stretches 1,450 feet between Canada and the U.S. The Rainbow Bridge's four lanes and 33 Customs inspection booths (15 in Canada and 18 in the U.S.) are open 24 hours per day to cars, buses and pedestrians. The span serves as a catalyst for tens of millions of dollars in economic activity as a result of tourism. The bridge is not open for the passage of commercial vehicles.



2017 Year in Review Highlights

TRAFFIC VOLUME

At the Lewiston-Queenston, Rainbow and Whirlpool Rapids (Lower Arch) bridges, westbound/toll-paying automobile traffic increased by 1.2% during the 2017 fiscal year and commercial truck traffic increased by 6.4%. This compares to a 6.2% decrease in automobile traffic and 2.8% increase in commercial truck traffic in fiscal year 2016.

NFBC STAFFING UPDATES

In April 2017, former General Manager Lew Holloway retired after eight years of service to the Commission. Strategic recruitment efforts then ensued for two NFBC executive-level positions, general manager and Chief Financial Officer. Kenneth Bieger, former Chief Financial Officer of the NFBC, was promoted to General Manager, making him the seventh general manager in NFBC history. Lida Grimaldi-Sykes was hired as Chief Financial Officer.



Bieger and Holloway

Lida Grimaldi-Sykes

NFBC EMPLOYEE RELATIONS

As part of Mr. Bieger's introduction to his new role, visits were consistently made by the General Manager to the U.S. and Canada plazas at all three bridges to reinforce a positive culture amongst NFBC employees and stakeholders. The NFBC conducted a survey to assess and understand employee satisfaction, feedback and motivation and NFBC

senior management continues to focus on workplace culture and employees' personal and professional development, through actions such as implementing the Learning Management Systems initiative, the introduction of a joint investment committee for the Union 401K Plan and improved work schedules.

ROBERT MOSES PARKWAY DEMOLITION PROJECT

The NFBC held several coordination meetings with Parsons, the engineer of record for the Robert Moses Parkway Reconstruction Project, in advance of the anticipated 2018 Whirlpool Street reconstruction and 2019 demolition of the Robert Moses Parkway, which is located above the Whirlpool Rapids Bridge's U.S. Plaza.

NEXUS NIAGARA

Enrollment in the NEXUS program was again promoted during 2017, to expedite border clearance processes and travel times at area bridges through participation in the trusted traveler program. Outreach included public and corporate information and enrollment sessions and elected official support. The NFBC also coordinated border traffic management with the Buffalo & Fort Erie Public Bridge Authority and border operators prior to and during the return of the IIHF World Junior Championship tournament to Buffalo, held between December 2017 and January 2018.

ADVOCACY

A number of issues related to U.S./Canada border crossings were addressed by the NFBC in 2017:

- Discussed and prepared for the NFBC's potential role in future U.S. Customs and Border Protection pilot programs focused on biometrics and other advancements in customs processing.
- Advocated for expanded preclearance operations through the support of the Canadian Bill C-23, a bilateral agreement between the U.S. and Canada that would allow for the inspection and clearance of persons and goods before crossing the U.S./Canada border.



INFORMATION TECHNOLOGY

The NFBC successfully upgraded several areas of information technology to further streamline border operations. Significant system improvements included the following:

- New LED signage was installed within the canopy at the Rainbow Bridge's U.S. Plaza, replacing outdated television signage.
- Patron fare LED displays were purchased for the Rainbow and Queenston plazas, to call for driver and passenger feedback through the displays.
- Credit card terminals were placed with hardwired units to improve stability, allowing for a smoother credit card payment experience.
- Toll processing software at the Rainbow and Queenston plazas was enhanced to improve end-of-vehicle detection.
- The Rainbow Bridge's weather station was relocated to the middle of the bridge, thereby allowing for more accurate wind speed calculations.
- The remote annunciator panel – also known as the generator – of the Whirlpool Rapids Bridge Canada was relocated to Rainbow Bridge Canada, to allow for enhanced monitoring.
- 12 cameras were added to the NFBC security system, three access controllers were retrofitted to improve reliability and nine access control boards were repaired.
- The NFBC's Help Desk system was streamlined to support additional help desk inquiries and processes.
- The Customs and Border Protection Port Runner detection algorithm was implemented.

