



THE REGIONAL MUNICIPALITY OF NIAGARA  
BUDGET REVIEW COMMITTEE OF THE WHOLE  
FINAL AGENDA

BRCOTW 3-2019

Thursday, January 31, 2019

6:30 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

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Pages

1. CALL TO ORDER
2. DISCLOSURES OF PECUNIARY INTEREST
3. PRESENTATIONS
4. DELEGATIONS
5. ITEMS FOR CONSIDERATION

5.1 BRC-C 4-2019

4 - 22

A letter from D. Barrick, Interim Chief Administrative Officer, Niagara Peninsula Conservation Authority, dated January 9, 2019, respecting Municipal Levy Apportionments, 2019.

Recommended Motion:

That Correspondence Item BRC-C 4-2019, being a letter from D. Barrick, Interim Chief Administrative Officer, Niagara Peninsula Conservation Authority, dated January 9, 2019, respecting Municipal Levy Apportionments, 2019, **BE RECEIVED**; and

That the Niagara Peninsula Conservation Authority 2019 Municipal Levy Apportionment to Niagara Region **BE APPROVED**.

\* A presentation will precede the consideration of this item.

5.2 BRC-C 5-2019

23 - 44

A letter from W. Sendzik, Chair, Niagara Regional Housing Board of Directors, dated January 11, 2019, respecting Niagara Regional Housing 2019 Operating Budget.

Recommended Motion:

That Correspondence Item BRC-C 5-2019, being a letter from W. Sendzik, Chair, Niagara Regional Housing Board of Directors, dated January 11, 2019, respecting Niagara Regional Housing 2019 Operating Budget, **BE RECEIVED**; and

That the Niagara Regional Housing 2019 Operating Budget **BE APPROVED** in principle subject to consideration of the total tax levy for Niagara Region on February 14, 2019.

\*A presentation will precede the consideration of this item.

5.3 CSD 25-2019

45 - 60

Court Services - 2019 Budget Report

Recommended Motion:

That Report CSD 25-2019, dated January 31, 2019, respecting Court Services - 2019 Budget Report **BE RECEIVED**; and

That the 2019 Court Services Operating Budget **BE APPROVED** in principle subject to consideration of the total tax levy for Niagara Region on February 14, 2019.

\* A presentation will precede the consideration of this item.

5.4 BRC-C 3-2019

61 - 81

A letter from D. Reid, Executive Director, Niagara Regional Police Services Board, dated January 24, 2019, respecting 2019 Proposed Operating Budget Niagara Regional Police Service and Police Services Board.

Recommended Motion:

That Correspondence Item BRC-C 3-2019, being a letter from D. Reid, Executive Director, Police Services Board, dated January 24, 2019, respecting 2019 Proposed Operating Budget Niagara Regional Police Service and Police Services Board, **BE RECEIVED**; and,

That the Niagara Regional Police Service 2019 Operating Budget **BE APPROVED** in principle subject to consideration of the total tax levy for Niagara Region on February 14, 2019.

\*A presentation will precede the consideration of this item.

6. **CONSENT ITEMS FOR INFORMATION**

None.

7. **OTHER BUSINESS**

8. **CLOSED SESSION**

There are no closed session items.

9. **NEXT MEETING**

The next meeting will be held on Thursday, February 14, 2019 at 6:30 p.m. in the Council Chamber, Regional Headquarters.

10. **ADJOURNMENT**

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisory Coordinator at 905-980-6000 (office), 289-929-8376 (cellphone) or [accessibility@niagararegion.ca](mailto:accessibility@niagararegion.ca) (email).



NIAGARA PENINSULA  
**CONSERVATION**  
AUTHORITY

# 2019 Budget Presentation

**Niagara Region Budget Review Committee**

Jan.31, 2019





# 2019 Budget Pressures

- ❑ Implementation of approved and upcoming Masterplans (Binbrook/Cave Springs/Lake Erie Shoreline Properties, etc.)
- ❑ 2018-2021 Strategic Plan implementation
- ❑ Auditor General recommendations to be implemented
- ❑ Collective Bargaining year – associated costs unknown at this time
- ❑ Operating reserve contribution



# Opportunities

- ❑ Tree-top Trekking (slated to open Spring of 2019)
- ❑ Park-link (paid parking at some CA sites)
- ❑ Increased Partnerships toward new Strat Plan initiatives
- ❑ Increased Corporate/Wedding rentals and Filming Agreements
- ❑ Electrical upgrades increase revenue at campgrounds



# Budget Committee Direction June 18, 2018

## Resolution No. BSC-04-18

Moved by Board Member Annunziata

Seconded by Board Member Kaspersetz

That the Budget Steering Committee recommends to the Full Authority:

1. That staff **BE DIRECTED** to prepare a DRAFT 2019 budget based on a 2% guidance of total levy.

**CARRIED UNANIMOUSLY**



## 2018/'19 Levy Breakdown

Levy Breakdown	2018	2019	Increase
<b>Regular Levy</b>			
Niagara	4,848,695	4,972,722	124,027
Hamilton	1,282,780	1,324,928	42,148
Haldimand	114,643	118,434	3,791
<b>Total</b>	<b>6,246,118</b>	<b>6,416,084</b>	<b>169,966</b>
<b>Special Levy</b>			
Niagara	2,128,851	2,128,851	0
Hamilton	123,315	123,315	0
<b>Total</b>	<b>2,252,166</b>	<b>2,252,166</b>	<b>0</b>
<b>TOTAL MUNICIPAL LEVY</b>	<b><u>8,498,284</u></b>	<b><u>8,668,250</u></b>	<b><u>169,966</u></b> (2%)

## 2018/'19 Sources Funding (excluding OPG & Reserves)



NIAGARA PENINSULA  
**CONSERVATION**  
AUTHORITY

2018 Budgeted		
Category	Source	%
Municipal (Haldimand/Hamilton/Niagara)*	8,498,284	74%
Provincial/Federal	628,996	5.5%
Self-generated (Permits/Parks/Services)	2,348,850	20.5%
TOTAL	11,476,130	100%
2019 (Board Approved)		
Category	Source	%
Municipal (Haldimand/Hamilton/Niagara)*	8,668,250	73.8%
Provincial/Federal	576,996	4.9%
Self-generated (Permits/Parks/Services)	2,502,650	21.3%
TOTAL	11,747,896	100%

\*Contribution of total by municipality: Haldimand 1%; Hamilton 12%; Niagara 60%

## 2019 Niagara Region Special Levy



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Niagara Special Levy Breakdown		2019 Special Levy
<b>Programs/Services approved by NPCA Board</b>		Levied
Land Aquisition		500,000
Debt Charges		1,628,851
<b>Total Special Levy (Niagara)</b>		<b><u>2,128,851</u></b>
<b>Programs/Services approved by Niagara Region</b>		Invoiced
Water Quality Monitoring		170,000
<b>Total Invoiced to Niagara Region</b>		<b><u>170,000</u></b>

## Operating Expenditures (excluding Debt Principal)



NIAGARA PENINSULA  
**CONSERVATION**  
AUTHORITY

	2018 Budgeted Expenditure		2019 Preliminary Expenditure	
	Expenditure	%	Expenditure	%
Total Operating	8,870,592	100.0	8,957,751	100.0
<b>Category</b>				
Full Time Salary/ Benefits	5,059,006	57	5,327,271	59.5
Student Wages	435,498	4.9	411,319	4.6
Debt Servicing*	63,691	0.7	27,980	0.3
Occupancy**	507,000	5.7	540,000	6.0
Human Resources and Other Staff Expenses***	283,245	2.6	247,150	2.8
	<b>6,348,440</b>	<b>71.6</b>	<b>6,553,720</b>	<b>73.2</b>

\* As debt servicing cost decline, operating expense decline but capital expenditure increase

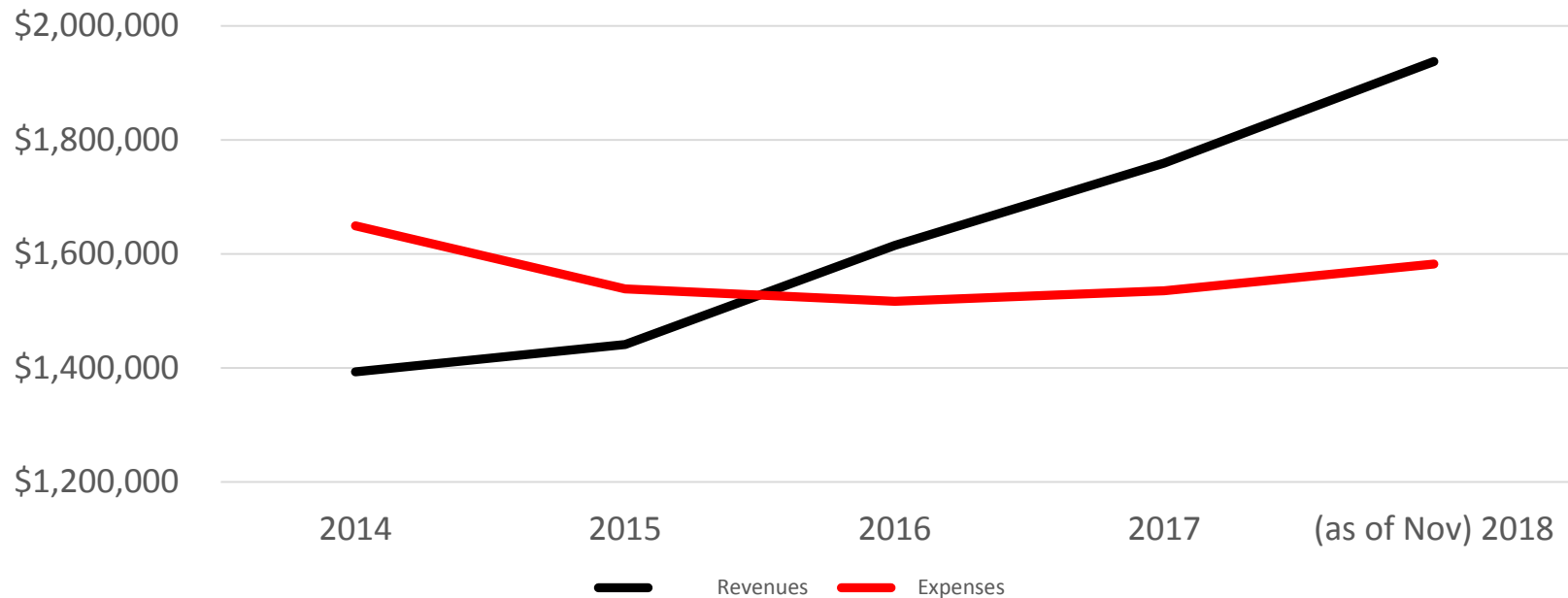
\*\*Includes Utilities , Property taxes , Insurance, Office Lease

\*\*\*Includes Staff training , retiree benefits , staff mileage and other staff related expenses



## Trends- Park Operations

Park Revenues & Expenses (Ball's Fall, Binbrook, Chippawa Creek, Long Beach, St. John's)



	Revenues	Expenses
2014	\$1,393,150	\$1,649,200
2015	\$1,440,933	\$1,538,449
2016	\$1,615,079	\$1,516,742
2017	\$1,759,442	\$1,535,447
(as of Nov) 2018	\$1,937,339	\$1,582,372





# Operating Park Revenues

	2018 Budget	2018 ytd Nov.	2019 Budget
Ball's Falls	643,000	722,209	745,300
Binbrook	259,500	398,201	362,500
Chippawa Creek	349,350	368,723	366,800
Long Beach	408,500	448,206	418,000
<b>Total</b>	<b>1,660,350</b>	<b>1,937,339</b>	<b>1,892,600</b>



# Full Time Salary and Benefits

- ❑ 2018 Budgeted Salary and Benefits \$5,059,006
- ❑ Projected 2019 Salary and Benefit Expenditure \$5,327,271 (Increase \$268,265 or 5.3% over 2018 budgeted level)
- ❑ Projected 2019 Expenditure includes:
  - ❑ Step increases
  - ❑ 0% increase in group benefits at present by Sun Life (carrier for Conservation Authorities)
  - ❑ Other benefit costs adjusted to reflect known changes such as: WSIB premium increased to \$3.20 from \$3.05 per \$100 of earnings , EI premium increase to \$858 from \$836 per employee , CPP increase from \$2,564 to \$2595 per employee
  - ❑ Collective Agreement Bargaining

