



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

BRCOTW 8-2019

Thursday, November 21, 2019

6:30 p.m.

Council Chamber

Niagara Region Headquarters, Campbell West

1815 Sir Isaac Brock Way, Thorold, ON

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
3. <u>PRESENTATIONS</u>	
3.1 <u>Introduction to the 2020 Levy Budget</u> Todd Harrison, Commissioner, Corporate Services	4 - 14
4. <u>DELEGATIONS</u>	
5. <u>ITEMS FOR CONSIDERATION</u>	
5.1 <u>CSD 77-2019</u> Court Services - 2020 Budget Report A presentation will precede the discussion of this item. Recommended Motion: That Report CSD 77-2019, dated November 21, 2019, respecting Court Services - 2020 Budget Report, BE RECEIVED ; and That the 2020 Court Services Operating Budget BE APPROVED in principle subject to consideration of the total tax levy for Niagara Region on December 5, 2019.	15 - 45

- 5.2 BRC-C 12-2019 46 - 67
A letter from D. Reid, Executive Director, Police Services Board, Niagara Regional Police Services, dated October 30, 2019, respecting 2020 Proposed Operating Budget Niagara Regional Police Service and Police Services Board.
- A presentation will precede the discussion of this item.
- Recommended Motion:
- That Correspondence Item BRC-C 12-2019, being a letter from D. Reid, Executive Director, Police Services Board, dated October 30, 2019, respecting 2020 Proposed Operating Budget Niagara Regional Police Service and Police Services Board, **BE RECEIVED**; and
- That the Niagara Regional Police Service 2020 Operating Budget **BE APPROVED** in principle subject to consideration of the total tax levy for Niagara Region on December 5, 2019.
- 5.3 BRC-C 13-2019 68 - 91
Presentation from the Niagara Peninsula Conservation Authority respecting Municipal Levy Apportionment.
- Recommended Motion:
- That Correspondence Item BRC-C 13-2019, being a presentation from G. Wood, Chief Administrative Officer/Secretary Treasurer, Niagara Peninsula Conservation Authority, dated November 21, 2019, respecting Proposed 2020 Operating and Capital Budgets, **BE RECEIVED**; and
- That the Niagara Peninsula Conservation Authority 2020 Municipal Levy Apportionment to Niagara Region **BE APPROVED**.
- 5.4 BRC-C 11-2019 92 - 115
A letter from W. Sendzik, Chair, Niagara Regional Housing Board of Directors, dated October 18, 2019, respecting Niagara Regional Housing 2020 Operating Budget.
- A presentation will precede the discussion of this item.
- Recommended Motion:
- That Correspondence Item BRC-C 11-2019, being a letter from W. Sendzik, Chair, Niagara Regional Housing Board of Directors, dated October 18, 2019, respecting Niagara Regional Housing 2020 Operating Budget, **BE RECEIVED**; and
- That the Niagara Regional Housing 2020 Operating Budget **BE APPROVED** in principle subject to consideration of the total tax levy for Niagara Region on December 5, 2019.

6. CONSENT ITEMS FOR INFORMATION

7. OTHER BUSINESS

8. CLOSED SESSION

9. NEXT MEETING

The next meeting will be held on Thursday, November 28, 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 Advisor at 905-980-6000 ext. 3252 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).

NIAGARA REGION BUDGET

2020

INTRODUCTION TO THE 2020 LEVY

November 21st, 2019

Purpose of Levy Overview Presentation

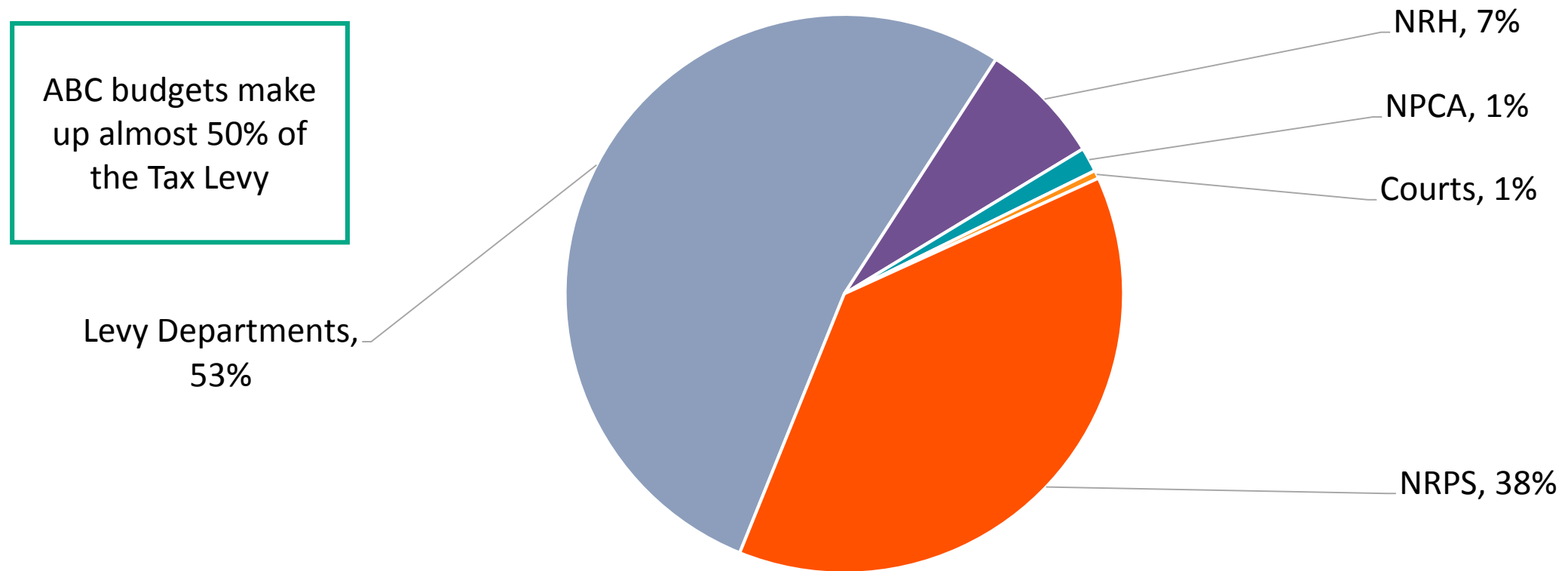
- To provide context for how the ABCs budget requests fit in to the total 2020 tax levy
- To provide timely update and understanding of the consolidated General Levy budget
- To provide opportunity for questions to be addressed to the respective ABC representatives presenting this evening

Levy Budget

- Levy budget includes:
 - Regional departments
 - ABCs (NRPS, NRH, NPCA and Court Services)
 - excludes Water, Wastewater, and Waste Management
- The 2019 Tax Levy was \$365.7 million,
 - 2% of the Levy is \$7.3 million
- The ABCs comprise 47% of the Tax Levy

Consolidated Levy Budget

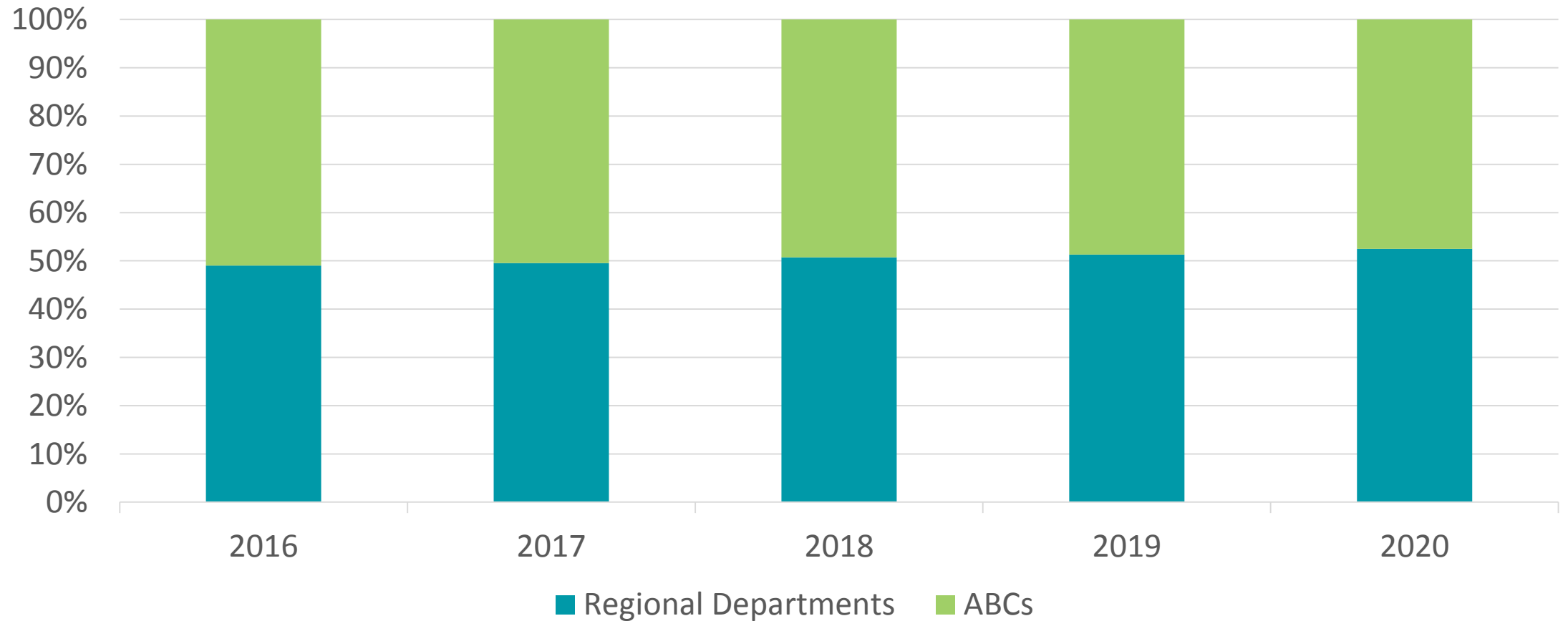
2019 Levy Distribution



*figures from 2019 budget

ABC as Percentage of Tax Levy

Levy distribution between Departments and ABCs relatively consistent



General Levy Operating Budget

Direction Based on Budget Planning

	\$	Yr/yr %	% Levy
Departments	3.7	2.0%	1.0%
ABCs	3.6	2.0%	1.0%
Subtotal	7.3	2.0%	2.0%
Net Revenue Pressure (Provincial download)	2.1		0.6%
Capital Financing (Long-term Care Debt)	5.6		1.5%
New and Enhanced Services	0.5		0.1%
Costs of Growth (including Niagara Regional Transit)	6.7		1.8%
Assessment Growth			(1.4%)
Subtotal of Changes	14.9		2.7%
Net Taxpayer Impact	22.3		4.7%

Pressures previously reported with at 2.7% in additional to 2% base direction

General Levy Operating Budget

Status as at November 21, 2019

	\$	Yr/yr %	% Levy
Base Department Increase	3.7	2.0%	1.0%
Net Revenue Pressure/download	2.1		0.6%
Capital Financing Long-term Care Debt	5.6		1.5%
New and Enhanced Services	0.5		0.1%
Costs of Growth (including NRT)	6.7		1.8%
Assessment Growth			(1.4%)
Subtotal of Regional Departments	18.7	10.0%	3.7%
NRPS	7.7	5.3%	2.1%
NPCA	0.3	5.9%	0.1%
NRH	0.6	2.0%	0.2%
Courts	(0.1)	(21.5%)	(0.0%)
Subtotal of ABCs	8.5	4.7%	2.3%
Total Budget Increase	27.1		6.0%

Region estimating
1.0% on base plus
2.7% pressures for
total of 3.7%

ABCs proposing
2.3% increase in
the levy

NRPS

Summary of Budget Submitted

	2018	2019	2020	2021
Base Budget	138.4M	144.3M	152.3M	TBD
Program Changes	-	3.1M	4.1M	
Budget Request before Deferrals	138.4M	147.4M	156.3M	TBD
Percentage Change Required		6.5%	6.6%	
2019 ¼ year deferral of 22 FTEs	-	(0.7M)	-	
2020 ½ year deferral of 40 FTEs	-	-	(1.9M)	1.9M
Budget Request after Deferrals	138.4M	146.7M	154.5M	TBD
Budget Increase		8.3M	7.7M	1.9M
Percentage Change Submitted		6.0%	5.3%	1.3%

2% increase for 2020 is \$2.9M compared to request of \$7.7M

NPCA

Summary of Budget Submitted

	2017	2018	2019	2020
Base Budget	7.1M	7.6M	7.1M	4.9M
Percentage Change		6.5%	1.8%	(10.2%)
Download of programs to Niagara Region		(0.6M)		
Reduction of Special Levy for debt charges and land acquisition			(1.6M)	
Capital Budget Special Levy Increase				0.9M
Budget Request after Reductions	7.1M	7.0M	5.5M	5.8M
Budget Increase		(0.2M)	(1.5M)	0.3M
Percentage Change		(2.2%)	(21.4%)	5.9%

2% increase for 2020 is \$0.1M compared to request of \$0.3M

Court Services and NRH

Summary of Budget Submitted

- NRH budget submission is a 2.0% increase
- Court Services budget submission is less than 2% increase
 - Courts generate a net revenue for the General Levy
 - 2020 net revenue is \$130 thousand greater than 2019 net revenue


Questions?



NIAGARA REGION BUDGET

2020

Budget Review Committee of the Whole

Court Services

November 21, 2019

Program/Service Definition

- POA Transferred on January 29, 2001
- Region is the Agent on behalf of Local Area Municipalities
- Responsible for administration of the POA program including Courts Administration, Prosecutions and Collections
- Pursuant to POA Transfer Agreements (MOU & LSA) and Inter-Municipal Agreement

PROGRAM IS:

- Self-funding not reliant on Levy
- Net revenue sharing Region 50% and LAMs 50%

Joint Board of Management

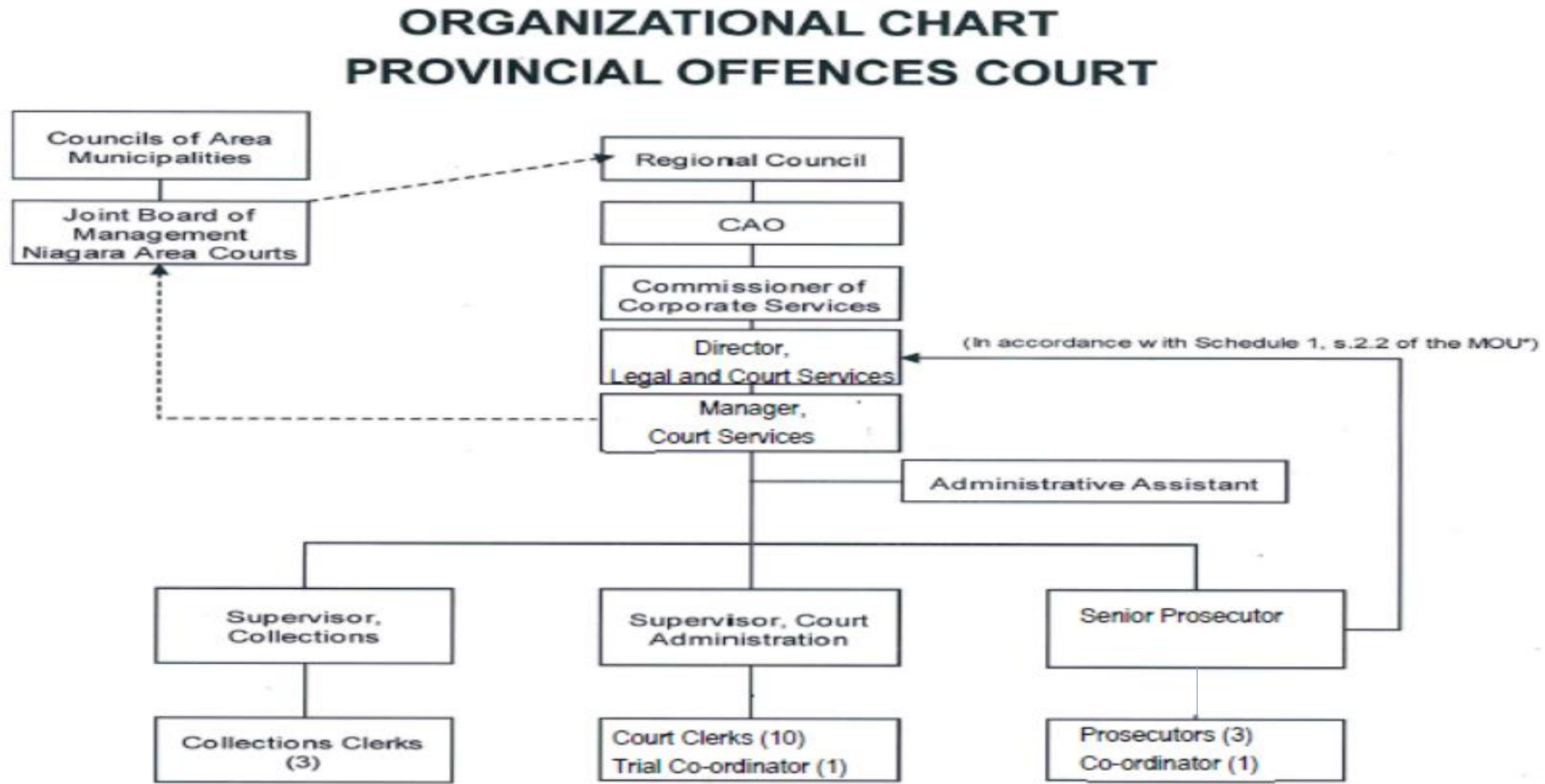
Membership – Municipal Staff Appointed (7 members)

