

Court Services COVID-19 Costs - 2021 Operating Budget Business Case

Court Services, POA-01

Initiative Start Date: 01-01-2021

Reason for Business Case: Program Changes - COVID-19

Description of program change:

Due to COVID-19, the Court Services Division has had to increase spending related to PPE (\$2,862), janitorial supplies (\$1,000) and additional minor IT to assist with the COVID screening process and support the transition to virtual court operations during the pandemic (\$13,000). Increased spending will be required as a result of additional mailing services due to a backlog in convictions requiring notice of fine and due date (\$2,700) and additional Part III prosecution time due to increased time required for virtual court services (\$14,300). These expense increases have been offset by several decreases as a result of savings expected due to a decrease in conferences and required in-person meals/travel expenses for staff (\$5,000). In addition a total of \$50,000 is being charged through indirect allocations (Building Maintenance) to Court Services related to additional cleaning fees at the Welland Courthouse. This amount is being fully allocated to Court Services in 2021 to allow for this cost to be split 50/50 with the LAMs and therefore not absorbed fully by the Region. These changes are required to provide a safe working environment for staff and the public during the COVID-19 pandemic. Additionally, these changes are required to continue meeting the Ministry of the Attorney General Guidelines to which the Court Services division is subject to.

Business Reasons for Program Change:

It is a Ministry as well as Regional requirement that certain COVID-19 guidelines be implemented with regards to screening, PPE, and sanitation upon opening of facilities to the public. Court Services was required to shut down to the public for a portion of 2020 as a result of the pandemic which has resulted in several backlogs that will continue to require support into 2021. Additionally, Court Services will be required to modify their services to meet the changing rules and regulations of in-person services, thus leading to changes required to support additional virtual options. Additionally, as a result of a backlog of convictions resulting from the pandemic additional expenses are required as a result of additional mailing to ensure notice of fine and due date are sent out. Without these additional mailing services the court would be at a reduced ability to collect revenue. In order to meet these guidelines and protect the health and safety of the Regional Employees who work in this facility and the public upon entering the facility additional costs will be incurred.

Supports Council's Strategic Priorities: Healthy and Vibrant Community

Court Services COVID-19 Costs - 2021 Operating Budget Business Case

This ask supports Council's Strategic Priority of Healthy and Vibrant Community by supporting the fostering of a safe and inclusive neighbourhood and community tied to a larger strategic Community Safety and Wellbeing strategy.

Risk Assessment: High-priority

If funding is not approved, Regional staff and the public who attend the POA Court to perform their work duties and use the court services respectively will be put at risk of contracting COVID-19 because surfaces will not be properly cleaned/sanitized and employees will not have proper PPE when dealing with the public. Without additional funding support this would result in a failure to meet the Ministry's requirements for operation during the COVID-19 pandemic therefore prohibiting the Court facilities from being open to the public resulting in a decrease in in-person services being offered and a decrease in revenue seen in this division. Additionally, to continue to modify services offered, Court Services is required to increase the capacity to offer virtual services, thus requires adequate funding to support these changing needs as the nature of their services offered change alongside the pandemic.

Staffing Impact:

None

Total Cost of Staffing Position:

Staffing Implementation Date: 01-01-2021

No staffing impact.

Court Services COVID-19 Costs - 2021 Operating Budget Business Case

Financial Impact Summary	Current Year Impact	Multi Year Impact		
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Beyond</u>
Gross Expenditures	79,112	-	-	-
Gross Revenues	-	-	-	-
Net Impact to levy	79,112	-	-	-
% Change over prior year	5.400%			

Prepared by Division Manager:	Miranda Vink
Reviewed by Program Financial Specialist:	Blair Hutchings
Approved by Director / Commissioner:	

Court Services Cost Mitigation - 2021 Operating Budget Business Case

Court Services, POA-02

Initiative Start Date: 01-01-2021

Reason for Business Case: Mitigation

Description of program change:

To support the 2021 budget guidance and other corporate pressures this mitigation item will allow Court Services to maintain their distribution to the LAMs within the 2% guidance. As a result of ensuring the variance in this distribution does not exceed 2%, Court Services is required to decrease the amount transferred to their capital reserve fund as a mitigation to fund the distribution instead. The impact of this mitigation to Court Services will be a \$56,638 decrease in the transfer to the Court Services Capital Reserve.