That the NPCA Full Authority Board **APPROVE** the minutes of the Budget Steering Committee meeting held on Wednesday, November 14, 2018 and the recommendations contained therein; and

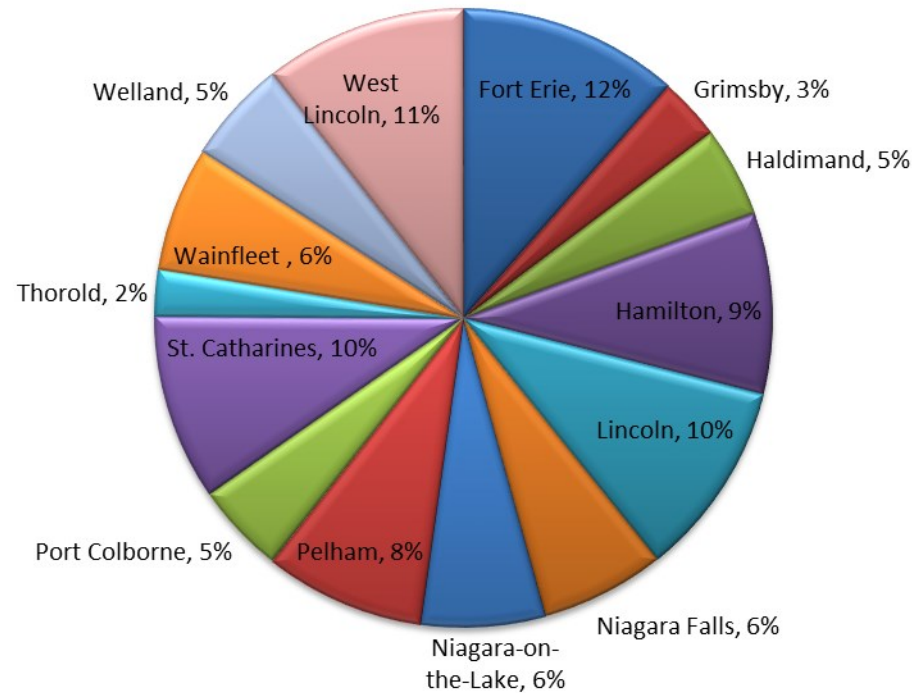
That the following 2019 apportionment costs identified in Chart #1 (listed below) **BE FORWARDED** to the participating municipalities in accordance with Section 2. (1)(b) of Ontario Regulation 670/00.

Chart #1							
2019 Levy		<u>Niagara</u>		<u>Hamilton</u>		<u>Haldimand</u>	<u>Total</u>
Regular Levy		\$4,972,722		\$1,324,928		\$118,434	\$6,416,084
Special Levy		\$2,128,851		\$123,315		\$0	\$2,252,166
Total		\$7,101,573		\$1,448,243		\$118,434	\$8,668,250



## Resources spent in Niagara Planning & Regulations

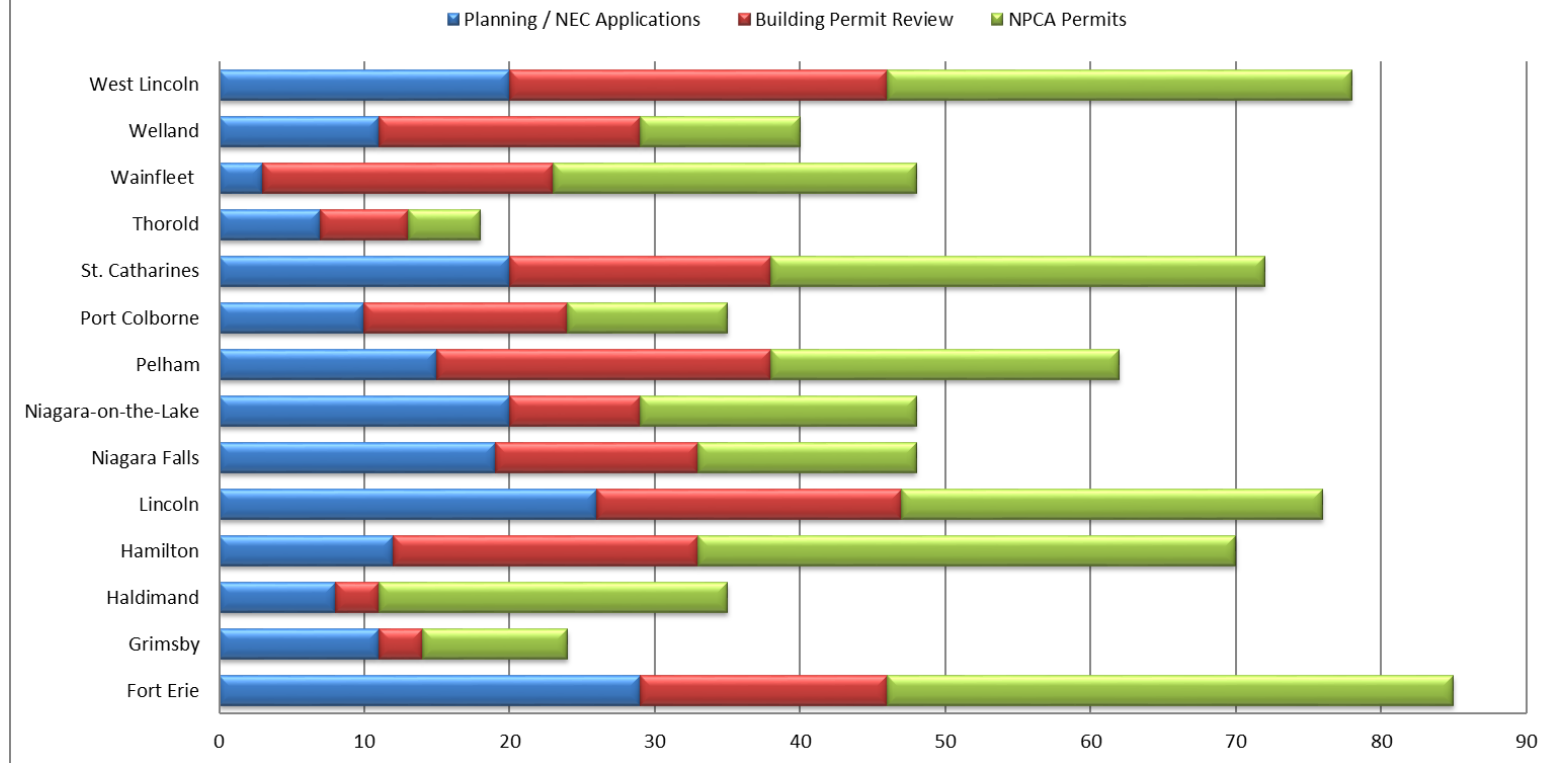
**Figure 2: Total No. of Applications (%),  
January 2018 - December 2018**





# Resources spent in Niagara Planning & Regulations

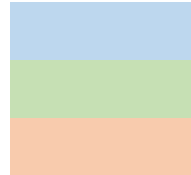
**Figure 1: NPCA Watershed, No. of Applications by Type, January 2018 - December 2018**





# 2019 Capital Projects

Suggested Funding Source:



Special Levy - Niagara

\$1,117,165

Regular Levy- Capital Contribution

\$449,186

Capital Reserve

\$33,955

**Location: Ball's Falls Conservation Area**

<u>No:</u>	<u>Description</u>	<u>Estimated Project Cost</u>
1	Historical Building Restoration and Improvements	\$ 35,000
2	Thanksgiving Festival Ticket Booths	\$ 30,000
3	Interpretative/Education Facility Upgrades	\$ 80,000
4	WIFI Boosting in Main Park	\$ 14,000
5	Additional Roadway from 7th Ave into the park	\$ 75,000
6	<u>Insulate &amp; Heat Workshop</u>	\$ 15,665
	Total Ball's Falls	\$ 249,665

**TOTAL \$1,600,306**



# Summary

- ✓ 2% Total Levy increase (budget guidance) achieved
- ✓ Total 2019 Operating budget of \$ 8,957,751 represents a 1% increase from 2018 Operating budget of \$8,870,592.
- ✓ The requirement to use the provincial formula and municipal levy apportionment data supplied by MPAC for the 2019 budget results in the following NPCA levy impact as a % per municipality:

	2019 Levy Increase %	2019 \$ Increase
Niagara Region	1.8%	\$124,027
City of Hamilton	3.0%	\$42,148
Haldimand County	3.3%	\$3,791







**Office of the Chief Administrative Officer  
And Secretary Treasurer**

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[dbarrick@npca.ca](mailto:dbarrick@npca.ca) | [www.npca.ca](http://www.npca.ca)

January 9, 2019.

Ms. Ann-Marie Norio  
Regional Clerk  
Niagara Region  
2201 St. David's Road  
PO Box 1042  
Thorold, ON L2V 4T7

**Re: Municipal Levy Apportionments, 2019**

Dear Ms. Norio:

On November 21<sup>st</sup>, 2018, the board of Directors for the Niagara Peninsula Conservation Authority (NPCA) approved the following Municipal Apportionment Levy for 2019, in accordance with the Conservation Authorities Act, Ontario Regulation 670/00, Section 2 (1)(b).

**Apportionment of Costs to Participating Municipalities**

Municipality	Niagara	Hamilton	Haldimand	Total
Levy Formula	\$4,972,722	\$1,324,928	\$118,434	\$6,416,084
Special Levy	\$2,128,851	\$123,315	\$0	\$2,252,166
<b>Totals</b>	<b>\$7,101,573</b>	<b>\$1,448,243</b>	<b>\$118,434</b>	<b>\$8,668,250</b>

The above levy is comprised of the following amounts;

- a) \$136,248 for matching grants from the Ministry of Natural Resources.
- b) \$2,128,851 for Non-Matching Levies.
- c) \$4,836,474 for administrative and maintenance costs.

Similar to last year, we are requesting the following levy payment schedule:

Payment Due Date:	% of Levy Due	Payment Amount
April 19, 2019	25%	\$1,775,393
June 28, 2019	25%	\$1,775,393
August 2, 2019	25%	\$1,775,393
September 27, 2019	25%	\$1,775,394

If you have any questions, please contact the undersigned at your convenience.