- 4 Permanent
 - Niagara Falls, Niagara Region, St. Catharines, and Welland
- 3 Rotate yearly
 - Fort Erie, Grimsby, Lincoln, Niagara-on-the lake, Pelham, Port Colborne, Thorold, Wainfleet, and West Lincoln

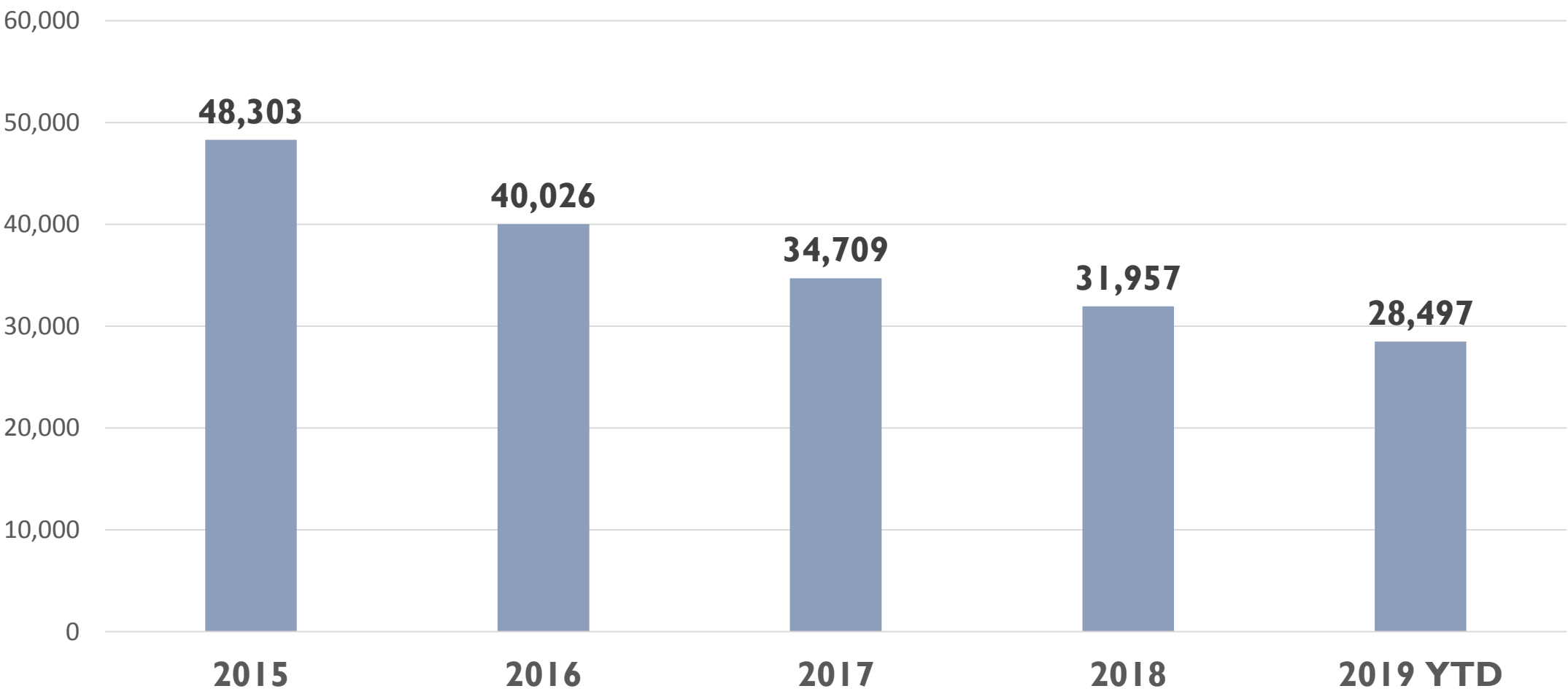
Role

- Co-ordinate performance of the Transfer Agreements
- Provide advice to the Agent
- Approve program

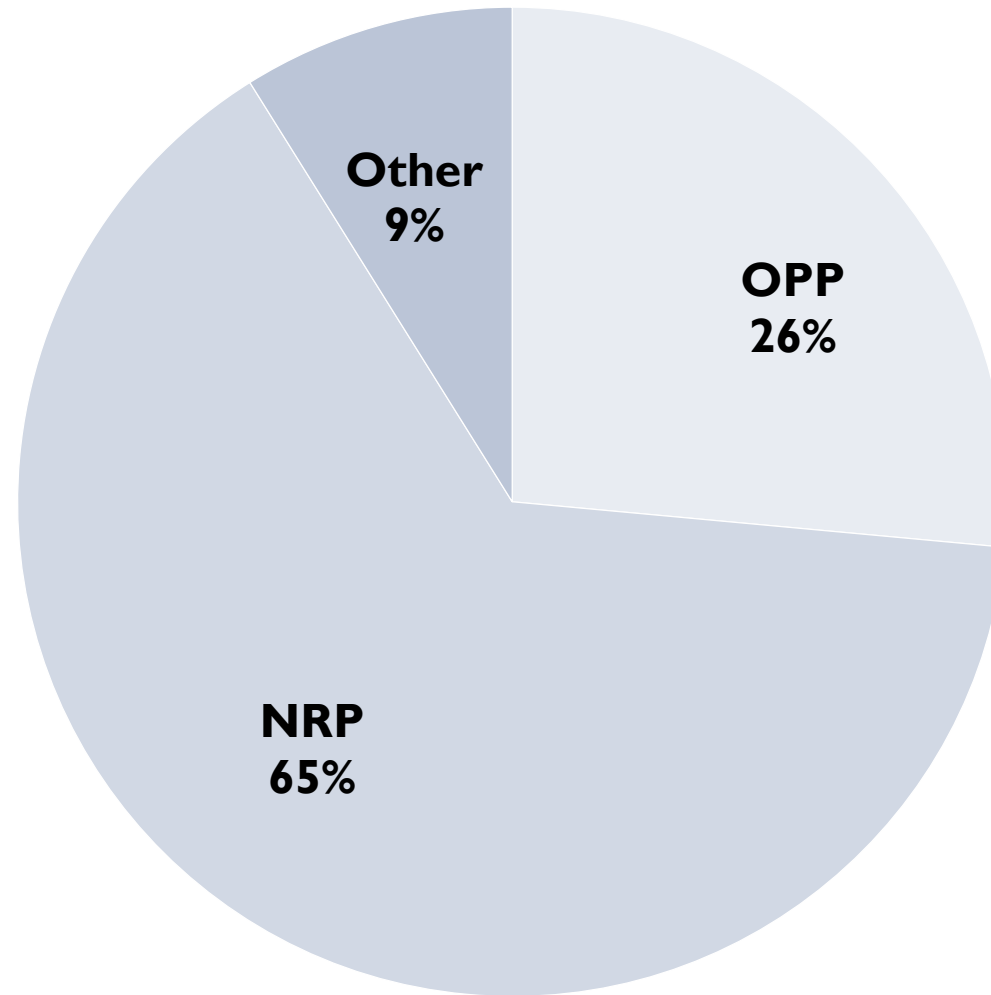
POA Organizational Chart



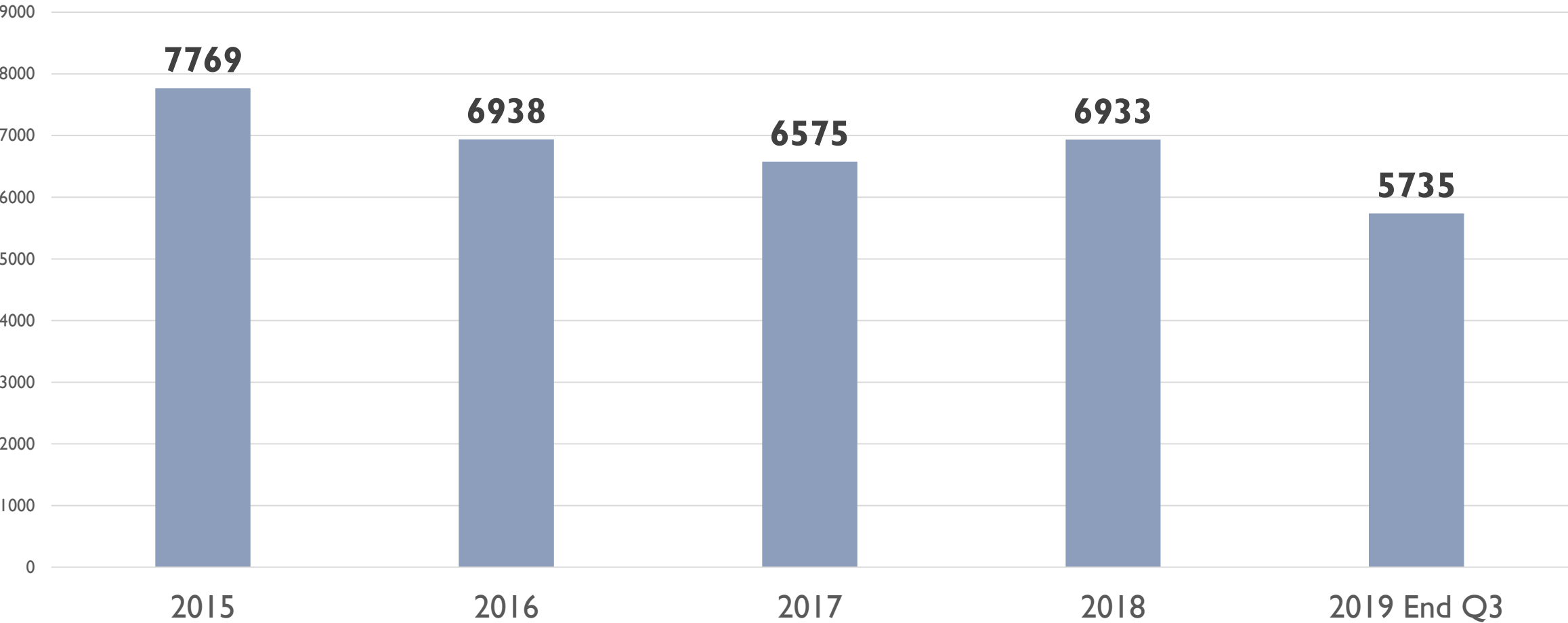
Annual Charging Volumes (2019 Q3)



2019 Charges by Enforcement Agency



New Delinquent Fines Volumes (2019 Q3)



2020 Operating Budget

Year-Over-Year Base Budget

- Recommended budget - below Council's budget planning direction of 2% increase
 - Decrease of 21.4% - Net revenue increase for Region of \$130,000

	(in 000's)	2019 Approved Budget	2020 Budget	Change
Gross Expenditure (including indirect allocations and debt charges)*	\$	6,135	\$ 6,331	\$ 195
Gross Revenue		(6,740)	(7,065)	(325)
Net Revenue	\$	(605)	\$ (734)	\$ (130)
Permanent FTE		26.0	23.0	(3.0)

* Gross expenditures include LAMs portion of surplus net revenue

Full-time Equivalent (FTE) Summary–Base Budget

Reduction of 3 Court Clerk FTEs for 2020

- Re-distribution of workloads and streamlined processes
- E-ticketing
- Consolidation of POA court services in one location

Base Permanent FTEs	
	FTE
2019 Total	26.0
Change Base	(3.0)
2020 Total	23.0
% Change	-11.5%

2020 Operating Budget Summary

Base budget changes- \$129,632 (21.4%) net revenue increase

- **Increase in gross revenue - \$325,000**

- Based on current trends, implementation of new contracts with collection agencies

- **Decrease in personnel costs - \$121,334**

- Reduction of 3 FTEs due to streamlining of processes through e-ticketing and consolidation of services in one location

- **Increase in administrative costs - \$18,669**

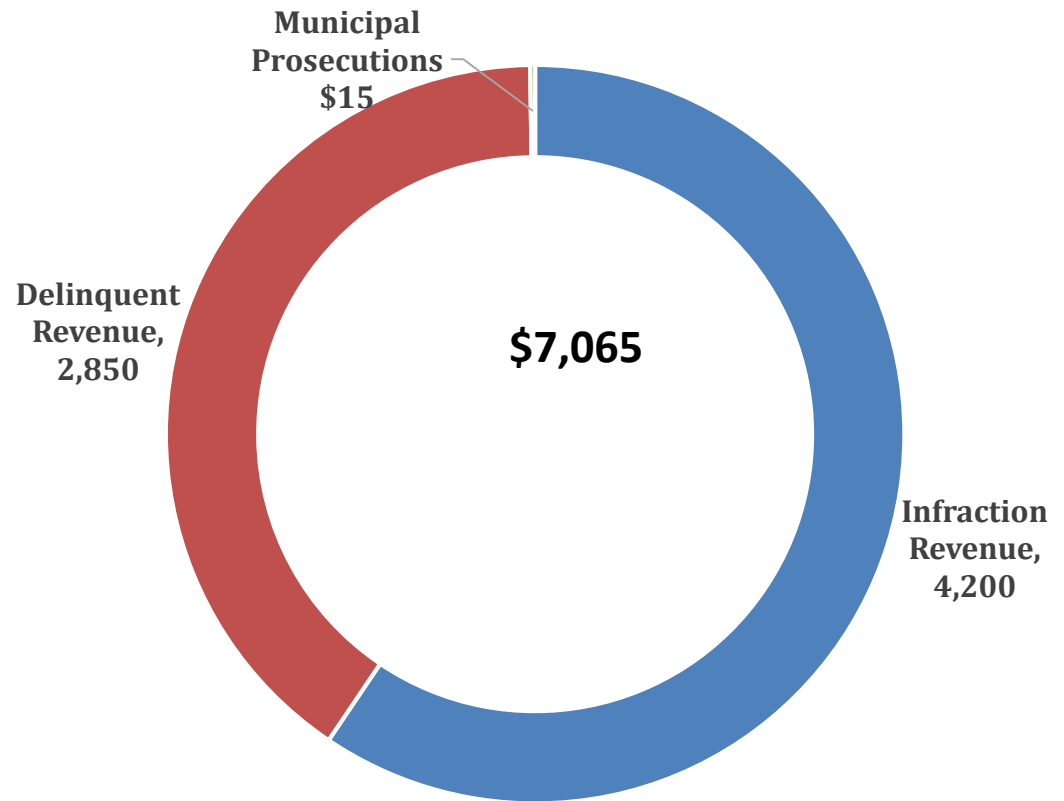
- Increase in Victim Fine Surcharge costs and credit card fees (aligns with increased revenue), offset by reductions in adjudication and interpreter costs