PARTNERSHIPS

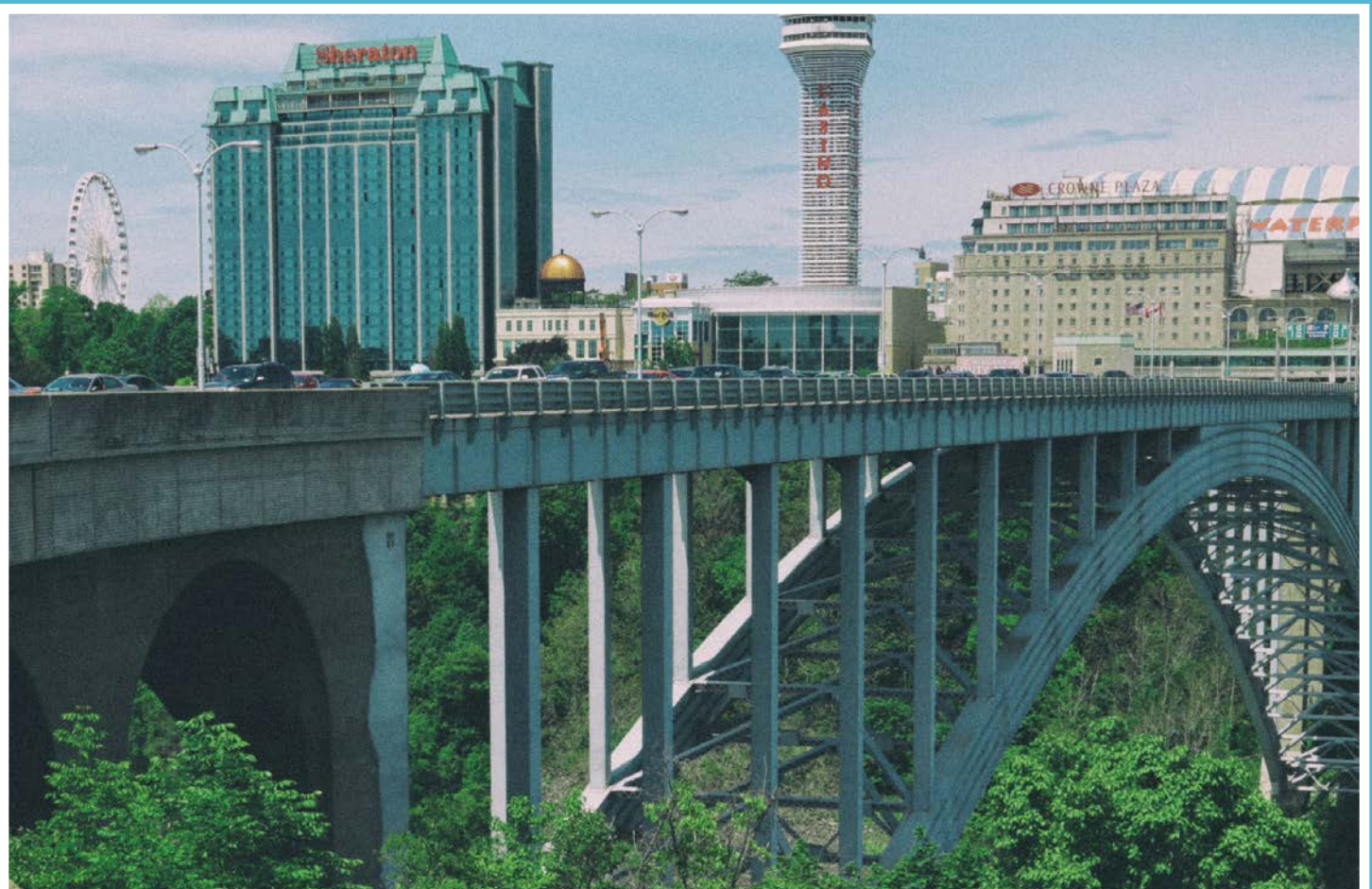
NFBC maintained several collaborative partnerships in support of the improvement of border management and transportation operations:

- Worked on an ongoing basis with border operators and consultants to address Canada Border Services Agency staffing, which included attendance at the Public Border Operators Association Board Meeting in Detroit, MI.
- Representatives from the Federal Bridge Corporation and Windsor-Detroit Bridge Authority visited the Buffalo-Niagara region to share and discuss best practices related to border operations.
- During 2017, supported the following organizations with international border presentations: Ontario Trucking Association Annual Conference, Ontario Motor Coach Association Annual Border Agencies Annual Conference, the Can/Am Border Trade Alliance spring and fall conferences and the State University of New York at Buffalo.
- Provided support resulting in limited disruption for Special Olympic Law Enforcement Torch Run, Indian Defense League of American Crossing, Annual Tug of War, and Ride for Roswell.
- Hosted the State University of New York at Buffalo and Brock University for the Binational Prosperity Workshop.
- Partnered with Niagara International Transportation Technology Coalition (NITTEC), implementing the automated border wait time system at the Rainbow Bridge.
- NFBC's Manager of Human Resources, Agency Relations and Security vice-chaired the Niagara International Transportation Technology Coalition (NITTEC) Border Crossing Committee, which examined issues such as corridor management planning, effective border wait time measurement, incident management planning and the impact of the Canadian Motor Speedway on area bridge spans.
- Throughout 2017, continued to engage with several U.S. and Canadian elected officials on border issues.

The community lost a dedicated and energetic leader with the passing of Ernest K. Smith on January 1, 2018.

During his career, Commissioner Smith worked as a Canadian Immigration Officer, a Visa Officer at Canadian Embassies around the world, and was also an appointed member of the Advisory Committee for the Police Foundations program at Niagara College.

Commissioner Smith joined the Board of Commissioners in October of 2009, served as Chairperson in 2014, and completed his term of service in October 2017. He worked tirelessly on behalf of the Commission. We are grateful for his service and his positive impact within the communities surrounding the Commission's bridges.



Community Sponsorships

In 2017, the NFBC supported a number of local not-for-profit organizations and cultural attractions, using funds generated by tenant leases through the donation of \$59,650 (USD) and \$59,650 (CDN).

RECIPIENTS INCLUDE:

Artpark

Canal Bank Shuffle Blues Festival

Can-Am Challenge Regatta -
Youngstown Yacht Club

Cross Border Blues

Erwin J. Johnson Memorial Fund, Inc.