Kindest Regards,



David Barrick  
(Interim) Chief Administrative Officer/Secretary Treasurer

Cc: David Bylsma, NPCA Chair  
Diana Huson, NPCA Vice-Chair  
Gregg Furtney, (Interim) Senior Director of Corporate Resources  
John Wallace, Finance Manager

# 2019 BUDGET



January 31, 2019

# 2019 Organization Overview

## Mission

*To expand opportunities that make affordable housing an integral part of building health and sustainable communities in Niagara*

## Vision

*That the Niagara community will provide affordable, accessible and quality housing for all residents*

- *Empowering Households:* Using a holistic approach, households are assisted in reaching their goals
- *Connecting the Service Delivery Network:* The existing service delivery is strengthened through increased communication with existing partners and new linkages with the private market
- *Moving towards sustainable affordable housing:* Through innovative approaches revenues are increased, assets are leveraged for greater return, and the sustainability of affordable housing is improved

# NRH Programs & Services

## Levy Funded - Core Programs

- ☐ NRH Owned-Units (Public Housing)
- ☐ Social Housing Provider Subsidies & Oversight
- ☐ Rent Supplement & Housing Allowance Programs
- ☐ Centralized Wait List Management
- ☐ Community Resource Unit

## Off the Levy (Ministry-funded)

- ☐ Strong Communities: Rent Supplement Program
- ☐ IAH-E / SIF
  - ☐ Rent Supplement
  - ☐ Housing Allowance
  - ☐ Housing First
  - ☐ Homeownership Assistance
  - ☐ Niagara Renovates
  - ☐ New Development Funding (Capital)

# 2019 Major Budget Drivers

## **Housing Programs**

- Regular Rent Supplement & Housing Allowance Programs
- Provider Subsidies; ongoing oversight of housing providers to ensure budgets are managed
- End of Operating agreements – loss of federal provider units offset by additional rent supplement
- Reserve transfer to support creation of capital repair loan program for housing providers

## **NRH-Owned Units (Housing Operations)**

- Ongoing preventative maintenance & move-out costs
- Onboarding the Carlton Street build into the owned-units portfolio
- Increased total cost of service contracts, specifically grounds costs
- Increased reserve transfer to support capital asset management program

# 2019 Budget Guidance

## Budget Review Committee of the Whole (CSD 35-2018; July 5, 2018)

*1. That the 2019 Department, and ABC Tax Levy budget guidance **BE APPROVED** as follows:*

- 1. The target increase for existing services be the 1.5% Core Consumer Price Index and that staff present options to Council to bring the increase to 2% in accordance with Taxpayer Affordability Guidance Policy.*

# 2019 Operating Budget (\$Millions)

	2018 Approved Budget	2019 Proposed Budget	\$ Change	% Change
Gross Expenditure	\$ 55.71	\$ 56.75	\$ 1.04	1.9%
Gross Revenue	\$ (28.33)	\$ (28.96)	\$ (0.63)	2.2%
Net Expenditure (Revenue) before indirect allocations	<u>\$ 27.38</u>	<u>\$ 27.79</u>	<u>\$ 0.41</u>	1.5%
Staff Compliment	2018 Approved FTE	2019 Proposed FTE	# Change	% Change
Full-Time Permanent Employees	50	51	1	2.0%
Full-Time Temporary Employees (Ministry-funded / pilot programs)	<u>7</u>	<u>9</u>	<u>2</u>	28.6%
Total FTE Count	57	60	3	5.3%

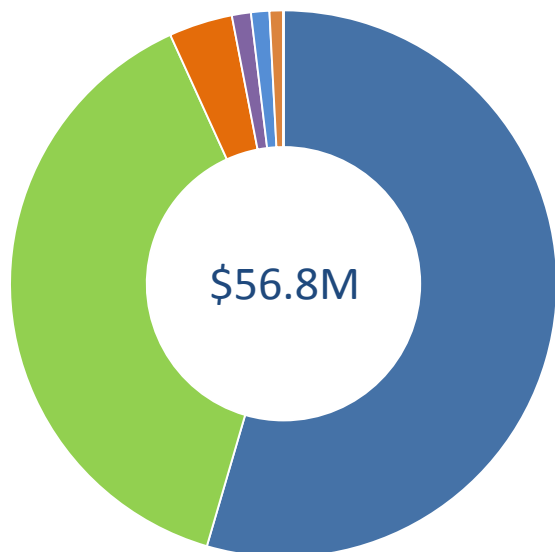
- Net Expenditure increase of \$410,673 (+1.5%) before indirect allocations
- Gross Expenditure increase of \$1,042 thousand; offset by an increase in gross revenue of \$632 thousand
- Increased staff compliment by 3; driven by proposed program changes including pilot roles in housing programs & community resource unit; addition of permanent full-time Tenant Support Representative in NRH-Owned Units



# 2019 Operating Budget (\$Millions)

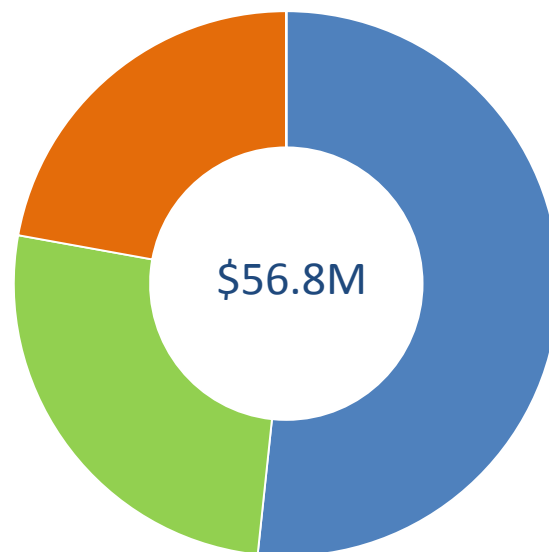
## Where the Money Goes

2019 Services and Programs



- Social Housing Programs \$29.6M
- Housing Operations \$20.6M
- Affordable Housing Programs \$4.8M
- Administration \$0.6M
- Community Resource Unit \$0.7M
- Housing Access Centre \$0.5M

## Where the Money Comes From



- Niagara Region \$27.8M
- Rent & Miscellaneous \$15.2M
- Federal / Provincial Funding \$13.8M

# 2019 Operating Budget

- Increase in Compensation of \$353 thousand (7.4%)
- \$237 thousand relating to proposed Program Changes
  - Tenant Support Rep (Permanent FTE - Housing Operations)*
    - Restructure TSR team to divide annual renewal responsibilities; ongoing maintenance / service requests / work order management
    - Mitigate risks identified in year-end audit (e.g. rent increases & charges)
  - Eligibility Review Officer (Temporary FTE – Housing Programs)*
    - Extend piloted role to continue identification, investigation, & prevention of suspected fraud / misrepresentation of income
    - Supports transparent, fair, lawful use of housing program budget
    - 2/3<sup>rds</sup> of investigations to date have confirmed instances of fraud; 1/3<sup>rd</sup> resulted in preservation of tenancy & eligibility
  - Community Program Coordinator (Temporary FTE – 50% Operations; 50% Programs)*
    - Support for increasingly vulnerable tenants housed in owned-units portfolio
    - Extend CPC role to provider portfolio; evaluate the demand for this service for provider units
- \$77 thousand increase - estimated outcome of Mercer study (2% increase over 2018)
- \$34 thousand increase relating to building service maintenance costs
- \$5 thousand driven by corporate compensation guidance over 2018; offset by natural role attrition

# 2019 Operating Budget (continued)

- Increase in Administrative of \$123 thousand (23.3%)
  - \$55 thousand increased costs relating to memberships (Electrical Safety Authority / ONPHA)
  - \$50 thousand increased costs relating to professional services for both Housing Programs & Housing Operations; ongoing maintenance, implementation & update initiatives relating to NRH strategic plan
- Increase in Property Taxes of \$39 thousand (0.8%)
  - Driven by inclusion of full Carlton Street occupancy expected in 2019 (\$70 thousand)
  - Offset by partial decrease based on 2018 payments and the impact of the expected 2019 increase based on budget guidance
- Decrease in Property & Infrastructure maintenance of \$243 thousand (6.2%)
  - Partially offset by increase in responsibility of building maintenance personnel
  - Decrease also supported by lower spending in 2017 & 2018 Trend

# 2019 Operating Budget (continued)

- Increased cost of Grounds service contracts (e.g. snow removal / grass-cutting) of \$689 thousand
  - Costs based on 2018 tender process
  - Explained through service expectation clarifications & increased contractor compensation costs driven by increased minimum wage
- Decrease in utilities of \$215 thousand (4%)
  - Based on 2018 payment trends, ongoing electricity rebates, and related Budget Guidance
  - Further savings expected driven by annual capital program (e.g. savings generated by heat control system installations)
  - Participation in Housing Services Corporation natural gas group purchasing program expected to drive further decreases in 2020
- Rent Supplement Regular increased by \$514 thousand (16.4%)
  - Includes a 1.8% legislated increase over 2018
  - \$72,000 subsidy amount for the expected downtown St. Catharines Bethlehem-Penterra development
  - Incremental subsidy for additional units due to EOA

# 2019 Operating Budget (continued)

- Overall, decrease of \$253 thousand in Ministry-funded IAH-E & SIF operating programs (e.g. rent supplement, housing allowance, homeownership, Niagara Renovates)
  - 100% Ministry-funded; operating budget adjustments expected to reflect any surplus program funding not taken up by programs in 2018, plus any new funding announcements in 2018/2019
- Decrease in Non-profit & Co-op subsidy of \$1,585 thousand (7.1%) based on legislated indices & in alignment with 2018 subsidy payments
- Decrease in Federal Program subsidies of \$81 thousand (6.4%); driven by EOA
- Decrease to the NRH/LHC-Debenture expense of \$96 thousand (-7.1%) due to debt reduction owed to the province as some of the LHC unit agreements expire
- Decrease in other financial expenditures of \$41.5 thousand driven by cost savings from shifting to new collection agency; in addition to reduced bad debt costs based on historical write-offs

# 2019 Operating Budget (continued)

- Increase in transfer to Capital Reserves of \$1,866 thousand (479%) from \$390 thousand
  - \$1,274 thousand restricted transfer to NRH Reserve from Housing Programs to support development of capital program for housing providers (NET NEW)
  - \$981 thousand transfer to NRH-Owned Units Reserve; \$351 restricted to Carlton / Fitch / Jubilee Drive; \$630 to support ongoing funding requirements of owned-units portfolio
- Decrease in Federal Funding of \$449 thousand (driven by Service Manager funding schedule) due to decreasing debenture expenses for portion of owned-units & EOA
- Increase in rental revenue of \$1,232 thousand (9.3%) based on 2018 actuals; in addition to expected occupancy of Carlton Street build in 2019 (\$640 thousand)
- Increase in non-rental revenue stream of \$63 thousand (16%)
  - Ongoing revenue sharing agreements (e.g. water tank rental agreement)
  - Estimates for maintenance charges & misrepresentation revenue (historical)
  - Laundry & telecommunication agreements

# Opportunities & Risks

## Opportunities in 2019 Proposed Budget

1. Capital program for housing providers
2. Expanded rent supplement / housing allowance program; continued support for EOA
3. New Development Housing Allowance Program (e.g. Bethlehem / PennTerra)
4. Capital Asset Management Program (Region / NRH)
5. Completion & Occupancy of Carlton Street build & Roach Street intensification; ongoing new unit development
6. Expanded Community Support
7. Ongoing strategic planning & implementation of process review & initiatives
8. New Ministry Funding Announcement expected in March 2019

## Risks in 2019 Proposed Budget

1. Change in Provincial Government – No clear direction announced re: funding
2. Transfer to reserve for annual capital repairs program
3. Budget pressure re: repairs & maintenance / utilities (e.g. impact of weather) / rental revenues
4. Unit supply risks: Loss of existing social housing units (EOA); Lack of available / affordable units in Niagara to maintain/expand rent supplement / housing allowance programs
5. Housing provider mortgage renewals; fluctuation in RGI household incomes & impact on subsidy required







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**Street Address:**  
Campbell East  
1815 Sir Isaac Brock Way  
Thorold ON

Phone: 905-682-9201  
Toll Free: 1-800-232-3292  
*(from Grimsby and beyond Niagara region only)*

Main Fax: 905-687-4844  
Fax – Applications: 905-935-0476  
Fax – Contractors: 905-682-8301  
Web site: [www.nrh.ca](http://www.nrh.ca)

January 11, 2019

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

Dear Ms. Norio:

At their September 21, 2018 meeting, the Niagara Regional Housing Board of Directors, passed the following motion:

That Niagara Regional Housing Board of Directors **APPROVE** the Proposed 2019 Operating Budget, with a net levy impact of \$27,788,900 before indirect allocations and that this report **BE REFERRED** to the Budget Review Committee of the Whole for consideration, as part of the 2019 budget deliberations.

Your assistance is requested in providing the attached report, NRH 13-2018, to the Budget Review Committee of the Whole.

Sincerely,

A handwritten signature in black ink, appearing to read 'Walter Sendzik', with a long horizontal flourish extending to the right.

Mayor Walter Sendzik  
Chair



**REPORT TO:** Board of Directors of Niagara Regional Housing

**SUBJECT:** Proposed 2019 Operating Budget

## RECOMMENDATION

That Niagara Regional Housing Board of Directors **APPROVE** the Proposed 2019 Operating Budget, with a net levy impact of \$27,788,900 before indirect allocations and that this report **BE REFERRED** to the Budget Review Committee of the Whole for consideration, as part of the 2019 budget deliberations.