2020 Operating Budget Summary

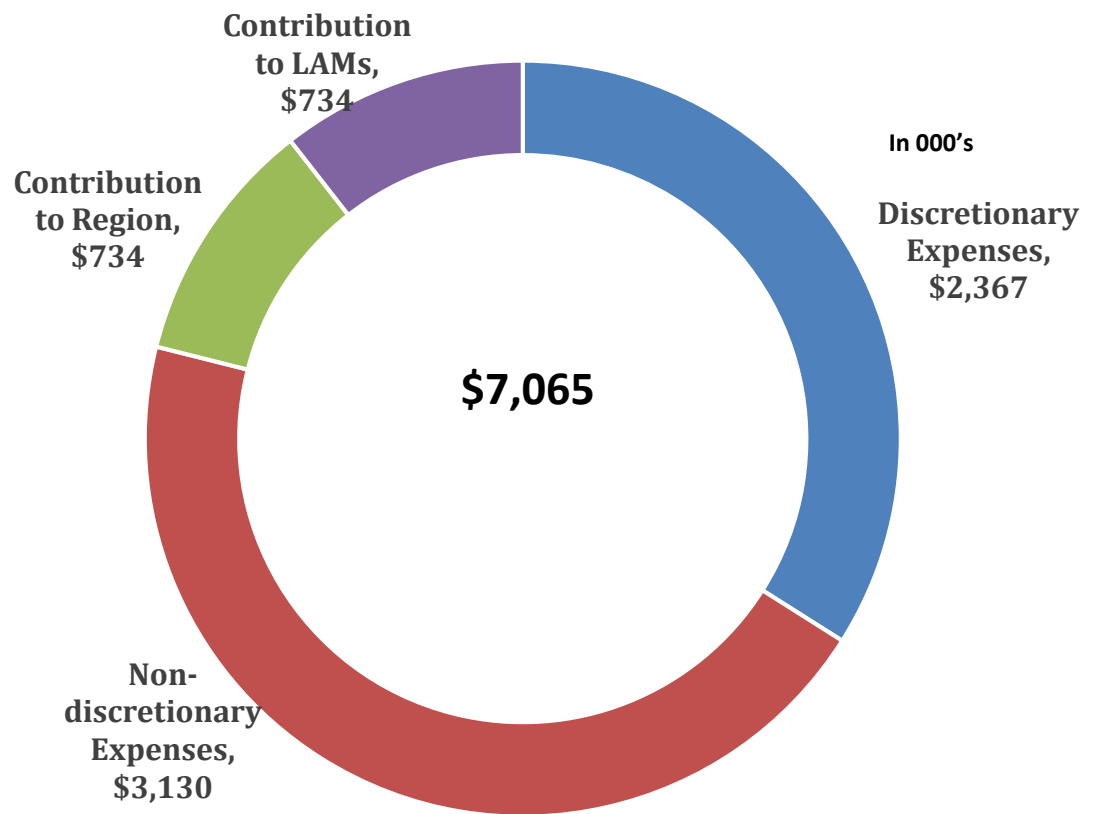
- **Increase in operational and supply expenses - \$128,132**
 - Increased distribution to LAMS resulting from increased net revenue
- **Increase in collection charges - \$50,000**
 - Aligns with projected delinquent revenue increases – paid to collection agencies
- **Decrease in indirect allocations - \$82,380**
 - Building cost savings – closure of St. Catharines courthouse
- **Transfer to Capital Reserve - \$200,000**
 - Recommended for future capital requirements

2020 Budget Summary

Where the Money Comes From (in 000's)



Where the Money Goes



2020 Operating Budget

Total With Vision Zero Program Change

- Recommended budget - below Council's budget planning direction of 2% increase
- Decrease of 21.4% - Net revenue increase for Region of \$130,000

	(in 000's)	2019 Approved Budget	2020 Budget	Change
Gross Expenditure (including indirect allocations and debt charges)*	\$	6,135	\$ 8,125	\$ 1,990
Gross Revenue		(6,740)	(8,860)	(2,120)
Net Revenue	\$	(605)	\$ (734)	\$ (130)
Permanent FTE		26.0	35.0	9.0

* Gross expenditures include LAMs portion of surplus net revenue

2020 Operating Budget

Vision Zero Road Safety Program - \$0 net revenue

- Red Light Cameras (RLC) and Automated Speed Enforcement (ASE)
- Total Estimated Program Costs (annual) - \$5 - \$5.8 million
 - Program operated by Transportation Services division - \$2.3 million
 - Equipment, ticket processing charges, MTO charges, program evaluation
 - Business Licensing division – acting as Provincial Offences Officer - \$34,000
 - Processing & delivery of tickets between Joint Processing Centre & Courts
 - Court Services – infractions issued will be processed through Niagara Region Provincial Offences Court - \$2.7 - \$3.5 million (including VFS)
 - Court administration, prosecution, adjudication, collections
- Court Services – would require the addition of 12 FTEs to support the Vision Zero program

2020 Operating Budget

Vision Zero Road Safety Program - \$0 net revenue

- Under current Inter-municipal Agreement, program would result in negative cash flow to Region
- Council has authorized staff to engage and negotiate with LAMs to amend the Agreement to be financially sustainable to Region
- Program will not proceed unless Inter-municipal Agreement can be amended
- Therefore, no net revenue has been proposed for this program
- If program proceeds, infraction revenue expected to offset total program costs of \$5 - \$5.8 million

Risks and Opportunities

- Charging volume trending higher for 2019 over 2018
 - Leverage technology and external partnership (i.e. e-ticketing)
- Increasing Volume of delinquent fines
 - New Collection Agency partnerships and placement strategies
 - Add to Tax now with all 12 LAMs
 - Focus on Civil Enforcement
- Unknown timing of POA Modernization and Part 3 Prosecution
 - Network with MCMA and PAO and Crown's office
 - Gathering statistical data to assist with future implementation
- Unknown impacts of ASE and RCL
 - Monitor program closely and develop processes focus on efficiency and leverage technology and external partnerships

Questions?

Jackie Foley

Acting Manager, Court Services

905-687-6590 Ext 1606

jackie.foley@niagararegion.ca

Subject: Court Services 2020 Operating Budget
Report to: Budget Review Committee of the Whole
Report Date: Thursday, November 21, 2019

Recommendations

1. That the 2020 Court Services gross base operating budget of \$6,330,582 and net budgeted revenue of \$734,418, as outlined in **Appendix 1, BE APPROVED.**
2. That the 2020 Court Services gross operating budget of \$1,794,747 and net operating budget of \$0 for the program change related to the implementation of the Vision Zero Road Safety Program, as outlined in **Appendix 2, BE APPROVED** subject to:
 - a. Successful completion of an amendment to the Niagara Region Courts Inter-municipal Agreement with respect to the sharing of revenue and costs of the Vision Zero program; and
 - b. Regional Council approval of both the Vision Zero Road Safety Program and the related operating budget for 2020.

Key Facts

- 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 Court.
- Niagara Region Courts Inter-municipal Agreement (the “Inter-municipal Agreement”) provides that:

Section 7 – Budget

7.1 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.

Section 8 – Apportionment of Costs and Revenue

8.1. The Agent shall be entitled to recover its costs from the gross revenues generated by the transfer of POA administration. Gross revenues shall not

include Part II Parking revenues, as otherwise provided for in Section 6 of this Agreement.

8.2 The Region shall receive 50% of the net revenues.

8.3 All Municipalities, with the exception of the Region, shall receive 50% of net revenues, and it shall be distributed on the basis of assessment.

- 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*.
- This 2020 operating budget was approved by the Joint Board of Management, Niagara Region Courts on November 18, 2019.
- If Budget Review Committee of the Whole approves the base Court Services 2020 operating budget, the benefits include a 2020 distribution level for net revenue forecasted at \$734,418 to the local area municipalities (LAMs) and \$734,418 to the Region, which is an increase in net revenue of 21.4% over the 2019 approved budget and thereby a better outcome than the budget planning direction of 2% provided by Council.
- If Budget Review Committee of the Whole approves the Court Services 2020 operating budget program change for the implementation of the Vision Zero Road Safety Program ("Vision Zero"), it is expected that public safety will be increased as a result of a change in driving behavior, contributing to road safety and reducing traffic collisions and resulting injuries or fatalities.
- Staff have determined that an amendment to the Inter-Municipal Agreement is required in order for the Vision Zero program to be financially sustainable, failing which staff will not proceed with the implementation of the program.

Financial Considerations

Base Operating Budget

The total budgeted net revenue for 2020 is \$1,468,836, to be split between the Niagara Region and the LAMs in accordance with the Inter-municipal Agreement. The amount of \$734,418 is budgeted to be distributed to the LAMs, based on the 2020 proportionate share of assessment value for the municipalities.

It is anticipated that base revenue generated from the payment of fines will increase by \$325,000 based on current trends and the implementation of new contracts with collection agencies to collect delinquent fines. Staff also anticipate an overall increase in base operating expenses, including indirect allocations, of \$65,736, as a result of increases in expenses related to the increased revenue projections such as Victim Fine Surcharge ("VFS") and Collection Agency Costs ("CAC") as well as the contribution to the Court Services Reserve in the amount of \$200,000. These increases are offset by savings to be realized through the reduction of 3 permanent FTEs and the closure of the St. Catharines courthouse in October 2019.

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. Pursuant to the Inter-municipal Agreement, net revenue is shared, with 50% going to the Region and 50% going to the LAMS. The 2020 budget as presented proposes a \$129,632 or 21.4% increase in net Regional revenue and is within Regional Council's budget planning direction of 2% of the net 2019 base budget (which would equate to a net revenue decrease of \$12,000).

Operating Budget with Vision Zero Road Safety Program

Staff in the Transportation Services division have proposed the introduction and implementation of the Vision Zero program on certain Regional roads in 2020 that is comprised of red light cameras ("RLC") and automated speed enforcement ("ASE"). Infractions issued under Vision Zero will be processed through the Niagara Region Provincial Offences Court.

Report PW 64-2019 Vision Zero Road Safety Program was presented to the Public Works Committee and approved by Council on November 14, 2019. Recommendations in PW 64-2019 include authorization to implement initiatives under Vision Zero, subject to successful negotiations with the LAMs to amend the Inter-municipal Agreement with respect to the sharing of both the revenues and the costs associated with the implementation and operation of the Vision Zero program to ensure that the program is financially sustainable to the Region. Currently, the revenue-sharing formula provided in the Inter-municipal Agreement would result in a negative cash flow for the Niagara Region.

It is important to note that the Vision Zero program will not proceed and no costs will be incurred under this program unless an agreement can be reached with the LAMs whereby the Inter-municipal Agreement is successfully amended with respect to the sharing of revenues and total program operational costs; therefore, no net revenue has been included in the proposed 2020 budget for this program change. The implementation of the program is also dependent on final approval by Regional Council of the program and the associated budget.

Revenue and costs proposed in the 2020 operating budget are estimated assuming a partial year of operation in 2020 of Vision Zero, with RLC operating for six (6) months and ASE for nine (9) months. These costs would decrease if the implementation of the program is delayed.

Based on the estimated volume of charges arising from the implementation of Vision Zero, costs associated with court administration, including the processing of tickets, prosecution, adjudication and collection services associated with the Vision Zero Program have been proposed as a program change for the 2020 operating budget (Appendix 2). Included in these costs are additional staffing (12 FTEs), contract Per Diem Prosecutors, ticket processing charges, VFS, adjudication and other administrative costs estimated at \$1.8 million for 2020.

Provided the Inter-Municipal Agreement is amended for this program, and based on the estimated charges that will be issued, it is estimated that the revenue generated from the payment of fines will be sufficient for the program to be self-funded, which includes the operational costs of the program incurred by Court Services, as well as Transportation Services and Business Licensing. The program would therefore not be reliant on the levy budget as a funding source. The implementation of the program will not negatively affect the distribution of net revenue, as proposed in the 2020 base operating budget for the current POA Court Services as outlined in Appendix 1.

Analysis

Base Operating Budget

As per Table 1 below, the total budgeted revenue is proposed to increase by 4.8% or \$325,000. Recent year-over-year trends have shown an increase in both infraction and delinquent fine revenue. Staff have therefore estimated a corresponding increase in the budgeted revenue for 2020. As set out in JBM-C 10-2019 Collection Agency RFP Results, new collection strategies will be implemented and are expected to promote increased recovery of fine payments.

Court Services has leveraged the opportunity to collect on some of its delinquent fines through a partnership with all 12 LAMs through the “add to tax roll” initiative. A total of

approximately \$845,000 in delinquent fines has been successfully collected since implementation of this initiative in 2014, which represents a 61% recovery rate. As set out in this report, these funds are split between Niagara Region and all local area municipalities.

As shown in Table 1 below, the total operating expenses for service delivery, including indirect allocations, but excluding the distribution of net revenue to the LAMs, is budgeted with an overall increase of 1.2% or \$65,736. This net decrease is the result of a combination of the following:

- Increases in expenses related to the higher revenue projections, including increased VFS and CAC.
- Transfer to the Court Services Reserve fund of \$200,000 to fund future capital requirements of the facility.
- These increases are partially offset by costs decreases as a result of:
 - Reduction of 3 full-time court clerk positions (overall reduction from 26.0 to 23.0 FTEs), which were realized through attrition. These reductions are a result of re-distribution of workloads and streamlining of processes, which were made possible through the continued expansion of the e-ticketing program and the amalgamation of Court Services locations. These initiatives will provide efficient and effective delivery of services at reduced costs.
 - Building cost savings realized through the closure of the St. Catharines Courthouse on October 31, 2019 and consolidation of operations at the newly constructed Welland Courthouse.

Table 1 – 2020 Court Services Gross & Net Budget

	2020	2019	\$ Change	% Change
Gross Operating Expenses (excluding Dist. to LAMs)	\$ 5,596,164	\$ 5,530,428	\$ 65,736	1.2%
Gross Operating Revenues	\$ (7,065,000)	\$ (6,740,000)	\$ (325,000)	4.8%
Total Net Revenue to be Allocated	\$ (1,468,836)	\$ (1,209,572)	\$ (259,264)	21.4%
50% Distribution to LAMs	\$ 734,418	\$ 604,786	\$ 129,632	21.4%
Net Revenue - Niagara Region	\$ (734,418)	\$ (604,786)	\$ (129,632)	21.4%

Staff is recommending an annual transfer to the Court Services Capital Reserve in the amount of \$200,000 in order to fund ongoing capital requirements of the facility and/or subsequent replacement in accordance with best practice in asset management. As the proposed budget reflects incremental net revenue to the Region and the Local Area Municipalities, this would be a reasonable time to consider an appropriate capital reserve strategy. This amount is based on the following assumptions:

- The current Welland facility cost was approximately \$12 million.
- With an expected service life of 40 years, the replacement of the facility could be in excess of \$25 million.
- Currently there is a balance in the Court Reserve of \$1.6 million.
- The budget remaining in the capital project for the Welland courthouse to be returned to the reserve is estimated to be approximately \$900,000.
- Debt charge budget is approximately \$531,000 and this budget can be repurposed to reserve contributions when the debt is paid off in 2042. From that time to future facility replacement, this could provide for \$7.5 million to the capital reserve.
- Remaining requirement is approximately \$15 million.
- \$200,000 today with additional inflation provided for in future operating budgets would generate an additional \$15 million in funding.

Operating Budget with Vision Zero Road Safety Program

The total Court Services operating expenses, including VFS costs, for the implementation and operation of the Vision Zero program is estimated to be approximately \$1.8 million for 2020, based on the assumed start dates of April 2020 for ASE and July 2020 for RLC and the resulting estimated volume of charges (currently

approximately 32,000 to 38,000 charges are processed per year on average by Court Services). This would include the costs for additional staffing (including Per Diem contract Prosecutors), VFS, adjudication, ticket processing and other administrative costs. There are no anticipated capital costs for Court Services to support the program.

Additional costs associated with administering and operating the Vision Zero program will also be incurred by other Regional departments in addition to Court Services, including the Transportation Services and Business Licencing divisions. These costs are estimated to be approximately \$1.7 million for 2020 and include equipment costs, ticket processing through a Joint Processing Centre, MTO charges, consulting and additional program staffing.

In anticipation of Council approval in principle of the Vision Zero program, a consolidated business case has been prepared (attached as Appendix 2) and will be included for consideration as part of the 2020 Operating Budget deliberations for the program.

Subject to successful negotiation with the LAMs with respect to the sharing of revenues and operating costs for the program, approximately 31,000 tickets will need to be issued to obtain an annual break even (cost neutral) point. The field studies conducted by Transportation Services staff have indicated that the number of speeding infractions within School Zones on Regional Roads will support the minimum required number of tickets.

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 9-2019 Court Services – 2020 Budget Report
- JBM-C 12-2019 Court Services 2020 Operating Budget
- PW 64-2019 Public Works – Vision Zero Road Safety Program

Appendices

Appendix 1	Schedule of Expenditures and Revenue; Courts 2018 Actuals; 2019 budget and Q3 Forecast and 2020 budget
Appendix 2	TRP-001 2020 Operating Business Case – Vision Zero Road Safety Program

Prepared by:

Jackie Foley
Acting Manager, Court Services
Enterprise Resource Management
Services

Recommended by:

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

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.