Friends of Fort George

Historical Association of Lewiston

Kiwanis Club of Lewiston, New York

Lewiston Council on the Arts

Lewiston Garden Club

Niagara Arts and Cultural Center

Niagara Beautification Commission

Niagara Festival & Entertainment Group

Niagara River Region Chamber
of Commerce

Niagara University

Norm Foster Theatre Festival

Northwest Jazz Festival, Lewiston

Olcott Beach Carousel Park

Ontario Power Generation Winter
Festival of Lights

Sanborn Area Business & Professional
Association

Sanborn Area Historical Society

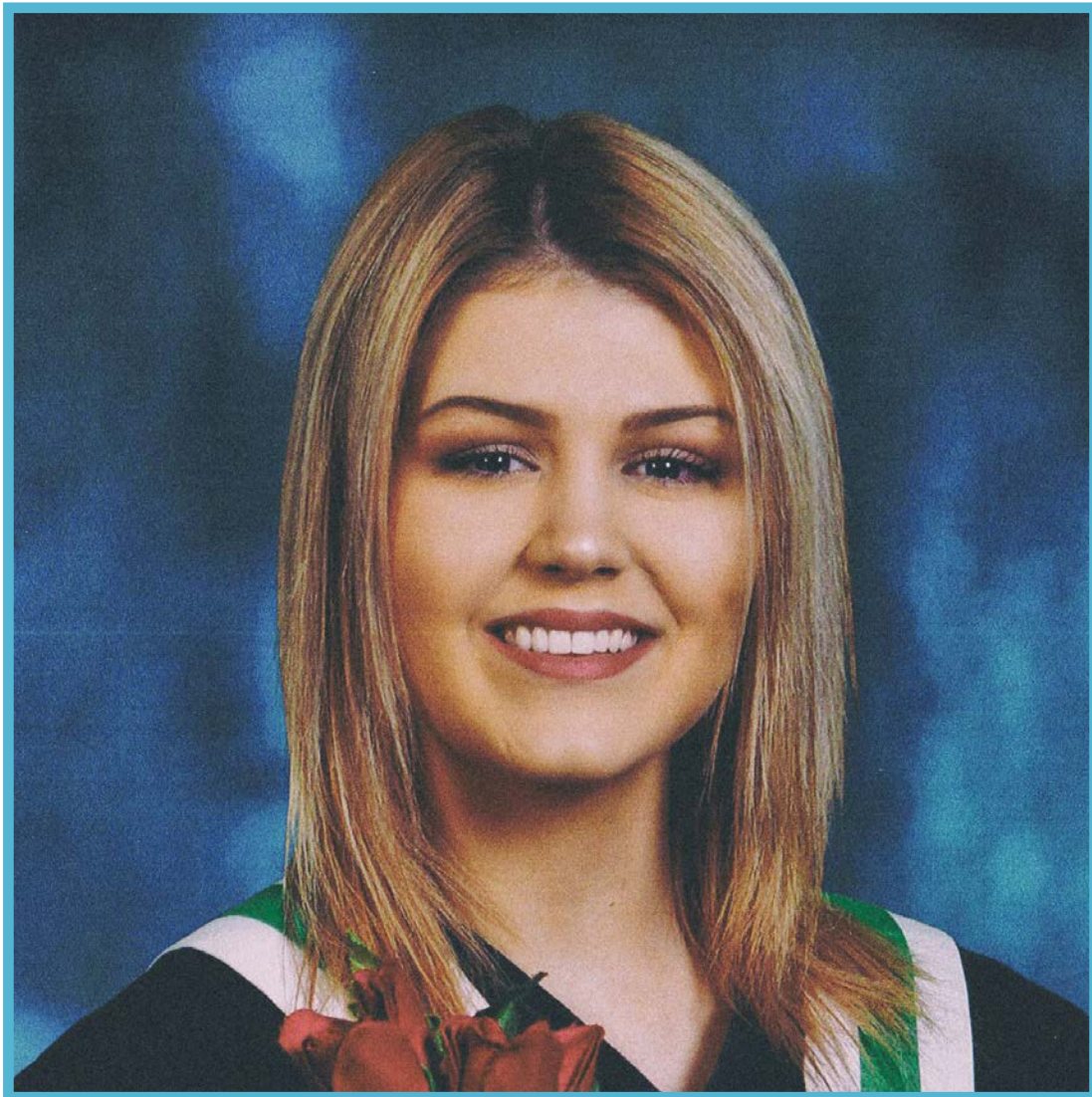
Shaw Festival Theatre

Willowbank School of Restoration

Below: NFBC General Manager Kenneth Bieger and 2017 NFBC Chairperon Russell Quarantello with the Lewiston Garden Club



Scholarship Winner



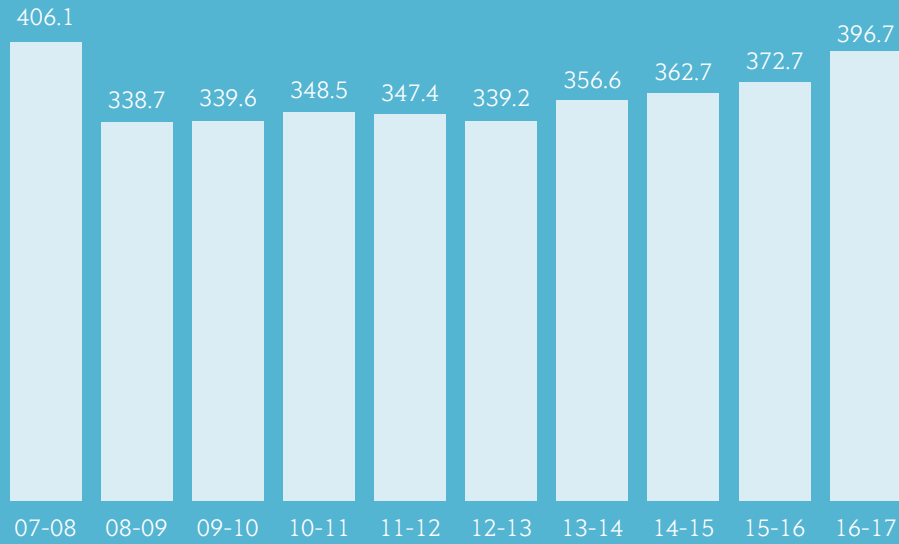
Each year, the NFBC opens a competitive application process to award scholarships to dependents of current Commission employees. Candidates must be entering their freshman year of an accredited post-secondary educational institution or program and final selections are based on scholastic standing, individual achievement and participation in extracurricular activities. The 2017 scholarship awardee was:

[Madison Pelletier](#)

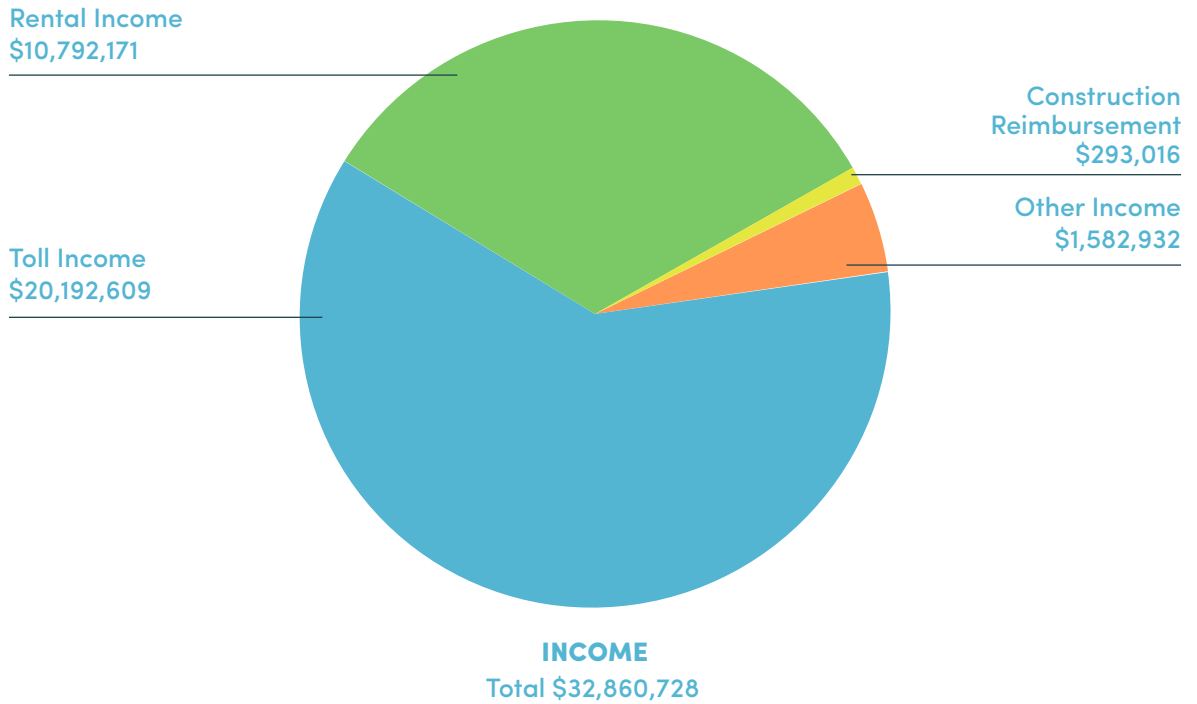


Traffic Statistics

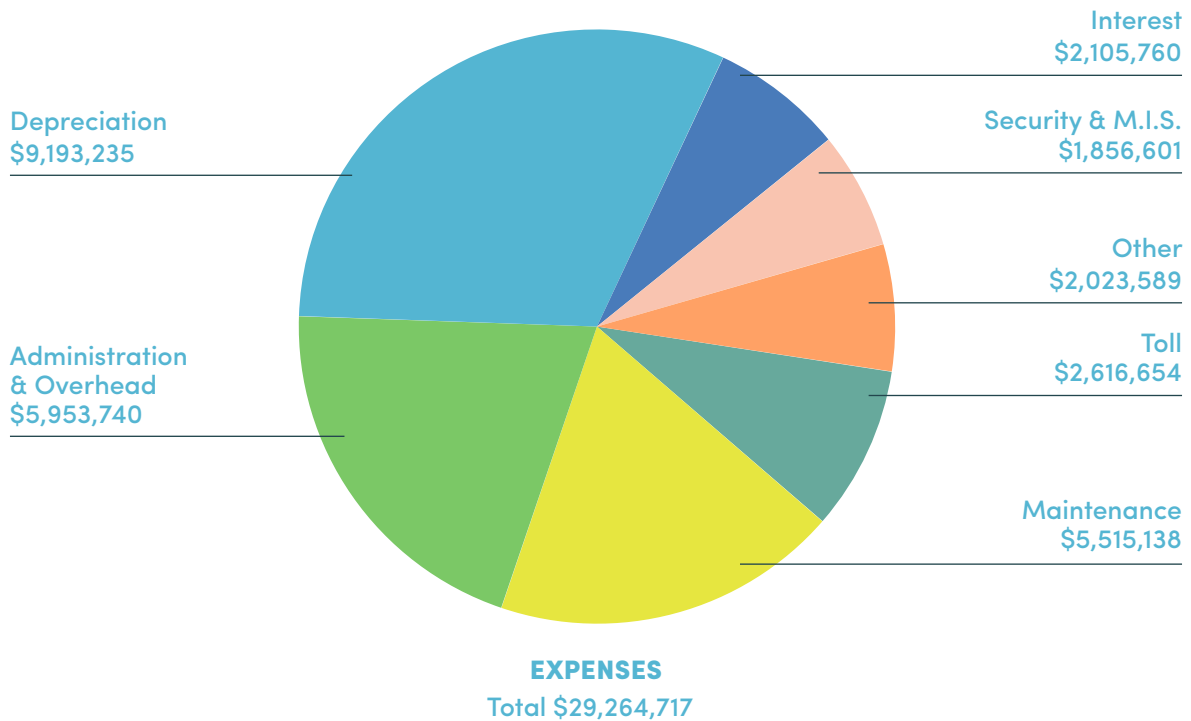