## KEY FACTS

Niagara Region's Financial Management & Planning staff presented to Budget Review Committee of the Whole (BRCOW) Report CSD 35-2018, dated June 14<sup>th</sup>, 2018, respecting the 2019 Budget Planning. On July 5, 2018, Regional Council approved the Budget Review Committee recommendation of a 1.5% increase for existing services, with opportunity for staff to request additional funding up to 2.0%. The main motion was amended and approved as follows:

1. *That the 2019 Department, and ABC Tax Levy budget guidance **BE APPROVED** as follows:*
  1. *The target increase for existing services be the 1.5% Core Consumer Price Index and that staff present options to Council to bring the increase to 2% in accordance with Taxpayer Affordability Guidance Policy.*

The proposed 2019 NRH Operating Budget reflects a \$410,673 increase (1.5%).

## ANALYSIS of the 2019 Budget

- 2019 Proposed Operating Budget includes a Net Expenditure *increase* of \$410,673 (1.5%) before indirect allocations. The 2019 proposed operating budget includes a Gross Expenditure *increase* of \$1,042,820 (1.9%) offset by a \$632,147 (2.2%) *increase* in Gross Revenue.
- *Increase* in Compensation of \$353 thousand (7.4%). 67% of this compensation increase is driven by proposed permanent and temporary staffing complement increases (\$237 thousand – see **Program Changes** for more information), 21% of the increase (\$77 thousand) relates to the recommended estimate resulting from the Mercer evaluation of job profiles, whereas 10% of the increased compensation costs relating to building service maintenance personnel at NRH-owned properties (\$34 thousand). The remainder is driven by increases over 2018 as directed by corporate guidance, offset by natural role attrition through retirements and new hires driving lower costs
- *Increase* in administrative budget of \$123 thousand (23.3%) driven by a shift in allocation of base budget driven by ongoing needs of the housing corporation including costs relating to memberships (Electrical Safety Authority, Ontario Non-Profit Housing Association); in addition to ongoing professional services costs such as consulting to support the development, implementation, and ongoing maintenance of the NRH strategic plan and initiatives



- *Decrease* in Operational & Supply of \$16 thousand (20.1%) based on re-categorization of base budget to repairs & maintenance driven by departmental spending patterns
- *Increase* in Property Taxes of \$39 thousand (0.8%) addition of Carlton Street build to the NRH owned-units property; offset by a partial decrease based on 2018 payments and the impact of expected 2019 increase based on budget guidance
- *Decrease* in Property Infrastructure & Maintenance of \$243 thousand (6.2%), offset by increased Grounds service contract costs of \$689 thousand driven by higher priced contracts relating to expanded service and increased contractor compensation costs driven by increased minimum wage based on 2018 tender process
- *Decrease* in Utilities of \$215 thousand (4%) based on 2018 payment trends, ongoing electricity rebates, and related Budget-guidance; further expected savings driven by work being completed through the annual capital program (e.g. heat control systems), as well as participation in the Housing Services Corporation natural gas group purchasing program with further rate decreases expected in 2020
- Rent Supplement Regular increased by \$514 thousand (16.4%) to include a 1.8% legislated increase over 2018 including incremental subsidy for additional units due to End-of-Operating Agreement (EOA) to cover rent-supplement costs formerly funded by the Federal government, in addition to a \$72,000 subsidy amount for the expected units in the downtown St. Catharines Bethlehem-Penn Terra development.
- Increases and decreases in Ministry-funded program allocations which are 100% funded by Provincial/Federal dollars:
  - IAH-E Rent Supplement *decrease* of \$267 thousand to \$895 thousand in 2019
  - IAH-E Housing Allowance *increase* to \$259 thousand in 2019
  - IAH-E Niagara Renovates *increase* of \$11 thousand to \$1,137 thousand in 2019
  - IAH-E Homeownership *flat* to 2018 at \$180 thousand in 2019
  - SIF Rent Supplement *decrease* of \$1,192 thousand to \$727 thousand in 2019
  - SIF Housing Allowance *increase* to \$1,006 thousand in 2019
  - SIF Homeownership *decrease* of \$20 thousand to \$20 thousand in 2019
  - SIF Niagara Renovates not allocated funds in 2019, a *decrease* of \$50 thousand

The 2019 operating budget will be adjusted to reflect any surplus program funding not taken up by programs in 2018, in addition to any new funding announcements received in the 2018/2019 years.

- *Decrease* to the Non-Profit and Co-op subsidy of \$1,585 thousand (7.1%) per legislated indices imposed by the Ministry where savings are mainly driven by lower utility cost indices & in alignment with 2018 actual subsidy payments
- *Decrease* in Federal Program subsidy of \$81 thousand (6.4%) as a result of EOA
- *Decrease* to the NRH/LHC-Debenture expense of \$96 thousand (4.4%) due to debt reduction owed to the province as some of the LHC unit agreements expire

- *Decrease* in other financial expenditures of \$41.5 thousand (20%) driven by cost savings from shifting to a new collection agency; in addition to bad debt costs budgeted based on historical write-offs
- *Increase* Transfer to Capital Reserves of \$1,866 thousand (479%) from \$390 thousand.
  - \$1,274 thousand restricted Transfer to NRH Reserve, part of the housing programs budget to support the development of a capital program for housing providers to support significant anticipated capital requirements
  - \$981 thousand Transfer to NRH Owned-Units capital reserve, including restricted reserve contributions of \$190 thousand for the new Carlton Street build, \$72 thousand for Jubilee Drive, and \$89 thousand for Fitch Street. The remaining \$630 thousand reflects an increase of \$401 thousand to support ongoing funding requirements of the NRH-owned units annual capital program
- *Decrease* in Federal Funding of \$449 thousand driven by scheduled service manager funding schedules relating to decreasing debenture expenses for portion of owned-units & EOA
- *Increase* in rental revenue of \$1,232 thousand (9.3%) based on 2018 actuals, as well as 52% of the increased rental revenues driven from the new Carlton Street build, with expected occupancy in January 2019
- *Increase* in non-rental revenue of \$63 thousand (16%) driven by ongoing revenue sharing agreements (e.g. hot water rental agreement); and includes revised estimates for maintenance charges, misrepresentation revenue and other ancillary revenue sources such as laundry and telecommunications agreements

### **Program Changes**

- Appendices A, B, and C include business cases to be reviewed with respect to the addition of 1 permanent full-time employee (FTE) in Housing Operations, supporting NRH-owned units, as well as two temporary FTEs
- Permanent FTE (Appendix A): This business case outlines the request for an additional Tenant Support Representative in Housing Operations
- Temporary FTE (Appendix B): This business case outlines the request to extend the Eligibility Review Officer pilot program for an additional year as an employee within Housing Programs
- Temporary FTE (Appendix C): This business case outlines the request pilot an additional Community Programs Coordinator, directing 50% of the resource to support expanded demand in the NRH-Owned Units portfolio, with the additional capacity used to identify and evaluate demand for this service from the housing provider portfolio

### **Service Reductions/Increases**

- The Ministry of Municipal Housing and Affairs is continuously developing new funding and program models. Since the devolution of housing, NRH has adapted and absorbed numerous new initiatives such as homeownership and home renovation programs, housing allowance programs, portable rent benefit programs, multiple new rent supplement programs and



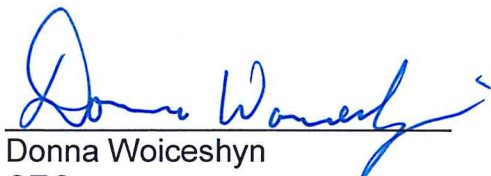
programs to develop increased affordable housing supply in Niagara. NRH continues to incorporate Ministry-funded programs including the IAH-E Rent Supplement, IAH-E Homeownership, and IAH-E Niagara Renovates, along with the SIF Rent Supplement, SIF Homeownership, and SIF Niagara Renovates programs into the budget process. Year-over-year these amounts are expected to change to reflect the take-up of funding. With changes in government in 2018, it is expected that new funding announcements will be delayed until early 2019. NRH intends to identify, secure, and leverage continued funding to support expanding service offerings to meet increasing demands for affordable housing.

- Federal Section 95 Providers agreements are continuing to expire as Federal Housing Provider mortgages mature. Housing Providers are then considered to have met all obligations with the Federal Housing program and are free to stop offering subsidies. To preserve social housing units in Niagara, NRH is working with Federal Providers to find innovative solutions that will protect existing tenants from losing subsidy and to maintain the existing number of units for social housing purposes in Niagara.

NRH has included dollars to secure Rent Supplement agreements for the affected units. This strategy will ensure that over time NRH can meet the legislated unit targets set by the Province for Service Level Standards. Currently the Ministry has allocated untargeted funding (until 2020) to help service managers plan for EOAs. The additional negotiation and support necessary to keep the Federal Providers within the portfolio is putting pressure on staff resources. This problem will grow over the coming years as the bulk of operating agreements will be expiring.

Submitted by:

Approved by:



Donna Woiceshyn  
CEO



Henry D'Angela  
Chair

*This report was prepared by Victoria Duru, Program Finance Specialist, in consultation with NRH Senior Management Team and Donna Woiceshyn, CEO.*

*Appendix A*

**NRH Owned-Units Tenant Support Representative - 2019 Operating Budget**  
**Business Case**

Niagara Regional Housing, Niagara Regional Housing, NRH-01

Initiative Start Date: January 01, 2019

**Reason for Business Case: Program Change from assessment growth - Existing Services**

**Description of program change:**

This program change is to include an additional Tenant Support Representative (TSR) within the NRH Housing Operations team. Currently, the team consists of three TSRs responsible to support the property administration team through the annual renewal process, service requests & work order management, and ancillary responsibilities.

**Business Reasons for Program Change:**

The NRH Housing Operations team continues to deal with a high volume of service requests & work order management to maintain the owned-units portfolio. In addition, the annual renewal process requires, at times, complex rent calculations. The need for additional operational support was also identified in the Organizational Review Report provided by Ernst & Young to support the aging of the NRH portfolio and increasing levels of maintenance. Increasing the TSR team by 1 permanent FTE, to a total of 4, supports the restructuring of roles to focus two roles on the annual renewal process, with the remaining two FTE supporting owned-units service requests and required maintenance / work order management.

**Supports Council's Strategic Priorities: Do business differently, Organizational excellence**

The recommended addition of an additional permanent TSR supports improving the way NRH does business through continuous improvement of the owned-units service requests, as well as the annual renewal requirements for NRH tenants.

**Supports Economic Prosperity (Dials): Community Symptoms**

To continue to improve the households served by NRH, directly linked to furthering economic prosperity in Niagara, this TSR will support further efficiencies and a stronger service-oriented approach in responding to tenant requests and/or the annual renewal process.

**Risk Assessment: High-priority**

This role is necessary to continue to improvement of services required by tenant support representatives. The role is identified as high-priority due to challenges being experienced on the team, including risk relating to year-end and operational audits. For example, in the 2017 year-end financial audit, risks identified included incomplete annual rent increases and inconsistent rent charges, risks that have financial impact on the operating budget of owned-units. With this new role, along with a restructuring of responsibilities to differentiate between tenant support representatives responsible for rent calculations versus those responsible for maintenance calls and work order management.

**Staffing Impact:**

1 Permanent, Full Time - Non-Union

Total Cost of Staffing Position: \$64,000

Staffing Implementation Date: January 01, 2019

The addition of this role remains within the 2019 Regional Guidance, with the NRH Owned-units division supporting the ongoing costs through savings identified in the property & infrastructure budget.



*Appendix B*

**NRH Eligibility Review Officer - 2019 Operating Budget Business Case**

Niagara Regional Housing, Niagara Regional Housing, NRH-03

Initiative Start Date: January 01, 2019

**Reason for Business Case: Program Change from assessment growth - Existing Services**

**Description of program change:**

This program change is to extend the piloted role, Eligibility Review Officer, currently extended to December 31, 2018 to December 31, 2019, as an employee of housing programs. This role is expected to continue the directive initiated in the initial phase of the pilot program to investigate suspected fraud and misrepresentation of income, to support transparent, fair, and lawful use of housing program budget.