Schedule of Expenditures and Revenues w Q2
DeptID: D_70000A Court Services
Fiscal Year: 2020

D_70000A

	2018	2019		2020						
	Actual	Q2 Forecast	Budget	Budget						
	Total	Total	Total	Base Services	Base Variance	Base Variance %	Total Program Changes	Total	Total Variance	Total Variance %
A_40000AB Compensation	1,756,200	1,672,928	2,040,634	1,919,300	(121,334)	(5.9%)	650,404	2,569,704	529,071	25.9%
A_41000AB Administrative	1,835,136	1,794,960	1,834,060	1,852,730	18,669	1.0%	1,038,448	2,891,177	1,057,117	57.6%
A_44000AB Operational & Supply	1,295,809	1,319,037	928,536	1,059,074	130,538	14.1%	103,489	1,162,564	234,028	25.2%
A_52000AB Equipment, Vehicles, Technology	9,513	380	500	500	-	-	-	500	-	-
A_58000AB Financial Expenditures	163,314	188,969	108,000	158,000	50,000	46.3%	-	158,000	50,000	46.3%
A_75100AC Transfers To Funds	44,503	-	-	200,000	200,000	-	-	200,000	200,000	-
A_60000AC Allocation Between Departments	(7,208)	(6,228)	(9,170)	(6,890)	2,280	(24.9%)	-	(6,890)	2,280	(24.9%)
Gross Expenditure Subtotal	5,097,267	4,970,046	4,902,560	5,182,714	280,154	5.7%	1,792,341	6,975,055	2,072,495	42.3%
A_34950AB Other Revenue	(7,343,696)	(7,131,385)	(6,740,000)	(7,065,000)	(325,000)	4.8%	(1,794,747)	(8,859,747)	(2,119,747)	31.5%
Gross Revenue Subtotal	(7,343,696)	(7,131,385)	(6,740,000)	(7,065,000)	(325,000)	4.8%	(1,794,747)	(8,859,747)	(2,119,747)	31.5%
Net Expenditure (revenue) before indirect allocations	(2,246,429)	(2,161,338)	(1,837,440)	(1,882,286)	(44,846)	2.4%	(2,406)	(1,884,692)	(47,252)	2.6%
A_70000AC Indirect Allocation	623,300	641,258	680,116	590,231	(89,885)	(13.2%)	4,813	595,044	(85,072)	(12.5%)
A_70200AC Capital Financing Allocation	682,203	552,529	552,538	555,230	2,692	0.5%	-	555,230	2,692	0.5%
Allocation Subtotal	1,305,504	1,193,787	1,232,654	1,145,462	(87,192)	(7.1%)	4,813	1,150,274	(82,380)	(6.7%)
Net Expenditure (revenue) after indirect allocations	(940,926)	(967,552)	(604,786)	(736,824)	(132,038)	21.8%	2,406	(734,418)	(129,632)	21.4%

FTE - Reg	26.0	23.0	(3.0)	12.0	35.0	9.0
FTE - Temp	-	-	-	-	-	-

Vision Zero Road Safety Program - 2020 Operating Budget Business Case

Public Works-Levy - Transportation Planning; Business Licensing; Court Services

Initiative Start Date: January 01, 2020

Reason for Business Case: Operating Project

Description of program change:

Vision Zero is a multi-national road traffic safety project that aims to achieve a road network with no fatalities or serious injuries involving road traffic. The Vision Zero Road Safety Program strives to eliminate traffic fatalities and serious injuries on Niagara regional roads; while increasing safe, healthy, equitable mobility for all road users.

The implementation of the Vision Zero Road Safety Program will impact the Regional Transportation, Business Licensing and Court Services Operating Budgets, at an estimated annual gross cost, including the mandatory Victim Fine Surcharge paid to the Ministry of the Attorney General, of approximately \$5 – \$5.8 million (\$3.5 million in 2020 for a partial year of operation, dependent upon timing and duration of implementation).

Transportation Services will be responsible for the operation of the Vision Zero program, including monitoring, evaluation and expansion. Budgeted costs include equipment-related costs, ticket processing charges through a Joint Processing Centre (JPC), MTO charges, staffing and other and are estimated at approximately \$2.28 million on an annual basis (\$1.725 million in 2020 for partial year of operation).

Business Licensing will act as the Provincial Offences Officer and will be responsible for the processing the delivery of the tickets between the JPC and Court Services. Annual costs are estimated at approximately \$34,000.

Infractions issued under the Vision Zero Road Safety Program will be processed through Niagara Region Provincial Offences Court which is administered by Court Services. Costs are estimated at \$2.7 – \$3.5 million annually and include the Victim Fine Surcharge, as well as adjudication and court-related costs, ticket processing and staffing costs (\$1.8 million in 2020 for partial year of operation). Costs are expected to increase if ticket volumes increase over time.

The operating costs for the program are conservatively estimated to be fully recovered from fine infraction revenue. However, this is dependant upon the ability of Niagara Region to recover its full operating costs, which would require an amendment to the Niagara Region Courts Inter-municipal Agreement net revenue sharing formula which is currently based on a 50/50 sharing between the Region and the LAMs. Therefore, negotiations with the LAMs are required and have been authorized by Council. Staff will engage the LAMs to review the Niagara Region Courts Inter-Municipal Agreement as it pertains to net revenues from the Vision Zero Road Safety Program to ensure the program is fiscally sustainable to the Region.

It is important to note that the Vision Zero program will not proceed and no costs will be incurred under this program unless an agreement can be reached with the LAMs and the Inter-Municipal Agreement is successfully amended with respect to the sharing of revenues and operational costs, and therefore no net revenue has been included in the 2020 budget.

Vision Zero Road Safety Program - 2020 Operating Budget Business Case

Niagara Region experiences a high collision fatality rate when compared to other jurisdictions in Southern Ontario. Deployment of Automated Speed Enforcement (ASE) cameras at school zones and community safety zones, reference to the Province of Ontario Safer School Zones Act - 2017, will facilitate the municipal adoption of this technology on roads with speed limits under 80 km/h in school and community safety zones.

Red Light Cameras (RLCs) have been operating in the Province since November 2000 and have so far been installed in 7 Ontario municipalities. The RLC program and processes are well established and respected for their consistency and quality. For legal and practical reasons, all components of the program, from the equipment used through to the processing of the violations, are identical for all participating municipalities within Ontario.

RLCs are an effective safety tool since they reduce the incidence of motorists running red lights. Red light running is one of the causes of angle or "t-bone" collisions, the most severe type of collision that often results in serious injuries. A review of Niagara Region's collision database indicated that there are an average of 60 right-angle collisions at signalized intersections per year. The most reliable statistics currently available suggest that RLCs can reduce the frequency of right-angle collisions by 25%.

Business Reasons for Program Change:

For many years, Niagara Region Staff have been dealing with concerns raised by residents regarding speeding on regional roads. Speeding is a primary crash factor and a leading road safety problem, often contributing to fatal crashes and serving as an aggravating factor in most crashes. A review of Niagara Region's collision data to-date shows that the total number of collisions are continuously increasing on Niagara regional roads.

A step forward to adopting a Vision Zero Road Safety Plan in Niagara Region; helping to reduce aggressive driving and speeding by enhancing a safe systems approach, and drawing solutions from engineering, enforcement, education, engagement and evaluation. Those solutions focus on 6 emphasis areas of pedestrians, cyclists, motorcyclists, school-aged children, older adults and aggressive and distracted driving.

Supports Council's Strategic Priorities: Businesses and Economic Growth, Healthy and Vibrant Community, Responsible Growth and Infrastructure Planning, Sustainable and Engaging Government

Niagara Region HOW WE GO Transportation Master Plan defined programs and infrastructure improvements required to address transportation and growth needs from today through to 2041. One of the main goals is to provide integrated network of roads and highways for the safe movement of people and goods.

The proposed Vision Zero Road Safety Program is a critical part in building a safe and inclusive community. It is an important mechanism to remove barriers for equity seeking groups by prioritizing vulnerable road users. Niagara Region is undergoing significant change and by 2041 will have grown and evolved on economic, demographic, social and technological fronts. This recommendation will support growth and enhance Niagara globally by promoting an integrated network of roads and highways for the safe movement of people and goods.

Vison Zero Road Safety Program - 2020 Operating Budget Business Case

Staffing Impact:

14 Permanent, Full Time, 1 Student - Non-Union and CUPE 1287

Total Cost of Staffing Position: - 2020 \$933,303, 2021 - \$1,177,839

Staffing Implementation Date: January 01, 2020

The implementation of the Vision Zero program will require additional staffing complement in both Transportation Services and Court Services as detailed below:

Transportation Services - 2 permanent, full-time non-union project manager FTE's and 1 non-union student will be required to implement, monitor and expand the Vision Zero program in future.

Court Services - 12 permanent, full-time FTE's, 1 non-union and 11 unionized CUPE 1287, will be required to manage the significant increase in ticket volumes that will be processed through the Court system with the implementation of the Vision Zero program. The non-union position will be a Prosecution Coordinator position. The unionized positions will consist of 9 Court Clerks and 2 Trial Coordinators.

Vison Zero Road Safety Program - 2020 Operating Budget Business Case

Financial Impact Summary	Current Year Impact		Multi Year Impact	
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Beyond</u>
Gross Expenditures	3,546,591	5,058,960	5,759,125	-
Gross Revenues	(3,546,591)	(5,058,960)	(5,759,125)	-
Net Impact to levy	-	-	-	-
% Change over prior year	0.000%			

Prepared by Division Manager:	Sulaf Al Karawi/ Jackie Foley
Reviewed by Program Financial Specialist:	Brian McMahon/ Sara Mota
Approved by Director / Commissioner:	Carolyn Ryall/ Donna Gibbs/Angelo Apfelbaum

VISION ZERO ROAD SAFETY PROGRAM

		Total Vision Zero			Red Light Camera (RLC)			Automated Speed Enforcement (ASE)		
		2020	2021	2022	2020	2021	2022	2020	2021	2022
Revenue:	Gross Ticket Revenue	\$ 3,546,591	\$ 5,058,960	\$ 5,759,125	\$ 878,977	\$ 1,444,309	\$ 1,052,475	\$ 2,667,615	\$ 3,614,651	\$ 4,706,650
	less: Victim Fine Surcharge expense	(723,710)	(1,057,160)	(1,447,420)	(138,320)	(276,640)	(276,640)	(585,390)	(780,520)	(1,170,780)
	Net Ticket Revenue	\$ 2,822,881	\$ 4,001,800	\$ 4,311,705	\$ 740,657	\$ 1,167,669	\$ 775,835	\$ 2,082,225	\$ 2,834,131	\$ 3,535,870
Expenses:	Transportation Services									
	Equipment Costs	\$ 388,292	\$ 714,356	\$ 319,390	\$ 290,978	\$ 581,956	\$ 186,990	\$ 97,314	\$ 132,400	\$ 132,400
	Ticket Processing Costs	601,625	804,250	1,143,250	93,125	126,250	126,250	508,500	678,000	1,017,000
	Staffing	282,899	288,557	294,328	115,098	117,400	119,748	167,801	171,157	174,580
	Other	452,500	475,000	475,000	72,500	95,000	95,000	380,000	380,000	380,000
		1,725,316	2,282,163	2,231,968	571,701	920,606	527,988	1,153,615	1,361,557	1,703,980
Business Licensing	Processing and Delivery Costs	\$ 26,528	\$ 34,089	\$ 34,092	\$ 3,626	\$ 6,193	\$ 6,197	\$ 22,902	\$ 27,896	\$ 27,896
Court Services	Staffing	\$ 650,404	\$ 889,282	\$ 1,178,678	\$ 124,213	\$ 168,637	\$ 169,161	\$ 526,191	\$ 720,645	\$ 1,009,517
	Courtroom Costs	240,300	529,600	532,800	19,700	39,400	39,656	220,600	490,200	493,144
	Ticket Processing Costs	108,000	148,500	216,000	6,750	13,500	13,500	101,250	135,000	202,500
	Other	72,333	118,167	118,167	14,667	19,333	19,333	57,667	98,833	98,833
		1,071,037	1,685,548	2,045,645	165,330	240,870	241,650	905,708	1,444,678	1,803,994
	Total Expenses (excluding Victim Fine Surcharge)	\$ 2,822,881	\$ 4,001,800	\$ 4,311,705	\$ 740,657	\$ 1,167,669	\$ 775,835	\$ 2,082,225	\$ 2,834,131	\$ 3,535,870
Net Revenue (Cost)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Total Expenses per above (excluding Victim Fine Surcharge)	\$ 2,822,881	\$ 4,001,800	\$ 4,311,705	\$ 740,657	\$ 1,167,669	\$ 775,835	\$ 2,082,225	\$ 2,834,131	\$ 3,535,870
add: Victim Fine Surcharge Costs	723,710	1,057,160	1,447,420	138,320	276,640	276,640	585,390	780,520	1,170,780
Total Expenses including Victim Fine Surcharge	\$ 3,546,591	\$ 5,058,960	\$ 5,759,125	\$ 878,977	\$ 1,444,309	\$ 1,052,475	\$ 2,667,615	\$ 3,614,651	\$ 4,706,650

Niagara Regional Police Service

2020 Operating Budget
Budget Review Committee of the Whole
November 21, 2019



Policing in a Modern Day Ontario



Strategic Plan Aligns with Council Priorities



Enhance Public Safety

01

SUPPORTING BUSINESSES AND ECONOMIC GROWTH

A coordinated approach to fostering economic growth in Niagara



02

HEALTHY AND VIBRANT COMMUNITY

Foster a high quality of life through safe, healthy, and inclusive neighbourhoods through the delivery of quality, affordable and accessible human services



Organizational Excellence

03

RESPONSIBLE GROWTH AND INFRASTRUCTURE PLANNING

Sustainable investments in transportation, transit and infrastructure, while aligning infrastructure planning with preservation of the natural environment



04

SUSTAINABLE AND ENGAGING GOVERNMENT

A commitment to high quality, efficient, fiscally sustainable and coordinated core services through enhanced communication, partnerships and collaborations with the community



Fostering a Culture of Community Collaboration & Engagement

Budget Objective and Process

Identify
Uncontrollable
Budget
Pressures



Line by Line
Program
Review



Aligns with
Strategic Plan



Initial Budget
\$156.5M or 6.6%



Through
budget
deliberations
\$2.0M or 1.3%
reductions
were identified



\$154.4 or 5.3%
Budget
approved by
Police Services
Board

4

2020 Operating Budget = 5.3%

Base Budget
=3.7%

Program Changes
=1.6%

Base Budget
Pressures
= 1.1%

Inflationary
Impact
=2.6%



Deferral of 2019
Program
Changes to
April 1st, 2019

Program Review

Aligns with
Strategic Plan

Extra Salary Day
due to Leap Year

Provision for
Collective
Bargaining

Managing Patrol
Performance
(MPP) Study

Loss of Provincial
Grant Funding

Managing Patrol Performance (MPP) Study

One Year Workload Study

- Daily data collected from across Districts
- Identified the drivers impacting officer availability to respond to calls for service

Key Factors Identified

- Adequacy Standards increased demand in Specialty Units
- Complexity of Reactive and Proactive Activities

Frontline deployed to Specialty Units

	1980	1985	1990	1995	2000	2005	2010	2015	2019
Total Sworn Members	583	563	592	592	604	648	702	702	713
Frontline Patrol Constables	395	348	364	365	334	345	348	316	326
Percent Frontline	67.7	61.8	61.5	61.6	55.3	53.2	49.5	45.0	45.7

Since 1980, 69 Frontline Officers redeployed to Specialty Units

A 17.5% reduction to frontline

Impact of Adequacy Standards on Frontline Patrol

Investigative Support	Emergency Services	Operational & Support Services
<ul style="list-style-type: none"> • Sexual Assault • Homicide • Counter Terrorism • Forensics Services • Central Fraud • Child Abuse • Domestic Violence • Offender Management • Tech/E Crimes • Special Investigative Services 	<ul style="list-style-type: none"> • Traffic Management & Road Safety • Marine/Dive • Emergency Task Unit • Explosive Disposal Unit • Canine 	<ul style="list-style-type: none"> • Court Services • Prisoner Management • Training Unit • School Resource Officer Program

In 2000, the Province introduced the Adequacy Standards Regulation in combination with other case law and inquiries, requiring Police Services in Ontario to provide specialized investigative units;

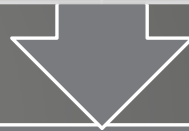
In Niagara, these resources were predominately drawn from the frontline resources to minimize budget impact.