Business Reasons for Program Change:

Court Services is not recommending this mitigation, but must fit costs within the guidance provided. In order to maintain the distribution to the LAMs within the 2% guidance, Court Services cannot contribute the capital reserve fund at the previously recommended amount level.

Supports Council's Strategic Priorities: Sustainable and Engaging Government

This ask is related to Council's Strategic Priority of Sustainable and Engaging Government in that by allowing this mitigation, it does not build an adaptive environment that employs leading business practices for fostering the ongoing capital requirements of Court Services into the future.

Risk Assessment: High-priority

This mitigation strategy will likely cause a budget pressure in 2022/2023 based on the projected multi-year program and services changes expected by Court Services. By reducing the amount contributed to the Court Services Capital Reserve by 50% this will affect Court Services ability to fund ongoing capital requirements of their facility and/or subsequent replacement in accordance with best practice in asset management. This represents a one-time mitigation as a result of the scheduling software ask and it is expected that Court Services will be able to reinstate the transfer to the reserve in the full amount in 2022.

Staffing Impact:

None

Total Cost of Staffing Position:

Staffing Implementation Date: 01-01-2021

No staffing implication.

Court Services Cost Mitigation - 2021 Operating Budget Business Case

Financial Impact Summary	Current Year Impact	Multi Year Impact		
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Beyond</u>
Gross Expenditures	(56,638)	-	-	-
Gross Revenues	-	-	-	-
Net Impact to levy	(56,638)	-	-	-
% Change over prior year	0.000%			

Prepared by Division Manager:	Miranda Vink
Reviewed by Program Financial Specialist:	Blair Hutchings
Approved by Director / Commissioner:	

Court Services Capital Financing - 2021 Operating Budget Business Case

Court Services, POA-03

Initiative Start Date: 01-01-2021

Reason for Business Case: Capital Financing

Description of program change:

This business case is for Court Services to increase its transfer to capital reserves by 1% or \$14,688 which will help Court Services fund future capital program needs and reduce reliance on in year funding and/or debt financing. This request is consistent with the strategy as approved at BRCOTW on June 25th to allow for 2% increase to the 2021 budget share to be shared equally with 1% to operating costs and 1% to support capital renewal costs to better meet the demands of capital and the significant capital levy funding gap for 2021.

Business Reasons for Program Change:

Increasing the annual contribution to capital through an increase in transfer to the Courts Capital Reserve Fund as proposed in this business case will reduce reliance on in year funding and/or debt funding. Additionally, this strategy will reduce capital budget pressure for the future by smoothing the multi-year impact of capital impacts on the operating budget, in particular the distribution to the LAMs. Specifically, Court Services has identified the Courts Administration Management Software (CAMS) modernization project has been identified as a project possibly having an impact on the Court Services Multi-Year Capital Budget. At this time the total costs of this project are unknown, however planning for this now will reduce in year asks in future years and thus through increasing the Capital Reserve this will reduce budget pressure moving forward.

Supports Council's Strategic Priorities: Sustainable and Engaging Government

Increasing funding available for capital reserves supports Council's strategic priorities of Responsible Growth and Infrastructure planning. Having capital funding available is important to preserve and maintain the Courts Facility Capital Reserve.

Risk Assessment: Priority

Court Services Capital Financing - 2021 Operating Budget Business Case

Court Services has identified future capital projects required to support their systems modernization through the CAMs project. Therefore, increasing the 2021 budgeted transfer to the capital reserve supports this project and reduces multi-year budget pressure impacts.