**Business Reasons for Program Change:**

This business case is to extend the contract for an additional year and to provide continued support of fraud identification, investigation and prevention. The number of referrals received to date, have kept the incumbent at full capacity. Referrals have been received from both the NRH owned-units housing portfolio, as well as the housing provider portfolio, representing over 6,000 social and affordable housing units. Two-thirds of the investigation have confirmed instances of fraud leading to cease to qualify notices and removal of RGI subsidies and Landlord Tenant Board evictions. One-third of the investigations, offers positive impact in terms of preservation of tenancy and eligibility.

**Supports Council's Strategic Priorities: Organizational excellence**

Extending the Eligibility Review Officer pilot program continues to promote safe and affordable tenancies for housing applicants, ensuring that NRH focuses on all housing providers maintaining financial stability and ensuring the integrating of the social housing program.

**Supports Economic Prosperity (Dials): Community Symptoms**

The role of the Eligibility Review Officer supports fostering safe and affordable tenancies by ensuring NRH and housing providers leverage the full capacity of social and affordable housing units to meet the demands of eligible applicants and tenants on the waitlist. While this role has the responsibility to investigate potential negative implications associated with tenancy, this is to the benefit of the community as a whole, a supports a transparent approach to housing oversight in Niagara.

**Risk Assessment: Priority**

This pilot project continues to be a priority for NRH as it ensures the integrity of the social housing program, as well as supporting the initiative towards human services integration.

**Staffing Impact:**

1 Temporary, Full Time - Non-Union

Total Cost of Staffing Position: \$85,000

Staffing Implementation Date: January 01, 2019

The addition of this role remains within the 2019 Regional Guidance, funded through reduced social housing programs costs due to lower provider subsidies driven by favourable cost indices in the housing portfolios.



*Appendix C*

<b>NRH Community Program Coordinator - 2019 Operating Budget Business Case</b>
Niagara Regional Housing, Niagara Regional Housing, NRH-02
Initiative Start Date: January 01, 2019
<b>Reason for Business Case: Program Change from assessment growth - Existing Services</b>
<b>Description of program change:</b> This program change is to include an additional Community Program Coordinator (CPC) to support the ongoing work in the NRH Owned-Units tenant portfolio, in addition to introducing the CPC program support to the Housing Providers' portfolios to determine the extent and nature of the need in their communities. Currently, the team consists of three CPCs providing tenant support, eviction prevention, and community development in the NRH public housing communities.
<b>Business Reasons for Program Change:</b> Due to the increase in high-need tenants within the NRH public housing portfolio, the current CPC team is operating at capacity, resulting in an inability to respond efficiently and effectively to tenant support and community development requests. The lack of capacity has negative consequences on individuals, families and the community, overall. In 2017, a total of 927 new tenant referrals were received representing 1/3rd of the NRH housing portfolio. This is in addition to ongoing caseload. Similar trends are being experienced in 2018. The need for additional CPC support was also identified in the Organizational Review Report provided by Ernst & Young to support the increasingly vulnerable tenants being housed. Increasing the CPC team by 1 temporary FTE, to a total of 4, will support the current demand, as well as being able to appropriately evaluate the demand for this service to support the more than 3900 housing provider units.
<b>Supports Council's Strategic Priorities: Organizational excellence</b> The recommended addition of a temporary CPC supports improving the way NRH does business through continuous improvement of the tenant supports being offered, mitigating known costs of landlord-tenant disputes, eviction costs, move-out costs, etc.
<b>Supports Economic Prosperity (Dials): Community Symptoms</b> To continue to improve the households served by NRH while fostering safe and affordable tenancies, this CPC will support further efficiencies and a stronger service-oriented approach to support healthier tenant lifestyles, the stability to pursue educational and employment opportunities, and to discontinue negative behaviours.
<b>Risk Assessment: Priority</b> This role is being submitted as a pilot, to support ongoing community programming, in addition to evaluating the need for support for the more than 3900 housing provider units. In 2017, CPCs supported 110 evictions in the public housing portfolio. To support ongoing economic prosperity initiatives led by NRH and/or Niagara Region, the addition of a CPC will support proactive prevention of evictions, homelessness, and tenant engagement and pride through community development initiatives.
<b>Staffing Impact:</b> 1 Temporary, Full Time - Non-Union Total Cost of Staffing Position: \$88,000 Staffing Implementation Date: January 01, 2019 The addition of this role remains within the 2019 Regional Guidance, with the NRH Owned-Units & NRH Housing Programs division supporting the cost of the pilot program.



# 2019

## Budget Review Committee Court Services

January 31, 2019

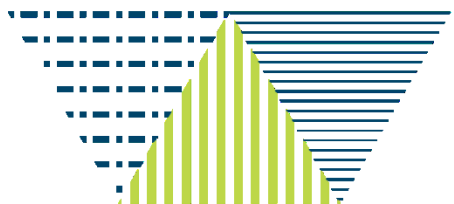
# 2019 Organization Overview

## **Court Services Goals:**

- To achieve excellence in leadership, collaboration & relationships working as One Team
- To foster engagement through open communication, empowerment and innovation and
- To deliver fair, accessible & respectful customer service

## **2019 Objectives:**

- Leverage technology
- Review Court Services operations and processes
- Stakeholder relationships
- Finalize transition to the new courthouse
- Utilize all methods to enforce the orders of the Court

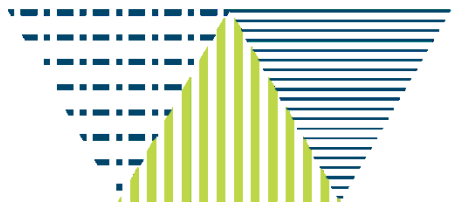


# 2019 Operating Budget

## Year-over-year

- In accordance with Council's budget guidance of 1.5%-2% increase
  - Decrease of 11.1% - net revenue increase for Region of \$60,000

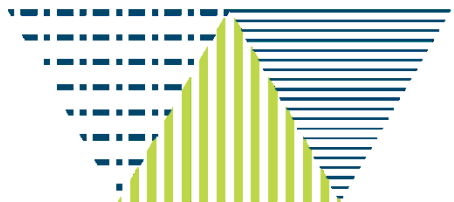
Object of Expenditure	(in 000's)	2018 Approved Budget	2019 Budget	Change
Gross Expenditure		4,888	4,901	13
Gross Revenue		(6,740)	(6,740)	-
Net Expenditure/(Revenue)		(1,852)	(1,839)	13
Indirect Allocation		1,307	1,234	(73)
Total		(545)	(605)	(60)



# 2019 Operating Budget

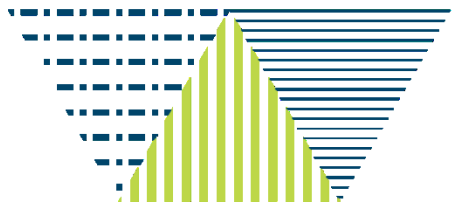
Base budget change - \$60,304 (11.1%) net revenue increase

- No change in gross revenue
- \$39K increase in personnel costs
- \$8K increase in operational and supply expenses (i.e. distribution to LAMS, offset by decrease in amounts collected on behalf of and paid to other POA)
- \$33K net decrease in administrative costs (i.e. adjudication, mileage, MAG costs, offset by increases in Part III prosecution costs)
- \$73K decrease in indirect allocations (i.e. debt charges offset by other indirect increases)
- \$1K other savings



# Risks and Opportunities

- Decline in pre-paid fines and charges laid by enforcement agencies
- Impacts of local economy on ability to pay fines
- Finalize transition to the new courthouse
- Manage operating costs/efficiency gains
- Utilize all methods to enforce the orders of the Court



# Full-time Equivalent (FTE) Summary

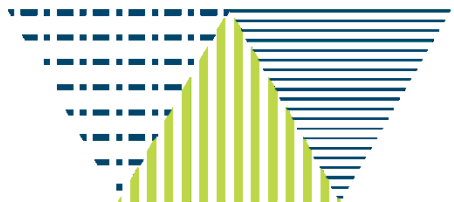
No change to FTEs for 2019

## Permanent

FTE	
2018 Total	26.0
Change Base	-
2019 Total	26.0
% Change	0.0%

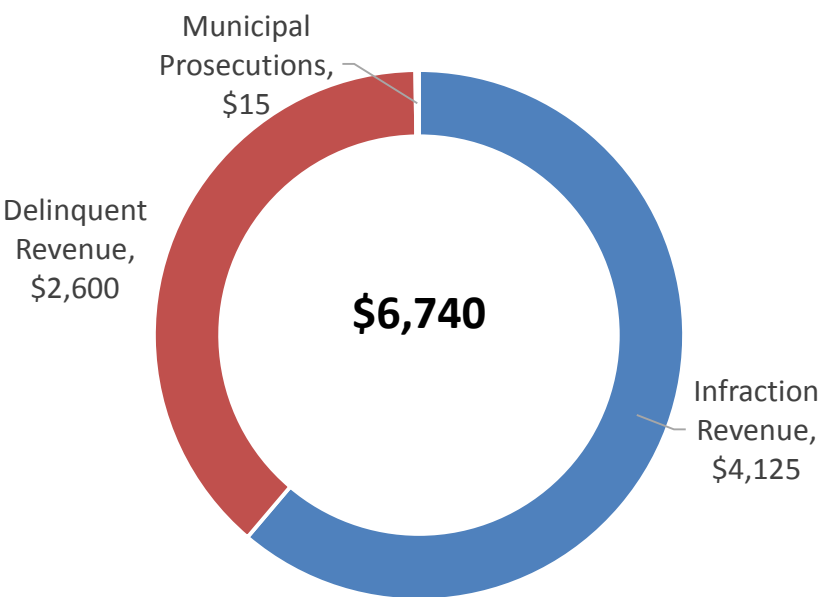
## Temporary

FTE	
2018 Total	-
Change Base	-
2019 Total	-
% Change	0.0%

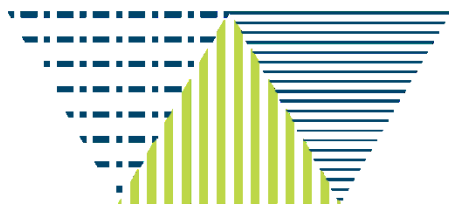
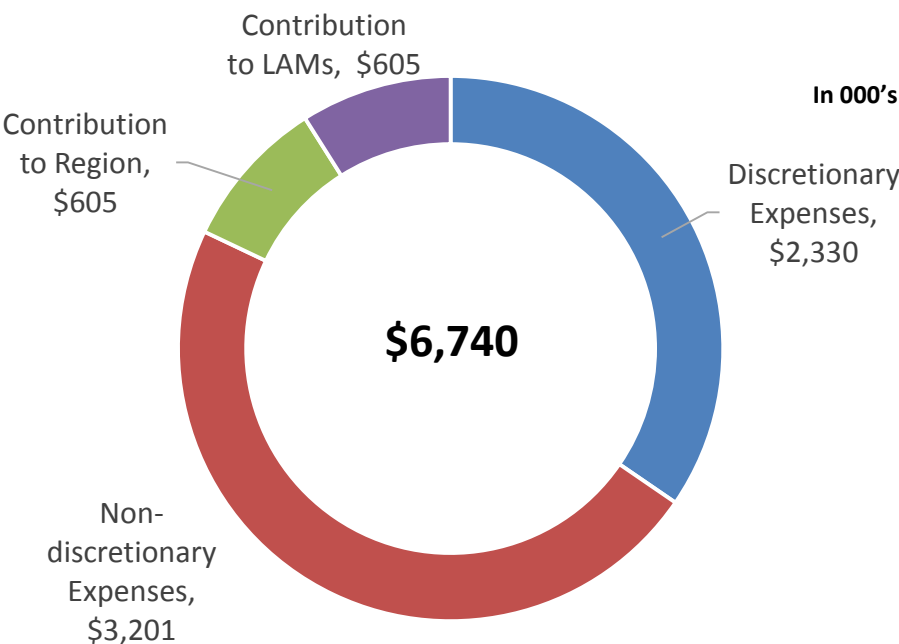


# 2019 Budget Summary

Where the Money Comes From



Where the Money Goes

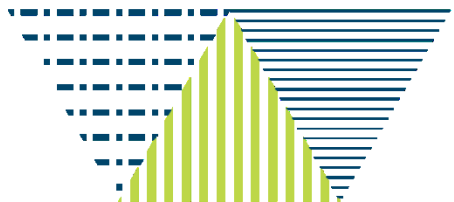


# Multi-Year Budget (2019–2021)

Object of Expenditure (in 000's)	2019	2020	2021
<b>Gross Expenditure</b>	<b>4,901</b>	<b>4,898</b>	<b>4,910</b>
Other Revenue	(6,740)	(6,740)	(6,740)
<b>Net Expenditure/(Revenue)</b>	<b>(1,839)</b>	<b>(1,842)</b>	<b>(1,830)</b>
Indirect Allocation	1,234	1,313	1,343
<b>Total</b>	<b>(605)</b>	<b>(529)</b>	<b>(487)</b>
Increase over prior year \$		76	42
Increase over prior year %		-12.6%	-7.9%

## Multi-Year Budget Highlights:

- Revenue projected to remain at 0% change in 2020 and 2021
- Gross expenses decrease 0.1% in 2020 and 0.5% increase in 2021 due to inflation in some expenses and employee compensation





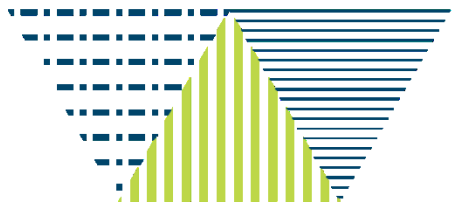
Questions?