Response Times

Priority 1 Call Response Time Expectation

7 Minutes in Urban Areas

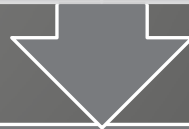
10 Minutes in Rural Areas



Current NRPS Priority 1 Call Response Times

Approximately 9 Minutes in Urban Areas

10 Minutes in Rural Areas



Gap

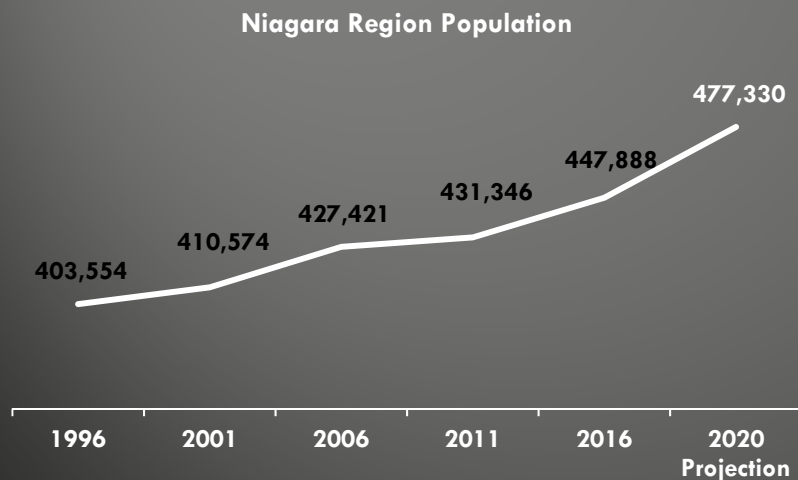
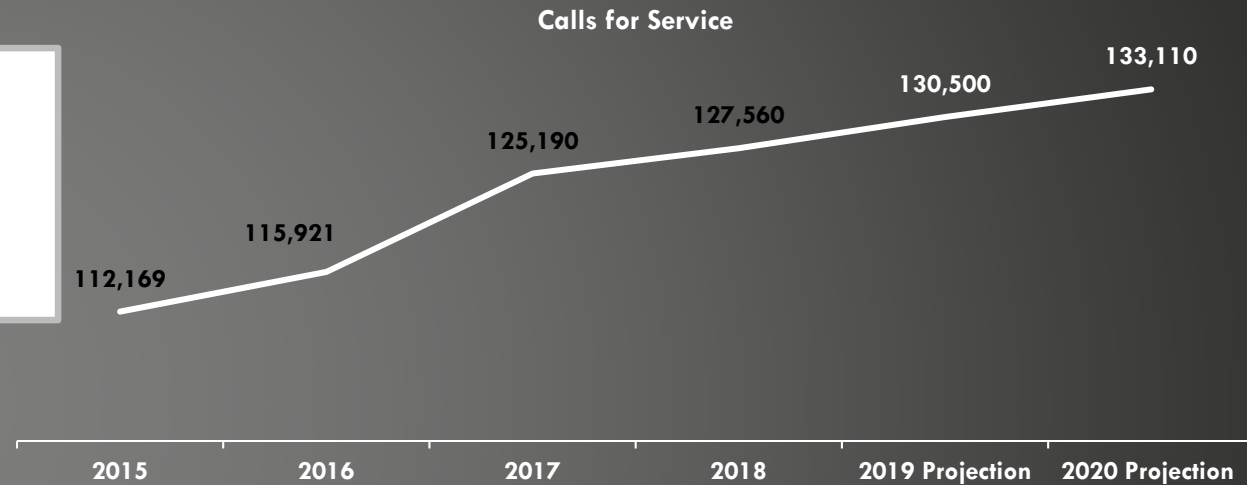
40 Front Line Police Constables

Calls for Service

2019 Year-end Projection:

Range: 129,500 - 131,500
Ave: 130,500 (2.3% increase)

1.5% - 3.0% increase over 2018



Calls for Service have increased by 11.8% from 2014 to 2018 and are projected to increase by another 2.3% in 2019 and 2.0% in 2020.

The Niagara Region population has increased by 11% from the 1996 to the 2016 Census and is projected to increase by another 6.6% from 2016 to 2020.

Frontline Investment



Benefits

- Address increasing demands for service
- Achieve priority 1 call response time expectations and goal
- Decrease dependency on overtime

Risks

- Public safety risk
- Inefficient use of resources
- Continued risks associated with dependency on overtime.
- Officer burn-out

2020 Operating Budget –Year over Year

	2020 Proposed Budget (in M)	2019 Approved Budget (in M)	2020 vs 2019 (in M)
Gross Expenditure	\$172.5	\$165.3	\$7.2
Other Revenue	(18.1)	(18.6)	0.5
Net Expenditure before Indirect Allocation	\$154.4	\$146.7	\$7.7
% Increase Year over Year			5.3%

Deferral Impact to 2021 Budget = 1.2%

- *Budgeting the officers effective July 1 2020 provides for both a deferral of a portion of the increase to 2021 and is sufficient funding for the recruitment plan.*

5.3% = Continued



Budget Risk Assessment

- Collective Bargaining
- Third Party Revenue Streams
- Legislative Changes
- Implementation of Strategic Plan
- Increase in Call Volumes & Investigative Complexities
- Technology Enhancements and Innovations
- Service Delivery Review through Continuous Improvement
- Future Partnerships and Shared Services Agreements

Questions??





REGIONAL MUNICIPALITY OF NIAGARA
POLICE SERVICES BOARD

5700 VALLEY WAY, NIAGARA FALLS, ONTARIO L2E 1X8

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 psb@niagarapolice.ca • www.niagarapolice.ca

October 30, 2019

SENT BY EMAIL

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

Dear Ms. Norio:

RE: 2020 Proposed Operating Budget - Niagara Regional Police Service/Board

On October 24, 2019, the Regional Municipality of Niagara Police Services Board adopted the Minutes of the Board's Finance Committee held on October 3, 2019 regarding the proposed 2020 consolidated operating budget for the Niagara Regional Police Service and the Police Services Board, and unanimously passed the following motion:

"That the Committee:

- 1. Receive and approve the proposed 2020 operating budget for the Niagara Regional Police Service and Police Services Board resulting in a total net expenditure budget before indirect allocations of \$154,458,220;*
- 2. Submit the consolidated budget of the Service and the Board to Regional Council for approval; and*
- 3. Formally and confidentially notify Regional Council of the status of the collective agreements and the provisions that have been included in the proposed 2020 budget, including a request for Regional Council to consider further alternative provisions for the additional payment of expenditures that may result from the expected agreement, decision, or award. Carried."*

A report from the Niagara Regional Police Service is attached. I would ask that this information be placed on the agenda for the Regional Budget Review Committee of the Whole meeting scheduled for November 21, 2019. The presentation materials will be provided to you in advance of the meeting. Please be advised that Board Chair Ken Gansel and Chief of Police Bryan MacCulloch will be in attendance to address this matter.

In the meantime, should there be any questions, please don't hesitate to contact me.

Sincerely,

Deb Reid
 Executive Director

Encl.

c: Regional Chair Jim Bradley, Niagara Region
 A/CAO Ron Tripp, Niagara Region
 Mr. Todd Harrison, Commissioner of Corporate Services, Niagara Region
 Chief Bryan MacCulloch, Niagara Regional Police Service



NIAGARA REGIONAL POLICE SERVICE

Police Services Board Report

PUBLIC AGENDA

Subject: REVISED - Proposed 2020 Operating Budget
Report To: Chair and Members, Niagara Police Services Board
Report Date: 2019-10-02



Recommendation(s)

That the Police Services Board:

1. Receive and approve the proposed 2020 Operating Budget for the Police Service and Board resulting in a Total Net Expenditure Budget before Indirect Allocations of \$154,458,220.
2. Submit the consolidated budget of the Service and the Board to Regional Council for approval.
3. Formally and confidentially notify Regional Council of the status of the collective agreements and the provisions that have been included in the proposed 2020 Budget. The notification should include a request for Regional Council to consider further alternative provisions for the additional payment of expenditures that may result from the expected agreement, decision, or award.

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 is required to submit operating and capital estimates that show the amount required to maintain the police service.
- Normally, the Board submits the funding request to Regional Council for the upcoming year after reviewing and approving the Service's detailed budget submission.
- The Proposed 2020 Operating Budget of \$154.4 million reflects the cost of providing adequate and effective police services in the Regional Municipality of Niagara.

Financial Considerations

The proposed total consolidated net expenditure budget for the Niagara Regional Police Service and the Board is \$154,458,220 which is a 5.3% increase over 2019.

Police Service	\$153,339,868
Board	1,118,352
Niagara Regional Police Service and Board	\$154,458,220

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

The foundation of the 2020 Operating Budget submission is consistent with prior years; the Service is mandated to uphold adequacy standards while providing adequate and effective policing to the community.

Consistent with prior years, the Service budget process included an environmental scan identifying external cost pressures, a detailed line by line program review with consideration of the alignment with the strategic plan.

During the budget process, there were significant uncontrollable budget pressures that result in a total \$1.7M or 1.1% increase above 2019 budget; they are as follows:

- The \$0.7M impact of annualizing the 2019 program changes. During the 2019 Budget deliberations, Regional Council recommended and the Board approved the deferral of program changes to April 1, 2019 reducing both the overall Service budget and the annual increase. The Board approved the annual budget with the proviso that the 2020 Budget would be based on a restated 2019 Operating Budget that included the deferred amount. To date, the Service's 2019 Budget has not been adjusted to reflect this condition. The issue is expected to be included on the Oct 10th Budget Review Committee of the Whole agenda.
- Each year the Region establishes the number of days to be used for budgeting salary and benefit expenditures. For 2020, the budget is based on 262 days which is an increase of one day from 2019. This additional day represents a \$0.5M or 0.3% increase.
- In 2017, the Provincial government announced grant funding reforms. As the Province moved toward evidence based funding models, it retired the Community Policing Partnerships (CPP) and 1,000 Officers programs and introduced the

Policing and Effectiveness Modernization (PEM) Grants. Under the PEM program, the Service received \$2.9M annually. In 2019, the Province made further amendments to the grant process by eliminating the PEM program and replacing it with a new local and provincial strategies model. The Community Safety and Policing (CSP) program provides two funding streams; a local priorities stream and a Provincial priorities stream. The Service has been approved for up to \$2.2M for the 2019/20 fiscal period under the CSP local priorities stream. The Service is anticipating funding of an additional \$0.3M under the CSP provincial priorities program. This grant funding reform has resulted in a 0.5M funding shortfall; a 0.3% 2020 budget impact.

Further to these budget pressures, the Service has base increases totalling \$3.8M or 2.6%. The base increase includes a provision for collective bargaining, software licensing and incremental critical technology infrastructure disaster recovery costs.

At December 31, 2019 the Service's three collective agreements will expire. As compensation costs represent approximately 90% of the Service's total expenditures before indirect allocations, the Service is recommending that the Region consider further alternative provisions for the additional payment of expenditures that may result from the expected agreement, decision, or award.

The table below details the uncontrollable budget impacts and base increases impact on the 2020 Operating Budget of the Service and Board.

	\$	% Increase
2019 Service & Police Service Board Approved Budget	\$146.7M	
Uncontrollable Budget Impacts:		
2019 Budget Deferral of Program Changes *	0.7M	0.5%
Extra Salary Day Due to Leap Year	0.5M	0.3%
Loss of Provincial Grant Funding	0.5M	0.3%
Total – Uncontrollable Budget Impacts	1.7M	1.1%
Base Increase	3.8M	2.6%
Total – Uncontrollable Budget Impacts & Base Increases	5.5M	3.7%
2020 Base Budget before Program Changes	\$152.2M	
Program Changes	\$2.2M	1.6%
2020 Net Expenditure Budget before Indirect Allocations	\$154.4M	5.3%

* delayed implementation of Program Changes to April 1, 2019

The overall 2020 budget increase before program changes of \$5.5M or 3.7% includes a 1.1% increase from uncontrollable budget impacts for annualizing 2019 program changes, funding the additional salary budget day resulting from the leap year and the Provincial grant funding shortfalls. Without these budget impacts, the base increase, inclusive of the provision for collective bargaining, is 2.6%.

After considerable deliberation the Service's 2020 Budget submission includes \$2.2M or 1.6% in recommended program changes. The enhancements are detailed below.

Net Total	% Increase	
\$96,868	0.1%	Member Support – The request is to provide civilian administrative support to balance the workload and provide the Staff Sergeant and Psychologist with the ability to focus on member wellness/support and continuing the development of the unit.
\$131,172	0.1%	Member Support – The request is to add a uniform constable to support the programs initiated since the formation of this unit. This member will be responsible for the development and implementation of a Reintegration Program for officers who have been the victims of traumatic events.
\$97,468	0.1%	Corporate Communications – The request is to add a civilian Corporate Communication Technician to the current two member unit. The hiring of a Corporate Communications Technician would provide the Service with someone with formal education and experience in multi-media communications, public relations and graphic design providing the foundation for future growth and expansion.

\$1,875,350	1.3%	Frontline Officers – As the result of an extensive Managing Patrol Performance (MPP) study to determine adequate response times and the resourcing necessary to meet them; the Service is recommending the addition of 40 frontline constables effective July 1 2020. Within the 2019-2021 Strategic Plan, the Service and the Board set a target of a 7 minute response time for urban settings and 10 minute response time for rural settings; as identified within the MPP study, meeting this target requires the deployment of 40 additional frontline constables.												
		<table><tr><td>Investment</td><td>\$M</td></tr><tr><td>Gross Annual Salary for 40 Officers</td><td>5,237,207</td></tr><tr><td>Less: Savings to Uniform Overtime</td><td>(1,486,507)</td></tr><tr><td>Annual Net Investment</td><td>3,750,700</td></tr><tr><td>½ Year Implementation – July 1, 2020</td><td>(1,875,350)</td></tr><tr><td>Net Investment in 2020</td><td>1,875,350</td></tr></table>	Investment	\$M	Gross Annual Salary for 40 Officers	5,237,207	Less: Savings to Uniform Overtime	(1,486,507)	Annual Net Investment	3,750,700	½ Year Implementation – July 1, 2020	(1,875,350)	Net Investment in 2020	1,875,350
Investment	\$M													
Gross Annual Salary for 40 Officers	5,237,207													
Less: Savings to Uniform Overtime	(1,486,507)													
Annual Net Investment	3,750,700													
½ Year Implementation – July 1, 2020	(1,875,350)													
Net Investment in 2020	1,875,350													
\$2,200,858	1.6%	Total												

Alternatives Reviewed

The Proposed 2020 Operating Budget reflects the cost of providing adequate and effective police services in the Regional Municipality of Niagara. Consistent with prior years, the Service budget process included a detailed line by line review and the evaluation of submitted program changes. Alternative options considered by the Service for the Frontline Officers program change are as follows:

1. 20 additional constables to support the frontline for the 2020 year and a further 20 in 2021.
2. 20 additional constables to support the frontline for the 2020 year, a further 10 in 2021 and 10 in 2022.

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.

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

- No 135.2019 – Budget Timetable - 2020 Budget Year
- No 136.2019 – Budget Planning - 2020 Operating Year

This report was prepared by Laura Rullo, Manager, Finance, reviewed by Lisa DiDonato-DeChellis, Director, Business Services and recommended by Richard Frayne, A/Deputy Chief of Police, Support Services.



Submitted by:

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

Appendices:

Appendix 1 – 2020 Operating Budget – Statement of Revenue and Expenses

Niagara Regional Police Services
Appendix 1: 2020 Operating Budget - Statement of Revenue and Expenses

	2020 Budget	2019 Budget	Variance	Variance %
Gross Expenditures				
Compensation	157,060,043	150,626,390	6,433,653	4.3%
Administrative	4,212,976	3,859,588	353,388	9.2%
Operational & Supply	2,273,188	2,251,400	21,788	1.0%
Occupancy & Infrastructure	360,720	298,197	62,523	21.0%
Equipment, Vehicles & Technology	6,803,651	6,413,718	389,933	6.1%
Financial Expenditures	1,000	3,500	(2,500)	-71.4%
Intercompany Charges	(1,360,916)	(1,296,891)	(64,025)	4.9%
Transfers To Funds	2,900,000	3,150,000	(250,000)	-7.9%
Total - Gross Expenditures	172,250,662	165,305,902	6,944,760	4.2%
Revenues				
Provincial Grants	(9,538,429)	(10,007,795)	469,366	-4.7%
Fees for Service	(6,393,550)	(6,856,163)	462,613	-6.8%
Other Revenues	(1,860,463)	(1,727,731)	(132,732)	7.7%
Total - Revenues	(17,792,442)	(18,591,689)	799,247	-3.8%
Net Expenditures Before Indirect Allocations	\$ 154,458,220	\$ 146,714,213	\$ 7,744,007	5.3%



Proposed 2020 Operating and Capital Budgets

November 21, 2019 – Niagara Region BRCOTW

Gayle Wood, CAO/Secretary Treasurer

Lise Gagnon, Director of Corporate Services



Who is NPCA?