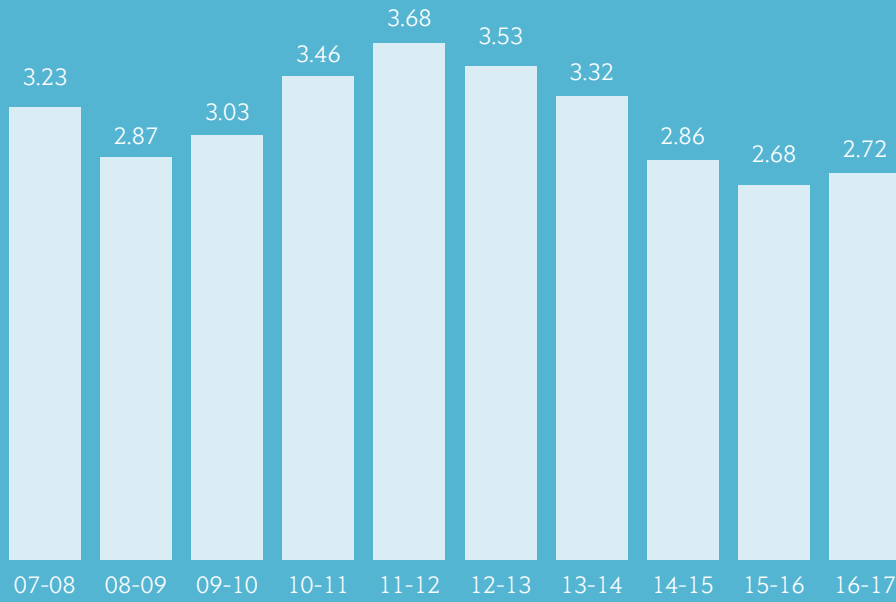
10 YEAR WEST-BOUND TRUCK TRAFFIC IN THOUSANDS