**Monica Ciriello**

Manager, Court Services

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**Subject:** Court Services – 2019 Budget Report

**Report to:** Budget Review Committee of the Whole

**Report date:** Thursday, January 31, 2019

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## Recommendations

That the 2019 Court Services gross operating budget of \$6,135,214 and net budgeted revenue of \$604,786, as outlined in **Appendix 1, BE APPROVED.**

## Key Facts

- Pursuant to Section 7 of the Niagara Region Courts Inter-municipal Agreement (the “Inter-municipal Agreement”):
  - The Manager, on behalf of the Agent, shall prepare an annual budget for the Program setting out estimated operating and capital costs, and projected revenue from fines, fees, applicable grants, subsidies and other revenues.
  - The budget shall be submitted to the Board for approval.
  - Following Board endorsement, the budget shall be submitted to Regional Council for approval.
- Under the provisions of the Memorandum of Understanding (the “MOU”), the Local Side Agreement and the Inter-municipal Agreement, the Regional Municipality of Niagara (the “Region”) acts as an agent on behalf of the twelve local area municipalities, and administers Provincial Offences Courts located in the City of St. Catharines and Welland.
- Court Services staff administers a high volume of violations under *the Highway Traffic Act*, *the Trespass to Property Act*, *the Liquor License Act*, municipal bylaws, other provincial and federal offences and more serious matters such as charges under *the Compulsory Automobile Insurance Act*, *the Environmental Protection Act*, *the Fire Prevention and Protection Act* and *the Alcohol and Gaming Control Act*.
- If Budget Review Committee of the Whole approves the 2019 budget, the benefits include:
  - A 2019 distribution level for net revenue forecasted at \$604,786 to the area municipalities and \$604,786 to the Region which is an increase in net revenue of 11.1% over 2018 thereby a better outcome than the budget guidance provided by Council.

- It upholds Niagara Region's obligation in the MOU with the Ministry of the Attorney General (the "MAG") to provide an acceptable level of customer service and access to justice despite the following budget pressures:
  - a decrease in the number of pre-paid fines;
  - an increase in labour costs; and
  - the ongoing funding of debt financing for the new courthouse from the Court Services revenue.

### **Financial Considerations**

It is anticipated that revenue generated from the payment of fines and the debt financing obligation for the new courthouse will remain consistent in 2019 with the 2018 budgeted amounts, and that there will be an overall decrease in operating expenses, resulting in a budgeted net revenue of \$604,786 to the Region. The amount of \$604,786 will also be provided to the local area municipalities to be distributed based on the 2019 proportionate share of assessment value for the municipalities as outlined in **Appendix 2**.

It is important to note that Court Services generates revenue and continues to be self-funded and therefore is not reliant on the levy budget. All net revenue is shared, with 50% going to the Region and 50% going to the local area municipalities. The 2019 budget as presented has a \$60,304 or 11.1% increase in net Regional revenue and is within Regional Council's guidance of 1.5% to 2% of net base budget, which would equate to a net revenue decrease of \$8,200.

The forecasted budget will maintain an acceptable level of customer service and access to justice.

### **Analysis**

The total operating expenses for service delivery are budgeted with an overall decrease of 1.1% and there is no changes in revenues, resulting in a decrease in the net operating budget before indirect allocations of 2%. The net revenue is further increased by a forecasted decrease in the indirect allocations for administrative support costs and capital financing.

	2019	2018	\$ Change	% Change
Total Expenses (excluding Dist. to LAMs)	\$ 4,296,372	\$ 4,343,653	\$ (47,281)	(1.1)%
Total Revenues	\$ (6,740,000)	\$ (6,740,000)	\$ -	0.0%
Net Base	\$ (2,443,628)	\$ (2,396,347)	\$ (47,281)	2.0%
Indirect Allocations & Debt Charges	\$ 1,234,056	\$ 1,307,383	\$ (73,327)	(5.6)%
<b>Total Net Revenue</b>	<b>\$ (1,209,572)</b>	<b>\$ (1,088,964)</b>	<b>\$ (120,608)</b>	<b>11.1%</b>
50% Distribution to LAMs	\$ 604,786	\$ 544,482	\$ 60,304	11.1%
<b>Net Revenue - Niagara Region</b>	<b>\$ (604,786)</b>	<b>\$ (544,482)</b>	<b>\$ (60,304)</b>	<b>11.1%</b>

Revenue budget is forecasted to remain constant in 2019. A new process to encourage the timely payment of fines prior to default, as well as some increased fine revenue from the plate denial initiative implemented effective May 1, 2017, will assist to offset the ongoing decrease in charges laid by enforcement agencies at this time (9% year to date) and a 14% decrease in the number of charges that are pre-paid. Also, 4.5% of Part 1 charges, although down from 5.8 % in 2017 are challenged in court, which delays revenue from being realized.

An early resolution (ER) option was introduced in 2012 and although this option assists with reducing the cost to administer a charge through the system, it also contributes to a decrease in revenue as one of the potential outcomes of an ER meeting with the prosecutor is the reduction of the fine amount. Outstanding fine amounts continue to increase annually despite an enhanced focus and varied approach to enforcement. For example, Court Services has leveraged the opportunity to collect on some of its delinquent fines through a partnership with the majority of the local area municipalities through the “add to tax roll” initiative. The exception is the City of Niagara Falls, which declined to enter into an Agreement with the Region to participate in this initiative. The majority of the partnerships with the participating local area municipalities have been in place since and to date they have successfully collected \$701,464.11 in delinquent fines. As set out in this report, these funds are split between Niagara Region and all local area municipalities, including the City of Niagara Falls. In addition, Court Services also utilizes demand notices, suspends driver’s licenses, uses third party collection agencies, and various methods of civil enforcement including garnishments and Writs of Seizure and Sale to bind lands to try to collect delinquent fines.

The decrease in operating expenses will be realized as a result of adjustments to interpreter and adjudication costs, as well as the e-ticketing initiative as it becomes more widely used by the Niagara Regional Police officers.

Court Services continues to operate facilities in both the City of Welland and St. Catharines. As of October 1, 2018, a new Court Master Plan was implemented by the Local Administrative Justice of the Peace, which directs that all matters be scheduled in Welland, and therefore only counter service is offered at the St. Catharines courthouse (with the court room being available for long trial/overflow matters on an as-needed basis). In the spring of this year, a Report will be brought to the Joint Board of Management and Regional Council related to the St. Catharines facility, as the lease at this location expires on October 31, 2019.

There is no planned contribution to the Court Services Reserve Fund in 2019 as a result of the initiation of debt financing for the new courthouse. Net revenue previously allocated to reserve is being directed to pay for debt financing on the new courthouse and is included in the indirect allocation expenses. The debt servicing costs for the new courthouse in 2019 are consistent with the charges for 2018. The balance of indirect administrative support cost overall reductions of \$73,321 relate to lower distribution of operating and capital allocations from other departments. This reduction in the indirect allocations from corporate support services assists with the overall increase in net revenue forecasted in 2019.

The multi-year budget for 2020 forecasts a 0% increase in revenue and a 1.3% increase (or \$79,223) in gross expenditures, with forecasted net revenue for each of the Niagara Region and the local area municipalities at \$525,563. This is based on the assumption that revenues will remain constant at their current rate with initiatives such as the new enforcement through plate denial.

In 2021, there is a 0% increase in revenue and a 0.7% increase (or \$42,265) in gross expenditures forecasted. The forecasted net revenue available to both the local area municipalities and the Niagara Region would be \$483,298 in 2021.

### **Alternatives Reviewed**

Further reduction in discretionary expenses would result in the Niagara Region not being able to meet its obligations under the Memorandum of Understanding with the Ministry of the Attorney General to properly and adequately administer the Provincial Offences Court in Niagara.

### **Other Pertinent Reports**

- JBM (C) 11-2017 Court Services – 2018 Budget Report

*This report was prepared in consultation with Sara Mota, Program Financial Specialist, and reviewed by Donna Gibbs, Director, Legal and Court Services and Helen Chamberlain, Director of Financial Management and Planning.*

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**Prepared by:**

Monica Ciriello  
Manager, Court Services  
Enterprise Resource Management  
Services

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**Recommended by:**

Todd Harrison, CPA, CMA  
Commissioner/Treasurer  
Enterprise Resource Management  
Services

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**Submitted by:**

Ron Tripp, P. Eng.  
Acting, Chief Administrative Officer

*This report was prepared in consultation with Sara Mota, Program Financial Specialist, and reviewed by Donna Gibbs, Director, Legal and Court Services and Helen Chamberlain, Director of Financial Management and Planning.*

**Appendices**

Appendix 1	Schedule of Expenditures and Revenue; Courts 2017 Actuals; 2018 budget and Q3 Forecast and 2019 budget	Page 6
Appendix 2	MPAC Municipal Assessment for 2019	Page 7

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	2017 Actual	2018		2019						
	Total	Q3 Forecast Total	Budget Total	Base Services	Base Variance	Base Variance %	Budget Total Program Changes	Total	Total Variance	Total Variance %
A_40000AB Compensation	1,882,140	1,804,399	1,999,716	2,039,232	39,516	2.0%	-	2,039,232	39,516	2.0%
A_41000AB Administrative	2,029,875	1,882,752	1,866,835	1,834,060	(32,775)	(1.8%)	-	1,834,060	(32,775)	(1.8%)
A_44000AB Operational & Supply	908,243	1,253,215	920,982	928,536	7,554	0.8%	-	928,536	7,554	0.8%
A_50000AB Occupancy & Infrastructure	6,875	-	-	-	-	-	-	-	-	-
A_52000AB Equipment, Vehicles, Technology	10,392	6,845	500	500	-	-	-	500	-	-
A_58000AB Financial Expenditures	141,179	138,350	109,000	108,000	(1,000)	(0.9%)	-	108,000	(1,000)	(0.9%)
A_60000AC Allocation Between Departments	(2,027)	(6,569)	(8,899)	(9,170)	(271)	3.0%	-	(9,170)	(271)	3.1%
<b>Gross Expenditure Subtotal</b>	<b>4,976,677</b>	<b>5,078,992</b>	<b>4,888,135</b>	<b>4,901,158</b>	<b>13,024</b>	<b>0.3%</b>	<b>-</b>	<b>4,901,158</b>	<b>13,024</b>	<b>0.3%</b>
A_34950AB Other Revenue	(6,813,208)	(7,282,663)	(6,740,000)	(6,740,000)	-	-	-	(6,740,000)	-	-
<b>Gross Revenue Subtotal</b>	<b>(6,813,208)</b>	<b>(7,282,663)</b>	<b>(6,740,000)</b>	<b>(6,740,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,740,000)</b>	<b>-</b>	<b>-</b>
<b>Net Expenditure (revenue) before indirect allocations</b>	<b>(1,836,531)</b>	<b>(2,203,671)</b>	<b>(1,851,865)</b>	<b>(1,838,842)</b>	<b>13,024</b>	<b>(0.7%)</b>	<b>-</b>	<b>(1,838,842)</b>	<b>13,024</b>	<b>(0.7%)</b>
A_70000AC Indirect Allocation	717,809	610,279	624,332	680,775	56,443	9.0%	743	681,518	57,186	9.2%
A_70200AC Capital Financing Allocation	628,839	682,833	683,052	552,538	(130,514)	(19.1%)	-	552,538	(130,514)	(19.1%)
<b>Allocation Subtotal</b>	<b>1,346,648</b>	<b>1,293,112</b>	<b>1,307,383</b>	<b>1,233,313</b>	<b>(74,070)</b>	<b>(5.7%)</b>	<b>743</b>	<b>1,234,056</b>	<b>(73,328)</b>	<b>(5.6%)</b>
<b>Net Expenditure (revenue) after indirect allocations</b>	<b>(489,883)</b>	<b>(910,559)</b>	<b>(544,482)</b>	<b>(605,529)</b>	<b>(61,047)</b>	<b>11.2%</b>	<b>743</b>	<b>(604,786)</b>	<b>(60,304)</b>	<b>11.1%</b>
FTE - Reg			26.0	26.0	-		-	26.0	-	
FTE - Temp			-	-	-		-	-	-	