- NPCA created in 1959 under The Conservation Authorities Act
- Watershed based jurisdiction – 2,424 square km
- 3 upper tier municipalities – Niagara Region, Hamilton and Haldimand
- 21 Board members and 55 staff

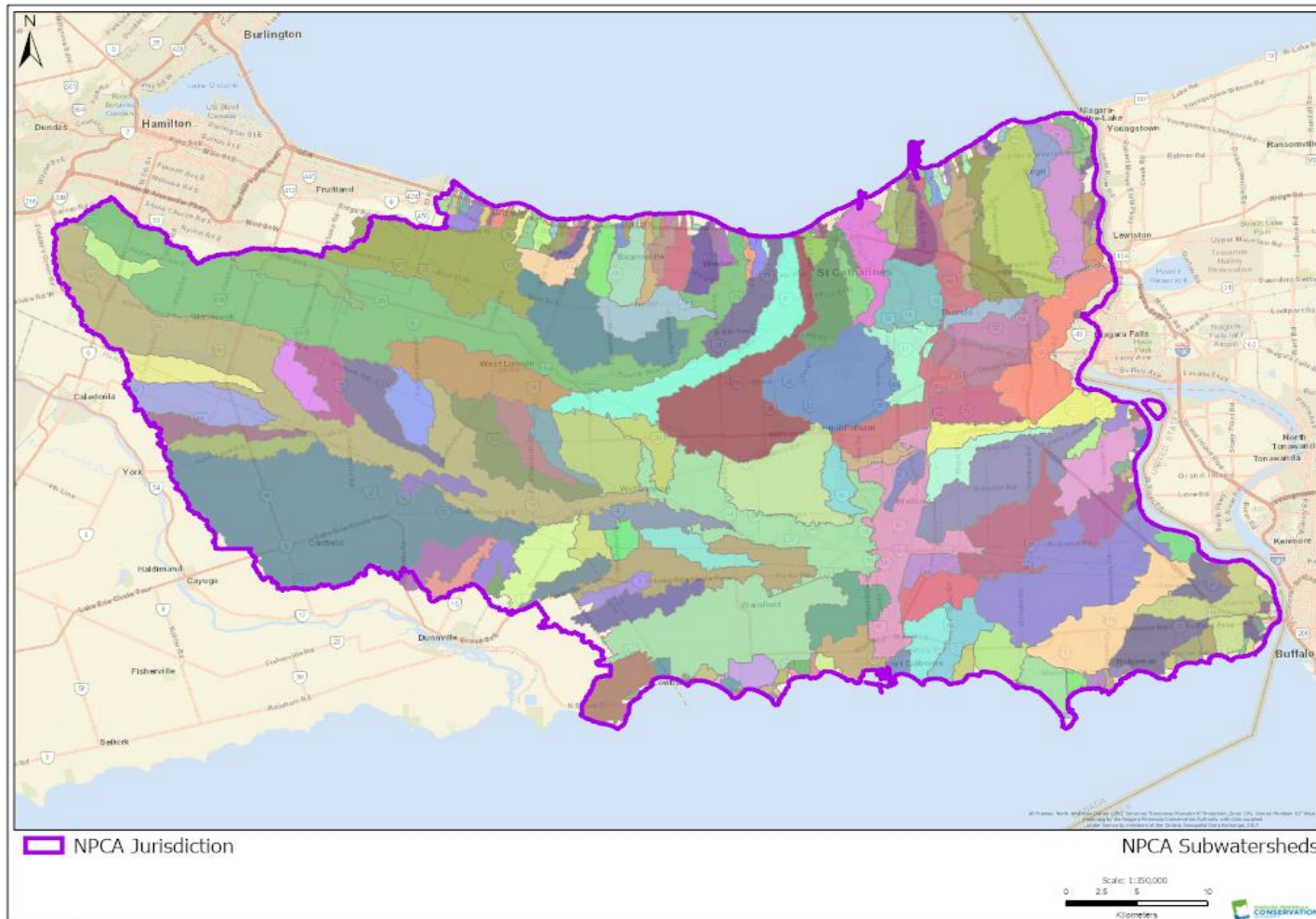


What is Watershed Management?



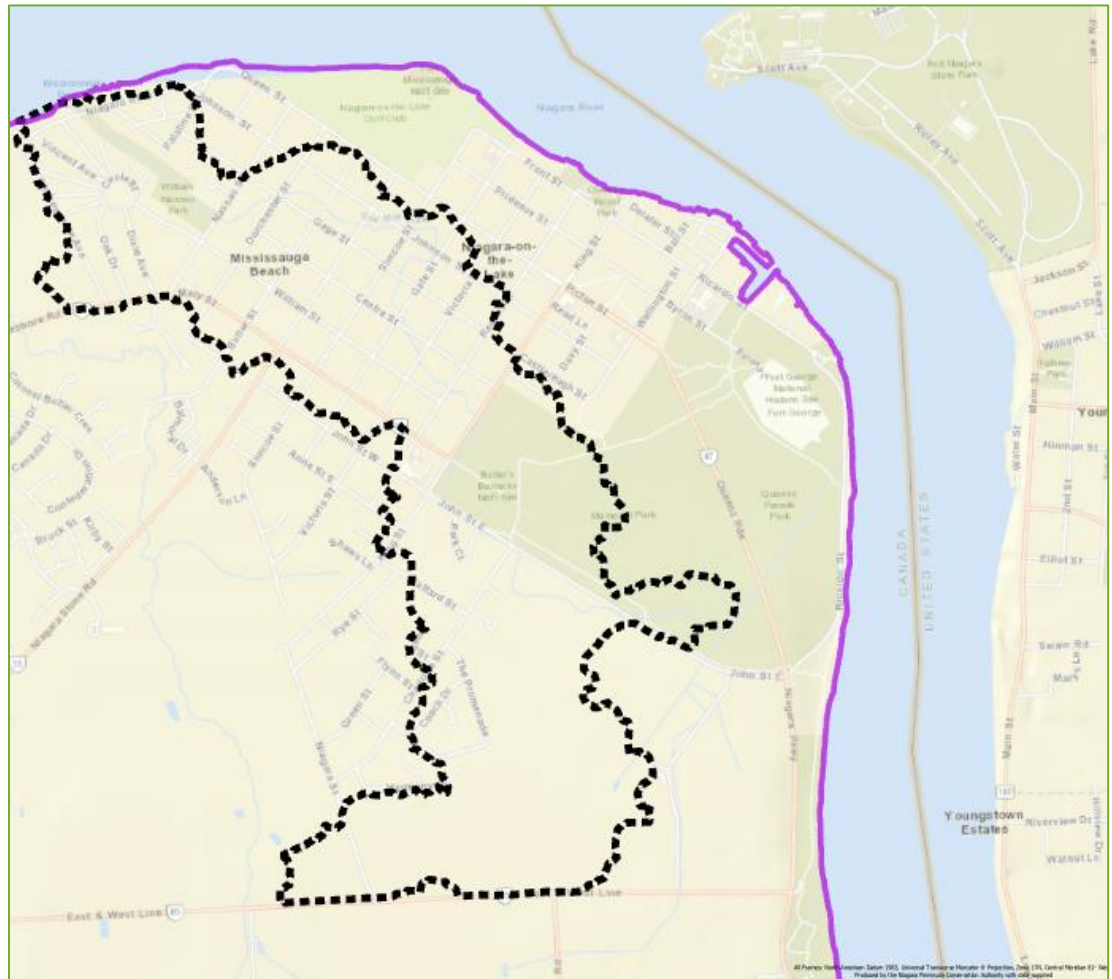
Watershed Management

Dedicated to monitoring, regulating, protecting and improving the health and safety of our watershed.



One Mile Creek Sub Watershed Plan

- Completed 2005
- Assessed all environmental features
- Reviewed all land use
- Measurable goals
- Implementation strategies
- Collaborative approach



We have Work to Do . . .

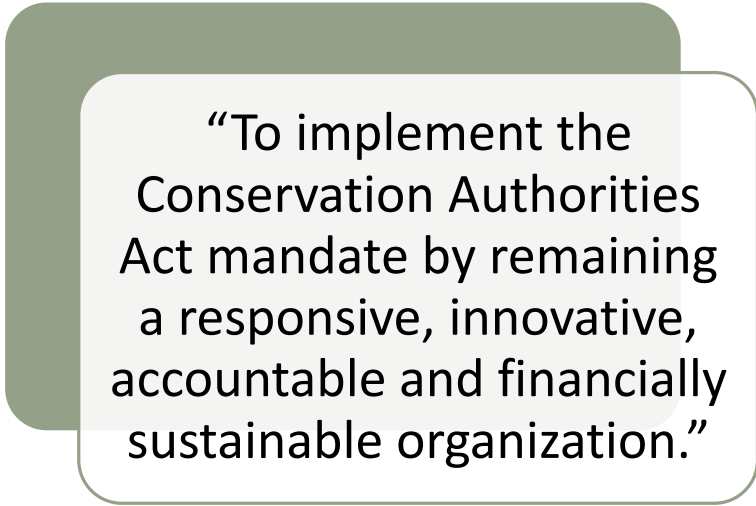
2018 Watershed Report Card

Indicator	Grade
Groundwater Quality	B
Surface Water Quality	D
Forest Conditions	D
Wetland Cover	B

NPCA Strategic Plan 2018-2020

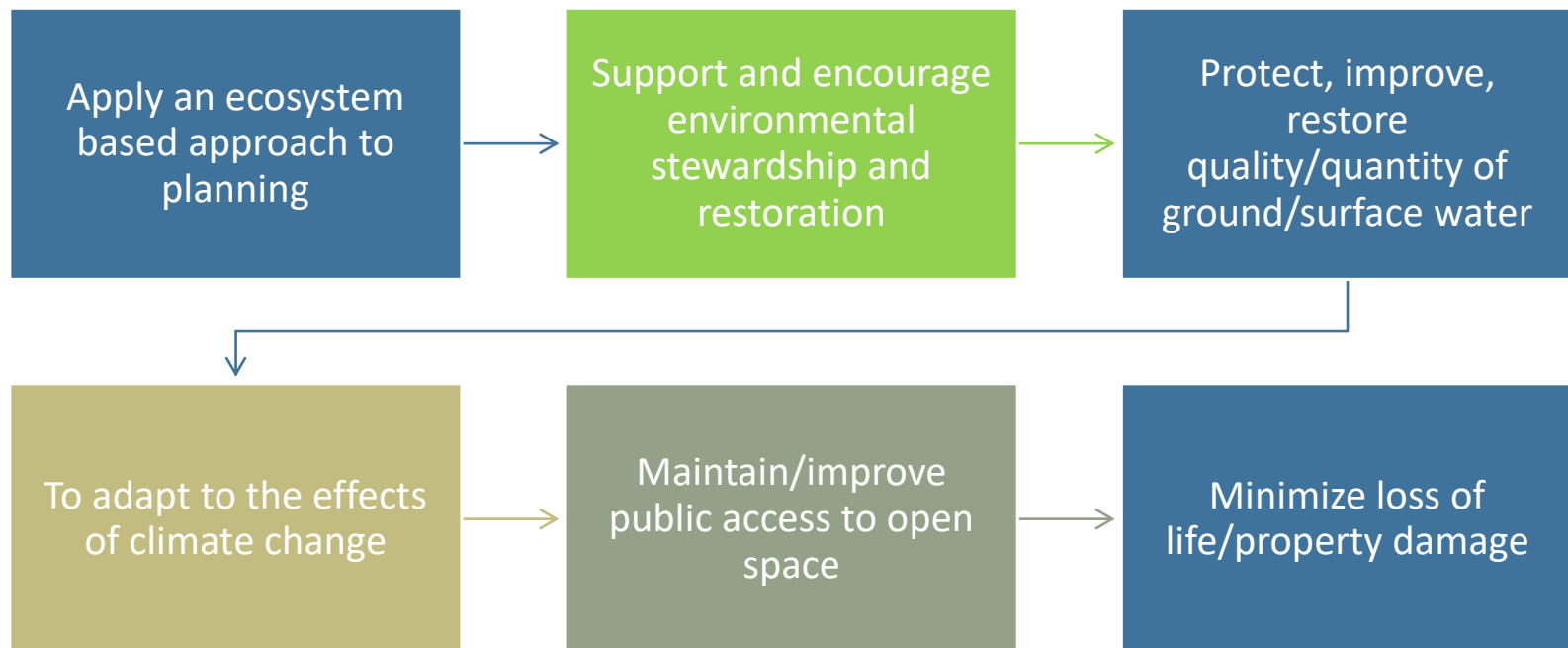


Our Mission...



“To implement the Conservation Authorities Act mandate by remaining a responsive, innovative, accountable and financially sustainable organization.”

Our Mission - Your OP Objectives:



Your OP Objectives - Our Programs

Ecosystem Planning Approach	<ul style="list-style-type: none"> ▪ Watershed based planning
Environmental Stewardship / Restoration	<ul style="list-style-type: none"> ▪ Restoration Programs with Performance Metrics
Water Quality and Quantity	<ul style="list-style-type: none"> ▪ Drinking Source Water Protection Lead ▪ Regulate Floodplains ▪ Water Quality Monitoring ▪ Watershed Report Card
Adapting to Climate Change	<ul style="list-style-type: none"> ▪ Climate Change Adaptation Programs
Maintain Public Open Spaces	<ul style="list-style-type: none"> ▪ 42 Watershed Conservation Areas - approx. 8,000 acres



Chippawa Creek Conservation Area



Jordan Harbour Conservation Area



Wainfleet Wetlands Conservation Area

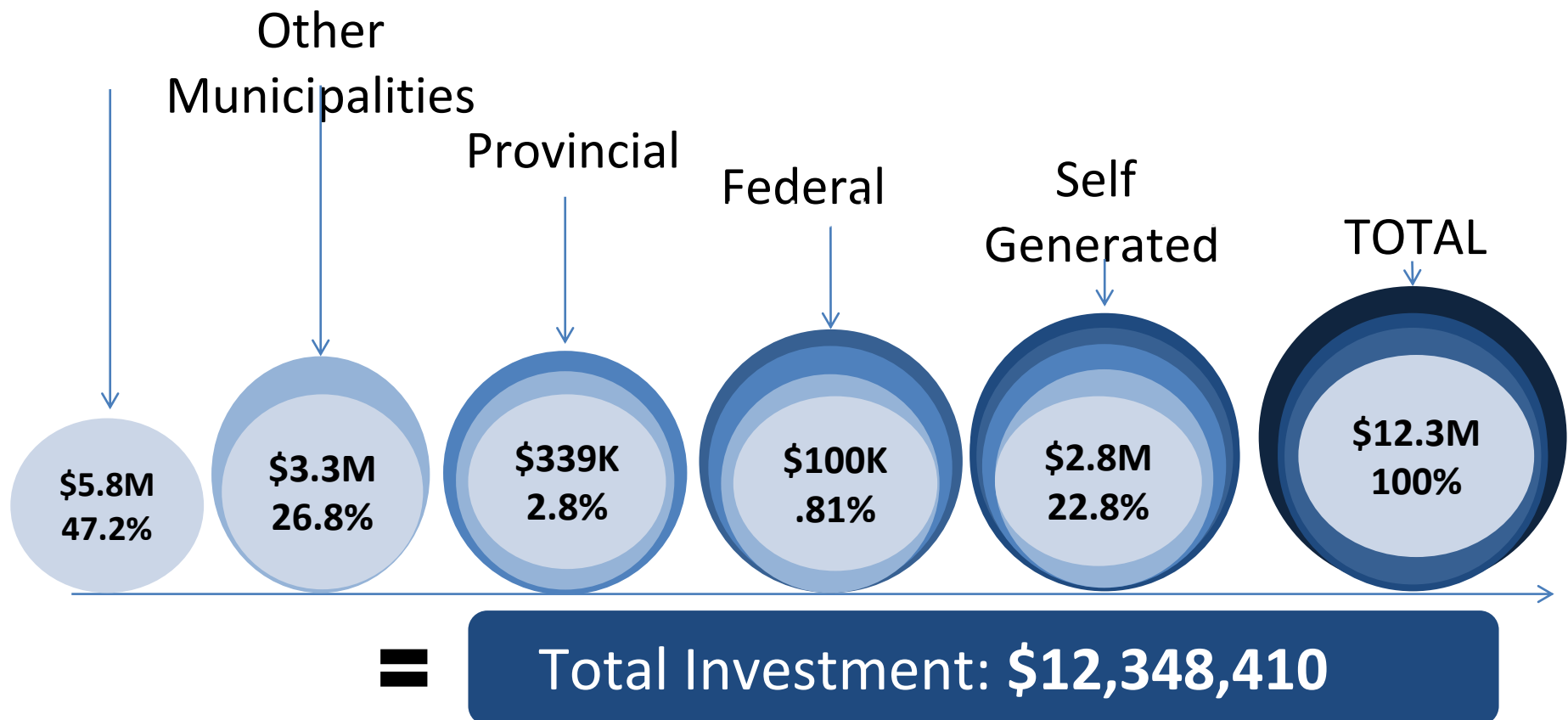


Long Beach Conservation Area

Why Invest in NPCA? Leveraging Your Funds

Niagara Region Investment:
\$5,809,372

Other Sources Investment:
\$6,539,038



Leveraging your Funds In Action:

Restoration Projects	Partner \$	Landowner \$	Region Levy \$
26 Projects 64 acres of forest 46,477 trees planted 2,804 shrubs planted 4.6 acres wetland restoration	\$156,420	\$178,033	\$118,167
Objectives: Climate Adaption Improves Water Quality Enhances Habitat Improves Recreation Improves Air Quality Carbon Sequestration			
Total \$452,621 - 7 months			

What does our Budget Entail?