Additionally, it is important for Court Services to continue to contribute to their capital reserve to fund future capital requirements of their facility. Although the facility is currently in good condition maintaining the good condition is highly dependent on building components being replaced once they reach the end of their useful life. Failure to do so would lead to more expensive capital costs, increased risk to health and safety and additional operating costs.

Staffing Impact:

None

Total Cost of Staffing Position:

Staffing Implementation Date: 01-01-2021

No staffing implication.

Court Services Capital Financing - 2021 Operating Budget Business Case

Financial Impact Summary	Current Year Impact	Multi Year Impact		
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Beyond</u>
Gross Expenditures	14,688	-	-	-
Gross Revenues	-	-	-	-
Net Impact to levy	14,688	-	-	-
% Change over prior year	0.000%			

Prepared by Division Manager:	Miranda Vink
Reviewed by Program Financial Specialist:	Blair Hutchings
Approved by Director / Commissioner:	

Court Services Cost Mitigation - 2021 Operating Budget Business Case

Court Services, POA-04

Initiative Start Date: 01-01-2021

Reason for Business Case: Mitigation

Description of program change:

This mitigation option presents incorporating a salary gapping estimate in the 2021 operating budget to assist with offsetting budget pressures. The salary gapping estimate is calculated as 1% of applicable compensation related accounts. This translates to an impact of \$19,047 for the Court Services 2021 budget which is being used to mitigate budget pressures in the Courts Services 2021 budget.

Business Reasons for Program Change:

Niagara Region departments have historically budgeted personnel related costs on the premise that positions will be filled for the entire year. This process includes budgeting the total estimated payroll related costs for a position for the entire year. When a position becomes vacant, there is a natural time lag involved to fill the vacancy. This time lag creates a favourable budget variance as the budgeted dollars associated with a position go unspent during the vacancy period.

Staff recognizes that budget savings associated with gapping has historically been realized year over year in Regional departments and ABCs. A gapping estimate has been prepared for consideration by Council as part of 2021 operating budgets to help mitigate ongoing budget pressures. Each department/division within Niagara Region calculated a gapping provision of 1% of base budget payroll related costs. The use of 1% is a conservative estimate based on past historical trending of actual gapping realized each year. The gapping estimate will show as a reduction to payroll related costs in the respective departments. Staff have ensure that departments that receive external funding are not impacted by this calculation. Staff have also ensured that 24 hour operations that require backfilled staff for vacancies/absences have been excluded from the analysis.

The risks associated with this proposal are noted below

Supports Council's Strategic Priorities: Sustainable and Engaging Government

This business case is intended to support the principals of sustainable and engaging government. Incorporating salary gapping in the budget is a proposal to assist with keeping tax increases at tolerable rates for taxpayers/ratepayers in a sustainable fashion

Risk Assessment: Priority

Court Services Cost Mitigation - 2021 Operating Budget Business Case

There are several risks associated with this strategy as per below:

-if the department operates at a full staffing compliment for the year, there is a budget risk that the dollars associated with the estimated gapping assumption will not be realized. If this is the case, the department will have an unfavourable budget variance in their personnel related costs which will need to be offset with another funding source.

-gapping savings have historically been used to offset other corporate related budget pressures (labour relations, legal claims, development charge exemptions). By including a gapping estimate in the budget, this creates risk that these corporate pressures may not be fully offset/funded

-once a gapping estimate is incorporated in the budget, it is difficult to reverse in a subsequent budget year without requesting a levy/rate increase in order to fund

-gapping contributes to the overall corporate surplus to help fund stabilization reserves

Staffing Impact:

None

Total Cost of Staffing Position:

Staffing Implementation Date: 01-01-2021

No staffing implication.

Court Services Cost Mitigation - 2021 Operating Budget Business Case

Financial Impact Summary	Current Year Impact	Multi Year Impact		
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Beyond</u>
Gross Expenditures	(19,047)	(21,213)	(21,919)	-
Gross Revenues	-	-	-	-
Net Impact to levy	(19,047)	(21,213)	(21,919)	-
% Change over prior year	0.000%			

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Approved by Director / Commissioner:	