## 2019 Court Distribution to Area Municipalities

### 2019 Budget

Area Municipality	2019	Apportioned	Budget	Budgeted Distribution by Quarter			
	Assessment		Total	March	June	September	December
Niagara Falls	\$11,423,994,476	19.50%	\$117,933.28	\$29,483.32	\$29,483.32	\$29,483.32	\$29,483.32
Port Colborne	\$1,883,392,977	3.21%	\$19,413.64	\$4,853.41	\$4,853.41	\$4,853.41	\$4,853.41
St. Catharines	\$14,860,665,217	25.36%	\$153,373.72	\$38,343.43	\$38,343.43	\$38,343.43	\$38,343.43
Thorold	\$2,327,497,177	3.97%	\$24,010.00	\$6,002.50	\$6,002.50	\$6,002.50	\$6,002.50
Welland	\$4,719,658,916	8.05%	\$48,685.28	\$12,171.32	\$12,171.32	\$12,171.32	\$12,171.32
Fort Erie	\$3,781,255,244	6.45%	\$39,008.68	\$9,752.17	\$9,752.17	\$9,752.17	\$9,752.17
Grimsby	\$4,562,453,495	7.78%	\$47,052.36	\$11,763.09	\$11,763.09	\$11,763.09	\$11,763.09
Lincoln	\$3,794,236,761	6.47%	\$39,129.64	\$9,782.41	\$9,782.41	\$9,782.41	\$9,782.41
NOTL	\$5,294,306,150	9.03%	\$54,612.16	\$13,653.04	\$13,653.04	\$13,653.04	\$13,653.04
Pelham	\$2,698,198,822	4.60%	\$27,820.16	\$6,955.04	\$6,955.04	\$6,955.04	\$6,955.04
Wainfleet	\$1,086,036,827	1.85%	\$11,188.56	\$2,797.14	\$2,797.14	\$2,797.14	\$2,797.14
West Lincoln	\$2,188,974,902	3.73%	\$22,558.52	\$5,639.63	\$5,639.63	\$5,639.63	\$5,639.63
<b>Total</b>	<b>\$58,620,670,964</b>	<b>100.00%</b>	<b>\$604,786.00</b>	<b>\$151,196.50</b>	<b>\$151,196.50</b>	<b>\$151,196.50</b>	<b>\$151,196.50</b>



# Niagara Regional Police Service

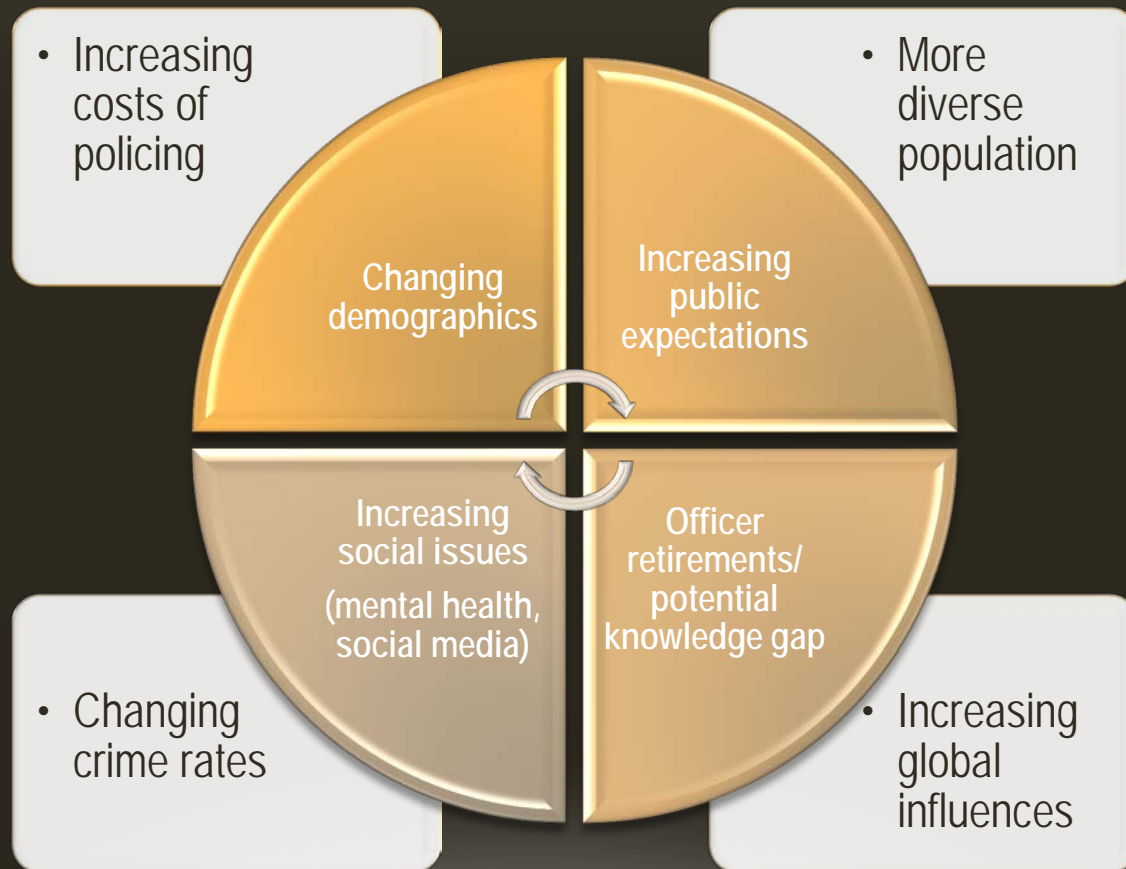
## 2019 Proposed Operating Budget Presentation

Regional Municipality of Niagara  
BRCOTW

January 31, 2019



# CHANGING CLIMATE OF PUBLIC SAFETY



Source: KPMG Toronto Police Organizational Review



# 2019 BUDGET APPROACH

1

Examine the current situation

2

Resources; find efficiencies or enhance our service delivery model

3

Identify risks associated with program reductions or eliminations

- Business plan
- Police Act – Adequacy Standards
- Region's Strategic Priorities



# 2019 BUDGET OBJECTIVE

- The foundation of the 2019 Operating Budget was consistent with prior years; the Service is mandated to uphold all Adequacy Standards set out in the *Police Services Act*, while providing adequate and effective policing to the community.



# PROGRAM MODEL REVIEW AND RISK ASSESSMENT

- Front-line/First Response
- Investigative and Emergency Services
- Other support and administrative functions



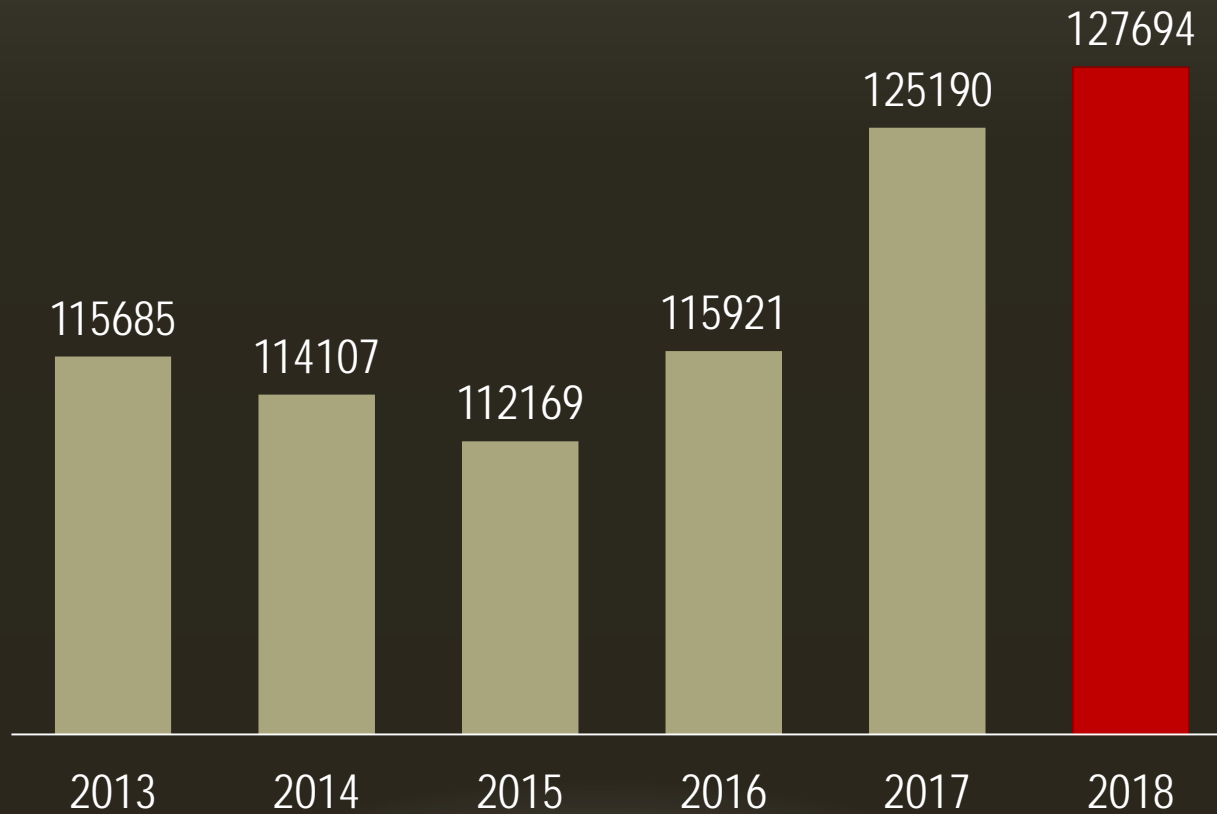
# SERVICE DELIVERY MODEL

Investigative Support	Emergency Services	Support Services	Administrative Services
<ul style="list-style-type: none"> <li>• Sexual Assault Unit</li> <li>• Homicide Unit</li> <li>• Forensic Services</li> <li>• Central Fraud</li> <li>• Child Abuse Unit</li> <li>• Domestic Violence Unit</li> <li>• Offender Management Unit</li> <li>• eCrimes Unit</li> <li>• Crime Analysis</li> <li>• Special Investigative Services</li> </ul>	<ul style="list-style-type: none"> <li>• Traffic Management &amp; Road Safety</li> <li>• Marine Unit</li> <li>• Canine Unit</li> <li>• Emergency Task Unit</li> <li>• Explosive Disposal Unit</li> <li>• Underwater Search &amp; Recovery Unit (Dive)</li> </ul>	<ul style="list-style-type: none"> <li>• Courts Services</li> <li>• Prisoner Management</li> <li>• Central Holding</li> <li>• Communications/911</li> <li>• Training</li> <li>• Corporate Communication</li> <li>• Quality Assurance</li> <li>• Provincial Offences Act Unit</li> <li>• Video Unit</li> <li>• Recruiting Unit</li> <li>• Professional Standards</li> <li>• Records Unit</li> <li>• Policy and Risk</li> </ul>	<ul style="list-style-type: none"> <li>• Technology Services</li> <li>• Human Resources</li> <li>• Finance and Quartermaster</li> <li>• Fleet</li> </ul>