1. General Levy
2. Special Levy
3. Capital Projects

General Levy

The Authority develops a general levy of all operating expenses to be apportioned to each participating municipality based on MPAC assessed value data received annually from Ministry of Natural Resources

1. Salaries, Board per diems and travel expenses;
2. Rent and other fixed costs;
3. Program expenses;
4. Other operating expenses (costs required to support operations);
5. Other costs as may be prescribed by regulation through Bill 108.

Special Levy

A Special Levy is an operating activity that benefits one or more municipalities but not the entire watershed.

For example: Long Term Debt Payment which applies only to the Niagara Region

Section 25:

When an authority has determined the proportion of the total benefit of an activity to each municipality (known as special levy), notice will be issued, and an appeal may be launched by the municipality to the LPRT within 30 days.

Capital

An Authority may determine what funding will be required for capital expenditures in connection with any project, such as:

1. Ball's Fall Historical Building Restoration
2. Floodplain Mapping – St. Catharines/Grimsby
3. Shriner's Creek Water Control Structure
4. Virgil Dam Safety Study

Capital Special Levy can be appealed to the Local Planning Appeal Tribunal (LPRT).

Respecting Your Guidelines

2% increase to levy
(\$109,688)

1.65% growth to address
pressures in
enforcement, planning
and restoration
(\$90,493)

NPCA Budget History

Year	General Levy		Special Levy					
			Niagara				Niagara	%
	Niagara	Consolidated	Debt	Land/Capital	Sub Total	Consolidated	TOTAL	Change
2017	\$ 4.406	\$ 6.071	\$ 1.092	\$ 1.607	\$ 2.699	\$ 2.820	\$ 7.105	
2018	\$ 4.848	\$ 6.246	\$ 0.824	\$ 1.305	\$ 2.129	\$ 2.252	\$ 6.977	-1.8%
2019			\$ 0.512	\$ 1.617	\$ 2.129			
				-\$ 1.617	-\$ 1.617			
	\$ 4.972	\$ 6.416	\$ 0.512	\$ -	\$ 0.512	\$ 0.635	\$ 5.484	-21.4%
2020	\$ 4.706	\$ 6.093	\$ 0.221	\$ 0.882	\$ 1.103	\$ 2.969	\$ 5.809	5.9%

Baseline:	
\$5.484M	2019 Base Budget
.109M	2% increase
.09M	1.65% growth
\$5.685M	Total

Proposed:	
\$4.706M	2020 General Levy
.221M	Special Levy - Debt
.758M	Special Levy - Capital
\$5.685M	Sub total
.124M	Additional Capital Pressures
\$5.809M	2020 Base Budget

* in millions of dollars

Proposed Special Levy (Capital) Budget 2020							
Service Area	Program	# Projects	Niagara Region	Hamilton	Haldimand	Not Accommodated	TOTAL
CAO/Board	Communications	2				35,000	35,000
Corporate Services	Asset Mgt/Capital Planning	1	23,174	6,271	555	-	30,000
	Information Mgt	5	60,252	16,306	1,442	96,500	174,500
	Integrated Watershed Mgt	2	7,725	2,090	185	200,000	210,000
	Balls Falls Connectivity	1	40,000	-	-	-	40,000
Land Operations	Balls Falls	4	125,000	-	-	180,000	305,000
	Binbrook	4	-	1,810,000	-	-	1,810,000
	Chippawa Creek	1	-	-	-	10,000	10,000
	Gainsborough	2	-	-	-	140,000	140,000
	Long Beach	3	261,640	-	-	168,360	430,000
	Equipment	1	99,091	26,817	2,372	100,000	228,280
Watershed	Water Control Structures	2	140,000				140,000
	Floodplain Mapping	3	125,000		-	70,000	195,000
	Gauge Stations	1	-			20,000	20,000
	Karst Mapping	1	-			50,000	50,000
	Water Quality Equip	1	-		-	35,000	35,000
	TOTAL	34	881,881		4,554	1,104,860	3,852,780

Thank you

For more information visit our website at
www.NPCA.ca



NIAGARA PENINSULA
CONSERVATION
AUTHORITY



2020 OPERATING BUDGET

November 21, 2019

What Does NRH Do?

- ▶ NRH operates & manages 2,850 Public Housing units
- ▶ Community Programs includes tenant support, eviction prevention and community engagement in Niagara Regional Housing (NRH) Public Housing communities. CPCs link tenants with over 40 community partners to maintain successful tenancies and improve the quality of life in NRH communities. (eg. Tenant meetings, after school programs, social groups, summer camps, workshops)
- ▶ Provide support and legislative direction to 60 Housing Providers
- ▶ Provide access to housing through the centralized wait list
- ▶ Administers rent supplement program through agreements with landlords
- ▶ Administers housing allowance, portable rent benefits and housing first to assist applicants with rent while waiting for RGI
- ▶ Administers Niagara Renovates program to assist homeowners & landlords with repair/modifications needed to the home
- ▶ Administers Welcome Home Niagara program which assists with down payment to low to moderate income renters to buy a new home
- ▶ Increase access to affordable rental housing through new development

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

Ministry Funded Programs

- ▶ Strong Communities – Rent Supplement Program
- ▶ IAH-E / SIF / OPHI / COCHI
 - ❑ Rent Supplement
 - ❑ Housing Allowance
 - ❑ Housing First
 - ❑ Homeownership Assistance
 - ❑ Niagara Renovates
 - ❑ New Development Funding (Capital)
 - ❑ Support Services

2020 Budget Guidance

Council Amended Recommendation (CSD 40-2019; June 20, 2019)

- ▶ That the 2020 base budget for existing services **BE PREPARED** with consideration of the Core Consumer Price Index as follows:
 - ❑ 2.0% for Regional Departments
 - ❑ 2.0% for Agencies, Boards, and Commissions
 - ❑ 2.0% for Waste Management

2020 Budget Main Drivers

Housing Programs

- ▶ Provider subsidies – ongoing oversight of housing providers to ensure budgets are managed (\$435 thousand decrease)
- ▶ Rent Supplement Regular (\$332 thousand decrease)
- ▶ Reserve transfer to support programs for housing providers (\$267 thousand increase)

NRH Owned-Units (Housing Operations)

- ▶ Preventative pest maintenance (\$264 thousand increase)
- ▶ Repairs and maintenance (\$366 thousand increase)
- ▶ Increased property taxes - Carlton, Thorold & Welland properties purchased in 2019 (\$264 thousand increase)
- ▶ Reserve transfer to support capital asset management program (\$561 thousand increase)
- ▶ Rental revenues (\$641 thousand increase)

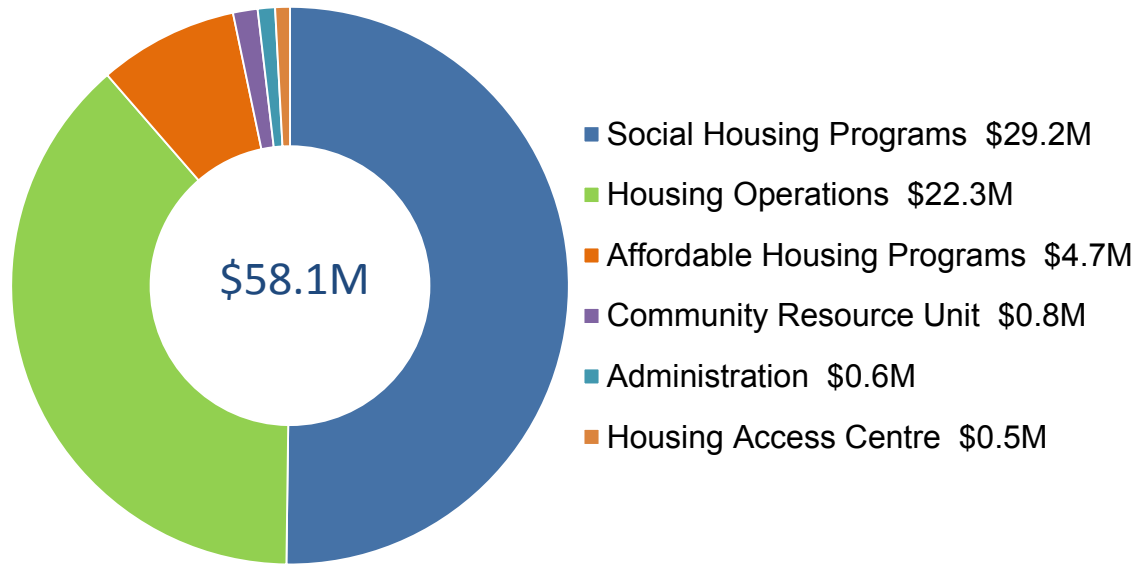
2020 Operating Budget (\$Millions)

	2019 Approved Budget	2020 Proposed Budget	\$ Change	% Change
Gross Expenditure	\$ 56.82	\$ 58.13	\$ 1.31	2.3%
Gross Revenue	\$ (29.03)	\$ (29.78)	\$ (0.76)	2.6%
Net Expenditure (Revenue) before indirect allocations	\$ 27.79	\$ 28.35	\$ 0.56	2.0%
Staff Compliment	2019 Approved FTE	2020 Proposed FTE	# Change	% Change
Full-Time Permanent Employees	51	51	0	0.0%
Full-Time Temporary Employees (Ministry-funded / pilot programs)	9	9	0	0.0%
Total FTE Count	60	60	0	0.0%

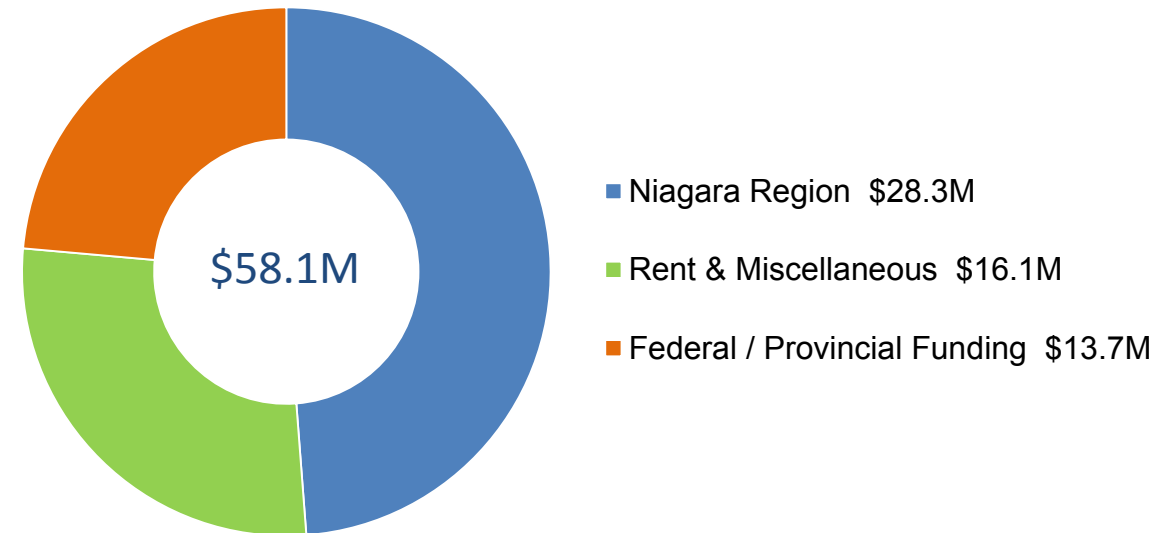
- ▶ Net expenditure increase of **\$556 thousand (+2.0%)** before indirect allocations
- ▶ Gross expenditure increase of **\$1.3 million**; offset by an increase in gross revenues of **\$756 thousand**
- ▶ Staff compliment remains neutral for 2020

2020 Operating Budget (\$Millions) - Continued

Where the Money Goes (Gross Expenditures)



Where the Money Comes From



2020 Operating Budget Analysis

- ▶ Increase in Compensation of **\$110 thousand (2.2%)**
 - ❑ driven by corporate compensation guidance and benefit related costs
- ▶ Increase in Occupancy and Infrastructure of **\$1.2 million (8.4%)**
 - ❑ **\$366 thousand** driven by an increase in repairs and maintenance costs
 - ❑ **\$265 thousand** increase for pest control costs to include preventative maintenance
 - ❑ **\$264 thousand** related to an increase in property taxes (includes new Carlton Street & 2019 properties purchased in Thorold & Welland)
 - ❑ **\$230 thousand** increase to align with 2020 service contracts (includes Carlton & 2019 properties purchased in Thorold) – costs offset by increase in revenues

2020 Operating Budget Analysis - Continued

9

- ▶ Decrease in Community Assistance of **\$595 thousand (1.9%)**
 - ❑ **\$332 thousand** decrease in levy funded rent supplement regular due to decline in RGI subsidy to landlords
 - ❑ **\$435 thousand** decrease in Non Profit and Co-op Provider subsidy to align with provider trends relating to RGI subsidy
 - ❑ **\$117 thousand** decrease in Federal Provider Subsidies due to end of operating agreements (EOA)
 - ❑ **\$146 thousand** increase in housing allowance and landlord engagement

2020 Operating Budget Analysis - Continued

10

- ▶ Decrease in Financial Expenditures of **\$258 thousand (11.6%)**
 - ❑ **\$368 thousand** decrease in provincial debenture payments due to a reduction of debt owed to the province as 4 LHC agreements have expired
 - ❑ **\$106 thousand** increase in bad debt costs due to an internal review on tenant arrears owed to NRH
- ▶ Increase in transfer to Reserves of **\$827 thousand (36.7%)**
 - ❑ **\$267 thousand** increased transfer to NRH reserve from Housing Programs to support programs for housing providers (total transfer of \$1.5 million)
 - ❑ **\$561 thousand** increased transfer to NRH Owned-Units reserve to support capital improvements required on owned-units - \$242 thousand restricted for 527 Carlton, Fitch Street East and Jubilee Drive (total transfer of \$1.5 million)
 - ❑ Increase to reserve supported by Niagara's 10-year Housing and Homelessness Action Plan report COM 40-2019

2020 Operating Budget Analysis - Continued

11

- ▶ Decrease in Federal & Provincial Grants of **\$67 thousand (0.5%)**
 - ❑ Driven by Service Manager federal funding schedule due to EOA
- ▶ Increase in Other Revenue of **\$818 thousand (5.4%)**
 - ❑ **\$642 thousand** increase in rental revenue due to full year of Carlton & Thorold properties – based on current trends
 - ❑ **\$200 thousand** increase from revolving loan to fund homeownership and renovate programs

Budget Summary

Council Strategic Priority 2: Healthy and Vibrant Community

Objective 2.3: Addressing Affordable Housing Needs

- ▶ Retain, protect and increase the **supply of affordable housing stock** to provide a broad range of housing to meet the needs of the community
- ▶ **Supporting clients through the stages of the housing continuum**, towards more stable and permanent housing

Housing & Homelessness Action Plan:

Goal 1: House People Who Do Not Have a Home

Goal 2: Help People to Retain a Home

Goal 3: Increase Housing Options and Opportunities for Low and Medium Income Households

Goal 4: Build Capacity and Improve the Effectiveness and Efficiency of the Housing and Homelessness System

Budget Summary - Continued

- ▶ Partnerships with Niagara Region
 - ▶ Affordable Housing Steering committee
 - ▶ RFP for development
- ▶ Redevelopment of current stock
 - ▶ Budget supports the operating costs and revenues of the Thorold properties purchased in 2019 & intensification in Welland which increases housing supply
- ▶ Feasibility Study
- ▶ Ready/Set/Build Workshops with Providers
- ▶ Living wage Requirements
- ▶ Repairs & Maintenance of NRH owned-units
- ▶ Inclusion of full year operating costs for Carlton street and Thorold properties

**Housing & Homelessness
Action Plan: support
increasing and maintaining
available housing stock in
Niagara**

Budget Summary - Continued

- ▶ Subsidy for 60 Non-Profit and Cooperative housing providers
- ▶ Assistance to housing providers with funding applications for new development
- ▶ 15 potential low to moderate income earners will receive 5% down payment assistance
- ▶ Support to five Habitat for Humanity builds
- ▶ Support to 35 low income homeowners for accessibility and emergency repairs – allows them to remain in their own home
- ▶ Rent Supplement Program includes subsidy for New Bethlehem Housing Build
- ▶ Support 740 housing applicants with a housing allowance
- ▶ Additional CPC remains in current budget to provide support to housing providers

Initiatives above align with HHAP action items which support long-term housing stability for households at risk of homelessness and prevent loss of current community housing stock

Budget Summary - Continued

527 Carlton Street – St. Catharines



Roach Street - Welland



Thank You!