Income & Expenses



10 YEAR WEST-BOUND AUTO TRAFFIC IN MILLIONS



Financials

ASSETS	2017	2016
Current Assets		
Cash & Cash Equivalents	\$ 4,973,833	9,683,377
Accounts Receivable	1,777,137	2,427,667
Prepaid Expenses	431,027	424,951
Investments	17,831,565	14,347,404
TOTAL CURRENT ASSETS	\$ 25,013,562	26,883,399
Noncurrent Assets		
Investments	\$ 58,524,763	55,311,010
Land, Bridges, Buildings & Equipment, Net	310,827,547	270,663,244
Construction In Progress - 30 Year Plan	11,772	30,975,535
Construction In Progress - Other	8,622,133	14,763,545
TOTAL ASSETS	\$ 402,999,777	398,596,733
LIABILITIES & UNRESTRICTED NET ASSETS		
Current Liabilities		
Current Portion of Bonds Payable	\$ 6,500,000	6,100,000
Current Portion of Postretirement Benefit Obligation	604,036	532,740
Accounts Payable	3,489,051	5,989,764
Accrued Wages & Related Withholdings	1,486,992	1,169,980
Other Accrued Expenses	255,290	271,116
Bond Interest Payable	156,841	177,175
Deferred Income	1,025,698	1,004,849
TOTAL CURRENT LIABILITIES	\$ 13,517,908	15,245,625
Noncurrent Liabilities		
Postretirement Benefit Obligation	\$ 22,938,351	20,928,119
Bonds Payable, Net	40,854,175	47,246,769
TOTAL LIABILITIES	\$ 77,310,434	83,420,512
Unrestricted Net Assets		
Revenue	\$ 1,015,738	898,180
Operation	(25,996,591)	(23,284,389)
General	48,224,201	43,957,393
Renewal & Replacement	(2,895,566)	(2,652,324)
Debt Sinking	3,958,031	3,922,453
Construction	302,739,516	301,271,118
SUBTOTAL	327,045,329	324,112,431
Cumulative Effect of Currency Translation	(1,355,986)	(8,936,210)
TOTAL UNRESTRICTED NET ASSETS	\$ 325,689,343	315,176,221
TOTAL LIABILITIES & UNRESTRICTED NET ASSETS	\$ 402,999,777	398,596,733

	2017	2016
Revenues		
Toll Income	\$ 20,192,609	18,038,700
Rental Income	10,792,171	10,727,329
Construction Reimbursement	293,016	829,106
Investment Income, Net	1,392,910	1,350,720
Misc.	190,022	180,726
TOTAL REVENUES	\$ 32,860,728	31,126,581
Expenses		
Administration & Overhead	\$ 5,953,740	5,724,163
Maintenance	5,515,138	4,861,700
Toll	2,616,654	2,312,338
Management Information Systems	967,465	917,062
Security	889,136	788,203
Postretirement	1,916,184	1,376,007
Depreciation	9,193,235	9,298,417
Interest on Indebtedness	2,105,760	2,338,761
Amortization on Bond Financing Expenses	107,405	147,119
Loss (Gain) on Disposal of Bridge Related Assets	(-)	(99,994)
TOTAL EXPENSES	\$ 29,264,717	27,663,776
Change In Unrestricted Net Assets Before Unrealized Gain (Loss) On Investments & Change In Foreign Currency Translation	\$ 3,596,011	3,462,805
Unrealized Loss On Investments	\$ (663,113)	386,878
Change In Foreign Currency Translation	\$ 7,580,224	(4,889,181)
Change In Unrestricted Net Assets	\$ 10,513,122	(1,039,498)
Unrestricted Net Assets - Beginning Of Year	\$ 315,176,221	316,215,719
Unrestricted Net Assets - End Of Year	\$ 325,689,343	315,176,221



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