*\* Programs impacted by Provincial Adequacy Standards*



# CALLS FOR SERVICE





# WORK IN PROGRESS – 2019 AND BEYOND

- First Responders' Workload Analysis/Managing Patrol Performance (MPP)
- Service Delivery Model Review





# SERVICE DELIVERY EFFICIENCIES/ PROGRAM CHANGES



# 2019 PROPOSED OPERATING BUDGET

	\$	% Increase
2018 Budget (Restated)	\$138.4M	
Normal Inflationary and Contractual Increases	\$4.8M	3.5%
Proposed Budget before Capital Levy Restoration and Program Changes	\$143.2M	
Capital Levy Transfer Restoration	\$1.1M	0.8%
Proposed Budget before Program Changes	\$144.3M	
Program Changes	\$3.1M	2.2%
2019 Proposed Budget	\$147.4M	6.5%



# PROGRAM CHANGES – 2.2% INCREASE

Description	Uniform	Civilian	Net Total	Budget Impact
2 D/PC Human Trafficking	2.00	-	\$300,240	0.2%
2 D/PC Sexual Assault Unit	2.00	-	300,240	0.2%
Corporate Clinical Psychologist	-	1.00	152,904	0.1%
Recruiting Clerk	-	1.00	78,108	0.1%
Transfer By-Law/Licensing Unit to Region	(3.00)	(2.00)	NIL	0.0%
Realignment of Records Staffing	-	-	13,025	0.0%
Network Infrastructure IT Manager	-	1.00	155,235	0.1%
Workload Communications Study Realignment	-	3.00	459,832	0.3%
Real Time Operations Centre	-	8.00	834,017	0.6%
Emerging Legislation	-	-	250,000	0.2%
1 District Downtown Foot Patrol	2.00	-	270,194	0.2%
School Resource Officers	2.00		260,994	0.2%
Total Program Changes	5.00	12.00	\$ 3,074,789	2.2%

# 6.5% = CONTINUED



# RISKS

- Capital Funding Restoration
- Casino District Agreement
- Provincial Funding
- Legislative Changes
- Implementation of Business Plan
- Investigative Complexities
- Technology Enhancements and Innovations
- Unfunded Liabilities
- Front Line Policing and Communications Workload Studies



# OPPORTUNITIES

- Service Delivery Review
- Future Partnerships and Shared Services Agreements
- Implementation of Business Plan
- Technology Enhancements and Innovations
- Provincial Funding
- Front Line Policing Workload Study





# QUESTIONS?





REGIONAL MUNICIPALITY OF NIAGARA  
**POLICE SERVICES BOARD**

5700 VALLEY WAY, NIAGARA FALLS, ONTARIO L2E 1X8

Tel: (905) 688-4111 • Toll Free: 1-888-668-3911 • Fax: (289) 248-1011  
 psb@niagarapolice.ca • www.niagarapolice.ca

January 24, 2019

Ms. Ann-Marie Norio, Regional Clerk  
 Regional Municipality of Niagara  
 1815 Sir Isaac Brock Way  
 P.O. Box 1042  
 Thorold, ON  
 L2V 4T7

**Re: 2019 Proposed Operating Budget  
 Niagara Regional Police Service and Police Services Board**

Dear Ms. Norio:

At its Public Meeting held January 24, 2019, the Niagara Police Services Board considered Service Report 21/2019 dated January 18, 2019 providing the Board with the proposed 2019 Operating Budget for the Police Service and the Board resulting in a total net expenditure budget before indirect allocations of \$147,420,210, an increase of 6.5%.

The following motion was passed:

**'That the Board approve the proposed 2019 Operating Budget for the Police Service and the Board resulting in a Total Net Expenditure Budget before Indirect Allocations of \$147,420,210, an increase of 6.5%;**

**And further, that the 2019 Operating Budget for the Police Service and the Board be submitted to Regional Council for approval.**

**Carried.'**

Further to Board direction, I would ask that you take the necessary action.

A copy of the report is enclosed.

Yours truly,

Deb Reid  
 Executive Director

Encl.

c: Mr. T. Harrison, Commissioner/Treasurer, Enterprise Resource Management, RMON





## NIAGARA REGIONAL POLICE SERVICE

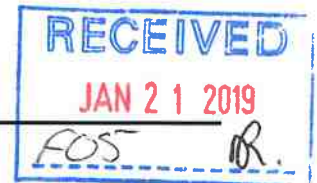
### Police Services Board Report

Report 21/2019  
PUBLIC AGENDA

**Subject:** Amended 2019 Niagara Regional Police Service and Board  
Proposed Operating Budget

**Report To:** Chair and Members, Niagara Police Services Board

**Report Date:** 2019-01-18



#### Recommendation(s)

That the Police Services Board receive and approve the proposed 2019 Operating Budget for the Police Service and Board resulting in a Total Net Expenditure Budget before Indirect Allocations of \$147,420,210, an increase of 6.5%.

#### Key Facts

- Under the provisions of the *Ontario Police Services Act* (Act), the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara.
- In accordance with Section 39 of the Act, the Board submits a funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.
- The Proposed 2019 Operating Budget of \$147.4 million reflects the cost of executing our mandate to uphold all Adequacy Standards set by the Act, while providing effective policing to the community.

#### Financial Considerations

The proposed total consolidated net expenditure budget for the Niagara Regional Police Service and the Board is \$147,420,210 which is a 6.5% increase over 2018.

Police Service	\$146,660,355
Board	\$759,855
Niagara Regional Police Service and Board	\$147,420,210

#### Analysis

Under the provisions of the Act, the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara. In accordance with Section 39 of the Act, the Board submits a funding request to Regional

21/2019

2019-01-09

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Council for the upcoming year after reviewing and approving the Service's detailed budget submission.

Timelines of the Budget Process completed to date are:

- Police Service Board approved 2019 Operating and Capital Budget timelines that ensure alliance with Region Budget Calendar.
- On July 12, 2018, the Board Finance Committee adopted the Region's 2019 budget guidance, a 3.4% increase.
- On July 18, 2018, the Corporate Services Committee approved an adjustment to the Service's 2018 Operating Budget before indirect allocations from \$143.5M to \$138.4M.

The table below summarizes the adjustment which reduced the transfer to the Long Term Accommodation Reserve, recorded in the Service's Operating Budget before Indirect Allocations, by \$5.1M, and moved the expenditure to indirect expenses and debt charges within indirect allocations.

	2018 Approved Budget	Adjustment	2018 Adjusted Budget
Net Direct Expenditure before Indirect Allocation	\$143.5M	\$(5.1)M	\$138.4M
Indirect Allocation*	6.1	0.3	6.4
Capital Financing Allocation**	4.8	4.8	9.6
<b>Total Net Indirect Allocation</b>	<b>10.9</b>	<b>5.1M</b>	<b>16.0</b>
<b>2018 Net Expenditure after Indirect Allocations</b>	<b>\$154.4M</b>	<b>-</b>	<b>\$154.4M</b>

\*includes cost of facility and security support \*\*debt servicing costs

The foundation of the 2019 Operating Budget submission was consistent with prior years; the Service is mandated to uphold adequacy standards while providing adequate and effective policing to the community. As in prior years, the Service budget process included a detailed line by line rationalization and review of discretionary spending. Base budgets were prepared by program managers and are validated against prior year spending patterns. Consistent with other Regional departments, boards, agencies and commissions, the Service was faced with a number of on-going budget pressures with limited funding options. As a result, the budget reflects 2019 contractual wage and other settlements, increases to employee group and statutory benefits, inflationary price fluctuations and operational pressures detailed in the table below.

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	\$	% Increase
2018 Restated Budget	\$138.4M	
Normal Inflationary and Contractual Increases	\$4.8M	3.5%
<b>Proposed Budget before Capital Levy Restoration and Program Changes</b>	<b>\$143.2M</b>	
Capital Levy Transfer Restoration	\$1.1M	0.8%
<b>Proposed Budget before Program Changes</b>	<b>\$144.3M</b>	
Program Changes	\$3.1M	2.2%
<b>2019 Proposed Budget</b>	<b>\$147.4M</b>	

In close alignment with budget guidance, the Service would be able to achieve a proposed 3.5% increase, if not for the capital levy restoration and program changes. With the additional pressures and increased operational needs, reflected in the program changes, the final proposed budget is \$147.4M, a 6.5% increase.

#### Program Changes:

The net program change increase of 2.2% (\$3.1 million) includes:

Net Total	% Increase	
\$300,240	0.2%	Human Trafficking Unit – Increase of 2 Detective Constables to address increasing human trafficking investigation obligations.
\$300,240	0.2%	Sexual Assault Unit – Increase of 2 Detective Constables to address increasing sexual assault investigation obligations.
\$152,903	0.1%	Corporate Clinical Psychologist – Creation of a Corporate Clinical Psychologist position to oversee the Service's psychological wellness programs.
\$78,108	0.1%	Recruiting and Career Development Unit - Increase of 1 civilian position to manage increased workload demands within the unit.
\$0	0.0%	Business Licensing - The transition of the enforcement of business licensing to the Niagara Region in alignment with industry practice.
\$13,025	0.0%	Records and Information Management Unit Staffing - The implementation of identified efficiency and process improvements within the unit through staffing realignment.
\$155,235	0.1%	Network Infrastructure IT Manager – The creation of a new IT Manager position to provide for the optimal

		realignment of resources.
\$459,832	0.3%	Workload Communication Study Realignment – The creation of additional supervisor positions to provide adequate supervision in accordance with the findings and recommendations of the recent workload study recommendations.
\$834,017	0.6%	Real Time Operations Centre (RTOC) - Implementation of a full time RTOC staffing model to realize the benefits identified in one year pilot project. The RTOC will leverage technology to ensure real time situational awareness at all levels of the organization, provide actionable intelligence to first responders and support police leaders with data driven and strategic decision making.
\$250,000	0.2%	Emerging Issues Contingency - Although the Service foresees additional costs related to upcoming legislated Cannabis changes, at this time, the precise costs and/or offsetting funding are not available. To mitigate the risks associated with this and other potential legislative changes, the Service is recommending a transfer to the contingency reserve. As a result of prior year mitigation exercises, the current balance in the contingency reserve is 0 which is well below the minimum funding target.
\$270,194	0.2%	1 District Downtown Foot Patrol – Increase of 2 Constables to provide for a foot/bicycle patrol unit in downtown St. Catharines.
\$260,944	0.2%	School Resource Officer Program – Increase of 2 Constables to restore compliment and expand program to include senior elementary student population.
\$3,074,789	2.2%	Total

### Alternatives Reviewed

Do not approve.

### Relationship to Police Service/Board Strategic Priorities

Under the provisions of the Act, the Police Services Board is responsible for providing adequate and effective police services in the Regional Municipality of Niagara.

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**Relevant Policy Considerations**

In accordance with Section 39 of the Act, the Board submits a funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.

**Other Pertinent Reports**

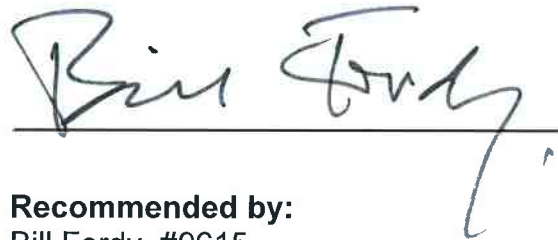
Niagara Region Budget Guidance Communication, received by the Finance Committee July 12, 2018 providing a 2019 budget guidance increase of 3.4%.

**This report was prepared in consultation with Lisa DiDonato-DeChellis, Director of Business Services.**



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**Prepared by:**  
Laura Rullo, #8897  
Manager, Finance



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**Recommended by:**  
Bill Fordy, #9615  
Deputy Chief of Police



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**Submitted by:**  
Bryan MacCulloch, M.O.M. #5835  
Chief of Police

**Appendices**

None