Donna Woiceshyn, **CEO**

Questions?

2019-2020 Forecasted Reserve Summary

17

Description	Balances at December 31, 2018	2019 Year-to-date		Balance at September 30, 2019	2019 Forecast		Forecasted Balance at December 31, 2019	2020 Forecasted		Estimated Balance at December 31, 2020
		Net Transfers from (to) Operating	2019 Year-to-date Capital Transfers		Net Transfers Forecast from (to) Operating	2019 Forecasted Capital Transfers		Net Transfers from (to) Operating*	2020 Forecasted Capital Transfers *	
NRH Owned Units Public/Local Housing Corp:										
Jubilee/Broad oak	215,569	54,000	-	269,569	18,000		287,569	72,000		359,569
Fitch Street	261,040	66,750	-	327,790	22,250		350,040	89,000		439,040
Carlton	-	157,500	-	157,500	52,500		210,000	81,000		291,000
Other Owned Units **	3,644,207	457,817	(794,555)	3,307,469	1,052,606	700,000	5,060,075	1,300,000	(2,498,395)	3,861,680
NRH Owned Units Public/Local Housing Corp TOTAL	4,120,816	736,067	(794,555)	4,062,328	1,145,356	700,000	5,907,684	1,542,000	(2,498,395)	4,951,289
Niagara Regional Housing:										
Emergency Capital Funding for Housing Providers	1,924,871	955,798	-	2,880,669	318,599		3,199,268	1,540,927		4,740,195
Title Normalization for NRH Owned Units	712,381	-	-	712,381			712,381			712,381
New Initiatives, other social housing purposes and any new deposits are added to this category	3,403,047	-	(410,415)	2,992,632	-	-	2,992,632	-	(2,290,000)	702,632
Niagara Regional Housing TOTAL	6,040,299	955,798	(410,415)	6,585,682	318,599	-	6,904,281	1,540,927	(2,290,000)	6,155,208
Total NRH Capital Reserves	\$ 10,161,115	\$ 1,691,865	\$ (1,204,970)	\$ 10,648,010	\$ 1,463,955	\$ 700,000	\$ 12,811,965	\$ 3,082,927	\$ (4,788,395)	\$ 11,106,497
NRH Rent Supplement:	278,301	(9,000)	-	269,301	(3,000)		266,301	(17,000)		249,301
NRH Stabilization Reserves TOTAL	\$ 278,301	\$ (9,000)	\$ -	\$ 269,301	\$ (3,000)	\$ -	\$ 266,301	\$ (17,000)	\$ -	\$ 249,301
NRH Employee Future Benefits:	792,733	-	-	792,733	-	-	792,733	-	-	792,733
NRH Future Liability Reserves TOTAL	\$ 792,733	\$ -	\$ -	\$ 792,733	\$ -	\$ -	\$ 792,733	\$ -	\$ -	\$ 792,733
Total	\$ 11,232,149	\$ 1,682,865	\$ (1,204,970)	\$ 11,710,044	\$ 1,460,955	\$ 700,000	\$ 13,870,999	\$ 3,065,927	\$ (4,788,395)	\$ 12,148,531

* 2020 Forecasting Capital and Operating Transfers are based on proposed 2020 Capital & Operating Budgets

** Net operating transfers includes \$900,000 transfer of 2019 budget to capital project per approved report for Hawkins development. 2019 forecasted capital transfers includes an estimated \$700,000 transfer back to reserve from Carlton Street Development.

Draft ASD Budget Comparison – For Discussion Only

18

	2020	=	NRH Owned Units - NRH Corporation	+	NRH Programs - Division of Community Services
	Budget Total		Budget Total		Budget Total
Compensation	5,214,710		0		5,214,710
Administrative	646,698		100,300		546,398
Operational & Supply	70,000		0		70,000
Occupancy & Infrastructure	15,849,805		15,849,805		0
Equipment, Vehicles, Technology	245,800		106,800		139,000
Community Assistance	30,984,668		0		30,984,668
Financial Expenditures	1,966,966		1,966,966		0
Transfers To Funds	3,082,927		1,542,000		1,540,927
Allocation Between Departments	65,480		0		65,480
Gross Expenditure Subtotal	58,127,054		19,565,871		38,561,183
Federal & Provincial Grants	(13,713,766)		(1,592,579)		(12,121,187)
Other Revenue	(16,051,611)		(15,706,611)		(345,000)
Transfers From Funds	(17,000)		0		(17,000)
Gross Revenue Subtotal	(29,782,377)		(17,299,190)		(12,483,187)
Net Expenditure (revenue) before indirect allocations	28,344,677		2,266,681		26,077,996
Indirect Allocation	2,037,767		1,239,039		798,728
Capital Financing Allocation	6,107,426		5,979,310		128,116
Management Fee Allocation	0		3,084,145		(3,084,145)
Allocation Subtotal	8,145,193		10,302,494		(2,157,301)
Net Expenditure (revenue) after indirect allocations	36,489,870		12,569,175		103,920,695

Analysis of Budget Allocation

- Compensation – All employees will become Niagara Regional employees
- Occupancy & Infrastructure – R&M of Owned Units
- Community Assistance – subsidy related programs
- Federal & Provincial grants – Revenue for owned units is based on formula allocation – funding ends 2026
- Indirect / Capital Financing allocations – Based on cost drivers related to NRH and debt costs for Owned Units
- Management Fee – Compensation related to staff directly involved with Owned-units (100% of Operations Manager and staff; Portion of time for CEO, Access Team, Community Resource Unit)



Mailing Address:
P.O. Box 344
Thorold ON L2V 3Z3

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

October 18, 2019

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

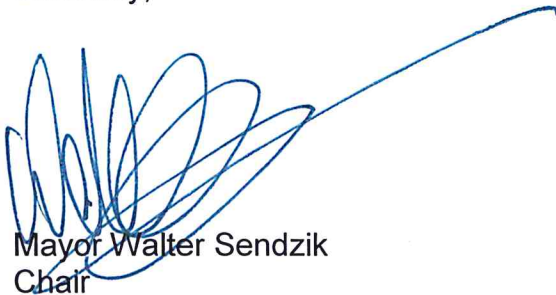
Dear Ms. Norio:

At their October 18, 2018 meeting, the Niagara Regional Housing Board of Directors, passed the following motion:

1. That the Niagara Regional Housing Board of Directors **APPROVE** the Proposed 2020 Operating Budget increase of \$555,778 or 2% over the 2019 operating budget in accordance with Council approved budget planning direction, with a net levy impact of \$28,344,677 before indirect allocations and;
2. That this report **BE REFERRED** to the Budget Review Committee of the Whole for consideration, as part of the 2020 budget deliberations.

Your assistance is requested in providing the attached report, NRH 16-2019, to the Budget Review Committee of the Whole.

Sincerely,



Mayor Walter Sendzik
Chair



REPORT TO: Board of Directors of Niagara Regional Housing

SUBJECT: Proposed 2020 Operating Budget

REPORT DATE: Friday, October 18, 2019

Recommendation

1. That the Niagara Regional Housing Board of Directors **APPROVE** the Proposed 2020 Operating Budget increase of \$555,778 or 2% over the 2019 operating budget in accordance with Council approved budget planning direction, with a net levy impact of \$28,344,677 before indirect allocations and;
2. That this report **BE REFERRED** to the Budget Review Committee of the Whole for consideration, as part of the 2020 budget deliberations.

Key Facts

- The purpose of the report is to seek approval for the proposed 2020 Operating budget for NRH.
- Niagara Region's Financial Management & Planning staff presented to Budget Review Committee of the Whole (BRCOW) Report CSD 40-2019, dated June 20th, 2019, respecting the 2020 Budget Planning. On July 18, 2019, Regional Council approved the use of the Core CPI at 2% for Regional Departments, ABC's and Rate programs.
- The proposed 2020 NRH Operating Budget reflects a \$555,778 increase (2.0%) and has met guidance.

Financial Considerations

NRH staff worked together to reach Council's guidance of 2.0%. The 2020 Budget was prepared based on maintaining current service standards. There were no program changes to the 2020 proposed operating budget for NRH.

The 2020 proposed Operating Budget is as follows:

	2019 Approved Budget	2020 Proposed Budget	\$ Change	% Change
Gross Expenditure	\$ 56.82	\$ 58.13	\$ 1.31	2.3%
Gross Revenue	\$ (29.03)	\$ (29.78)	\$ (0.76)	2.6%
Net Expenditure (Revenue) before indirect allocations	\$ 27.79	\$ 28.35	\$ 0.56	2.0%
Staff Compliment	2019 Approved FTE	2020 Proposed FTE	# Change	% Change
Full-Time Permanent Employees	51	51	0	0.0%
Full-Time Temporary Employees (Ministry-funded / pilot programs)	9	9	0	0.0%
Total FTE Count	60	60	0	0.0%

Analysis

The following highlights the changes in the proposed 2020 Operating budget as compared to the 2019 approved budget.

Compensation:

- Increase in Compensation of \$110 thousand (2.2%) is driven by corporate compensation guidance and benefit related costs. There were no net new additions to the employee compliment for 2020.

Occupancy and Infrastructure:

- Increase in Occupancy and Infrastructure of \$1.2 million (8.4%) which is driven by the following:
 - \$366 thousand driven by an increase in repairs and maintenance costs based on trending
 - \$265 thousand increase for pest control costs to include preventative maintenance
 - \$264 thousand related to an increase in property taxes as a result of the full year addition of 527 Carlton Street and properties purchased in Thorold & Welland which have been added to the NRH Owned-units properties in 2019
 - \$230 thousand increase to align with 2020 signed service contracts. The service contracts include the additions for Carlton and properties purchased in Thorold. These costs are offset by an increase in revenues associated with these properties
 - \$58 thousand net increase in utility costs based on 2019 trends. Utility costs have slightly reduced for all owned units, but were offset by the new costs related to Carlton and Thorold properties.

- \$49 thousand increase to security costs related to required daily security at Gale street

Community Assistance:

➤ *Decrease in Community Assistance of \$595 thousand (1.9%) as follows:*

- \$332 thousand (9.1%) decrease in Rent Supplement Regular due to a decline in rent geared to income subsidy to landlords. The 2020 budget includes a 1.8% legislated increase over 2019 for rent supplement and it includes an incremental subsidy for additional units due to End-of-Operating Agreements (EOA) to cover rent-supplement costs formerly funded by the Federal government. The proposed 2020 rent supplement budget also includes a \$72,000 subsidy amount for the expected units in the downtown St. Catharines Bethlehem-Penn Terra development
- \$61 thousand (1.5%) decrease in Ministry funded program assistance which are 100% funded by Provincial/Federal dollars. Any new funding announcements received in the 2020/2021 years will be adjusted in year. The following increases and decreases by program are listed below:
 - IAH-E Rent Supplement *decrease* of \$679 thousand to \$216 thousand in 2020
 - IAH-E Housing Allowance *decrease* of \$74 thousand to \$186 thousand in 2020
 - IAH-E Niagara Renovates *decrease* of \$1.1 million to \$0 in 2020
 - IAH-E Homeownership *decrease* of \$180 thousand to \$0 in 2020
 - SIF Rent Supplement *decrease* of \$187 thousand to \$540 thousand in 2020
 - SIF Housing Allowance *remains* at \$1.0 million in 2020
 - SIF Homeownership *decrease* of \$20 thousand to \$0 in 2020
 - OPHI Homeownership *increase* of \$100 thousand as new for 2020
 - OPHI Niagara Renovates *increase* of \$546 thousand as new for 2020
 - OPHI Rent Supplement *increase* of \$800 thousand as new for 2020
 - OPHI Housing Allowance *increase* of \$257 thousand as new for 2020
 - COCHI Repairs *increase* of \$505 thousand as new for 2020
- *Increase* of \$200 thousand for the Homeownership program funded by the revolving loan fund
- *Decrease* to the Non-Profit and Co-op subsidy of \$435 thousand (2.1%) due to alignment with 2019 actual subsidy payments and expected RGI subsidy trends
- *Decrease* in Federal Program subsidy of \$117 thousand (9.9%) as a result of EOA

Financial Expenditures:

- Decrease in Financial Expenditures of \$258 thousand (11.6%) is as follows:
 - *Decrease* to the NRH/LHC-Debenture expense of \$368 thousand (17.9%) due to debt reduction owed to the province as four agreements have expired
 - *Increase* in bad debt costs anticipated due to an internal review on tenant arrears owed to NRH. The write-off of arrears is expected in 2020

Transfers to Reserves:

- *Increase* Transfer to Capital Reserves of \$827 thousand (36.7%) from \$2.3 million.
 - \$267 thousand increase transfer to NRH reserve from Housing Programs to support programs for housing providers (total transfer to reserve of \$1.5 million)
 - \$561 thousand increase transfer to NRH Owned-Units reserve to support repairs required on owned-units (total transfer to reserve of \$1.5 million transfer)). The total transfer includes restricted reserve contributions of \$81 thousand for 527 Carlton Street, \$72 thousand for Jubilee Drive, and \$89 thousand for Fitch Street East. The remaining \$1.3 million is required to support ongoing funding requirements of the NRH-owned units annual capital program. Increased contributions to reserves are supported by the Niagara's 10-Year Housing and Homelessness Action Plan report COM 40-2019

Revenues:

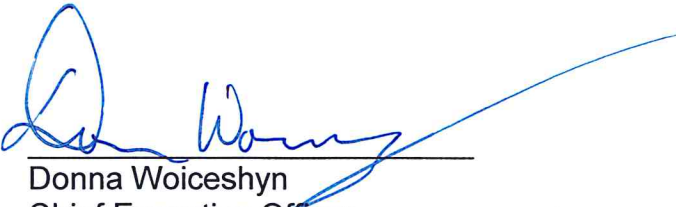
- *Increase* in Revenues of \$756 thousand (2.6%) is as follows:
 - Decrease in Federal & Provincial grants of \$67 thousand (0.5%) driven by scheduled service manager funding schedules due to EOA
 - *Increase* in rental revenue of \$642 thousand (4.4%) based on 2019 actuals (includes full year-revenues for Carlton Street and Thorold Properties purchased in 2019)
 - *Increase* in other revenue of \$200 thousand relating to recognition of revenue from the revolving loan in order to fund the homewonership program for 2020

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/SIF Rent Supplement, IAH-E/SIF Homeownership, and IAH-E/SIF Niagara Renovates and new OPHI/COCHI funding which is replacing IAH-E/SIF into the budget process. Year-over-year these amounts are expected to change to reflect the take-up of funding. 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.

Other Pertinent Reports

CSD 40-2019

Submitted by:
Donna Woiceshyn
Chief Executive Officer**Approved by:**
Walter Sendzik
Chair

This report was prepared by Stephanie Muhic, Program Financial Specialist, in consultation with Donna Woiceshyn, CEO and Dan Ane, Manager Program Financial Support.