



TWENTY21

NIAGARA REGION BUDGET

2021 Consolidated Levy Budget

January 14th 2021

2021 Consolidated Levy Budget

Key Themes

- Departmental budgets aligned to budget planning strategy
 - Base budget at 1%
 - Capital financing at 1%
- COVID-19 pressures identified and mitigated for net zero impact
- Assessment growth of 1.4% in line with prior years; the \$5.7 million has been recommended in accordance with Budget Planning By-law
- Budget aligns with public engagement outcomes and Council strategic priorities

2021 Consolidated Levy Budget

What we're going to cover:

- Departmental Levy Budget
 - COVID-19 impacts
 - Assessment growth revenue & uses
- Consolidated Levy Budget
- Risks and Opportunities
- Next Steps

2021 Budget Process

- ✓ Budget planning strategy set in June
- ✓ Staff developed budget to support:
 - Current service delivery
 - Affordability concerns
- ✓ CLT met seven times and supports recommendations, mitigations and risks
- ✓ Budget engagement results shared with BRCOTW October 15
- ✓ Levy Workshop provided education and information
- ❑ BRCOTW and Council approval required

2021 Budget Strategy

BASE SERVICES 1.0% + CAPITAL PROGRAM 1.0% + NEW PROGRAMS 0.0% + ASSESSMENT GROWTH Net 0% + COVID-19 \$+/-

2% Increase + ?% COVID-19
1% allocated to Operating Services
1% allocated to Capital Funding

COVID-19 Insight

Budget Engagement

Key findings of September engagement activities (focus groups & online survey)

Services residents have relied on

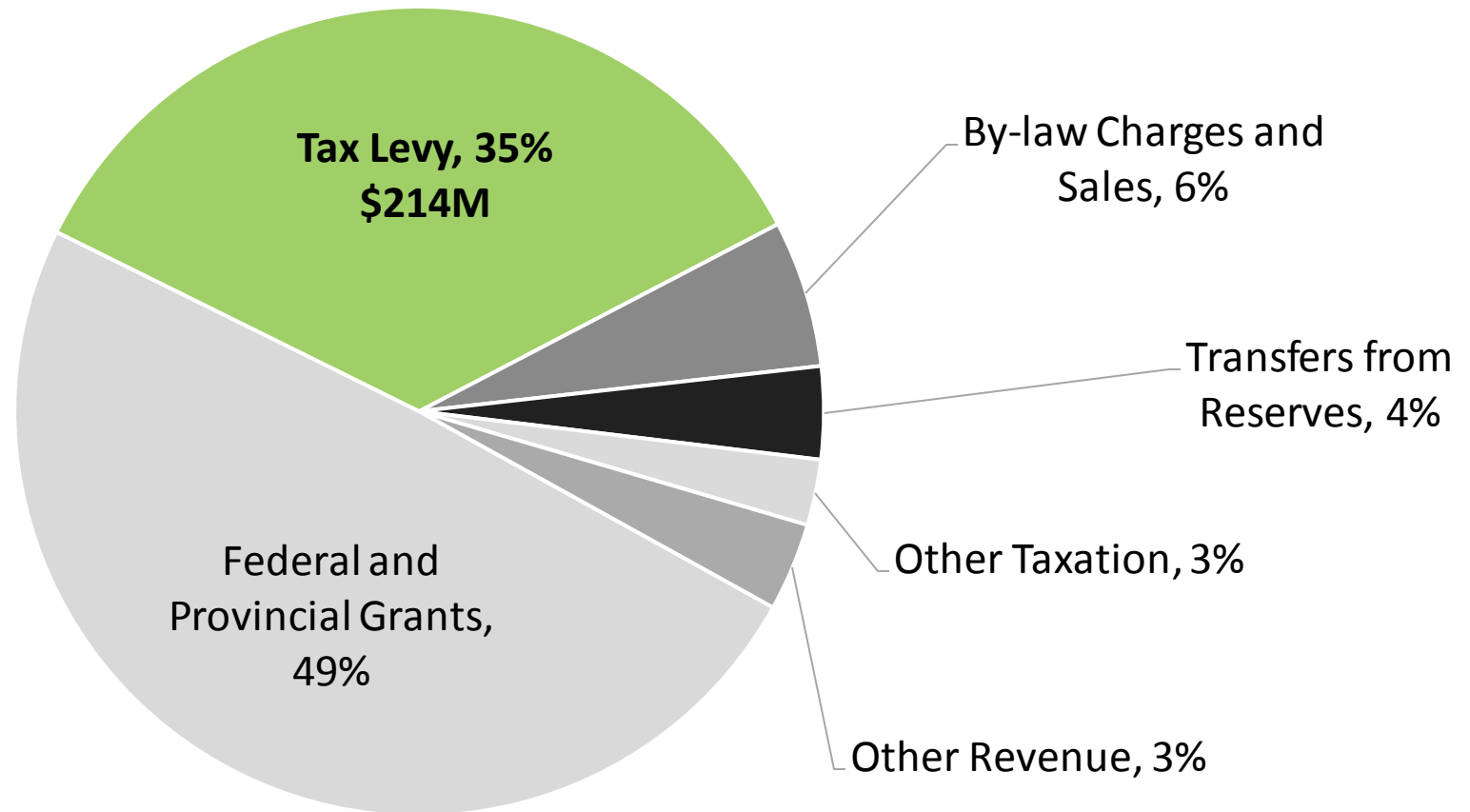
1. Public health
2. Social assistance
3. Help finding a job
4. Transit
5. Business support

Areas Niagara Region should focus on

1. Maintenance of essential services
2. Keeping seniors safe
3. Mental health
4. Support for homeless and those at risk
5. Supporting business

Department Expenses (excludes ABCs) of \$612M

Where does the money come from?



Departmental Levy Budget Highlights

Budget strategy achieved departmentally

- ✓ 1% or \$2.0 million for service cost increase
- ✓ 1% or \$2.0 million to enhance capital financing
- ✓ 0% for new programs
- ✓ 0% net impact of COVID-19
- ✓ 0% net impact of assessment growth of 1.4% or \$5.7 million used in accordance with policy

2021 Base Budget

Operating cost pressures of 2% or \$4.1 million

Drivers include:

- Labour related contracts, strategies and WSIB costs (\$3.0M); contract and inflationary increases (winter control, homelessness, etc.) (\$1.8M); asset repairs and infrastructure funding (\$0.9M); insurance premiums (\$0.7M)

Offset by:

- Fuel, utilities & tree removal savings (\$1.4M); expiring of Official Plan & enhanced transit service consulting (\$0.7M); subsidies net increase (\$0.9M); delays in increase to Pro-kids grants and street light uploading (\$0.3M)

2021 Base Budget

Mitigations of \$2.1 Million to Achieve 1.0% Strategy

Salary gapping strategy

- \$1.15M estimated savings from annual staff turnover

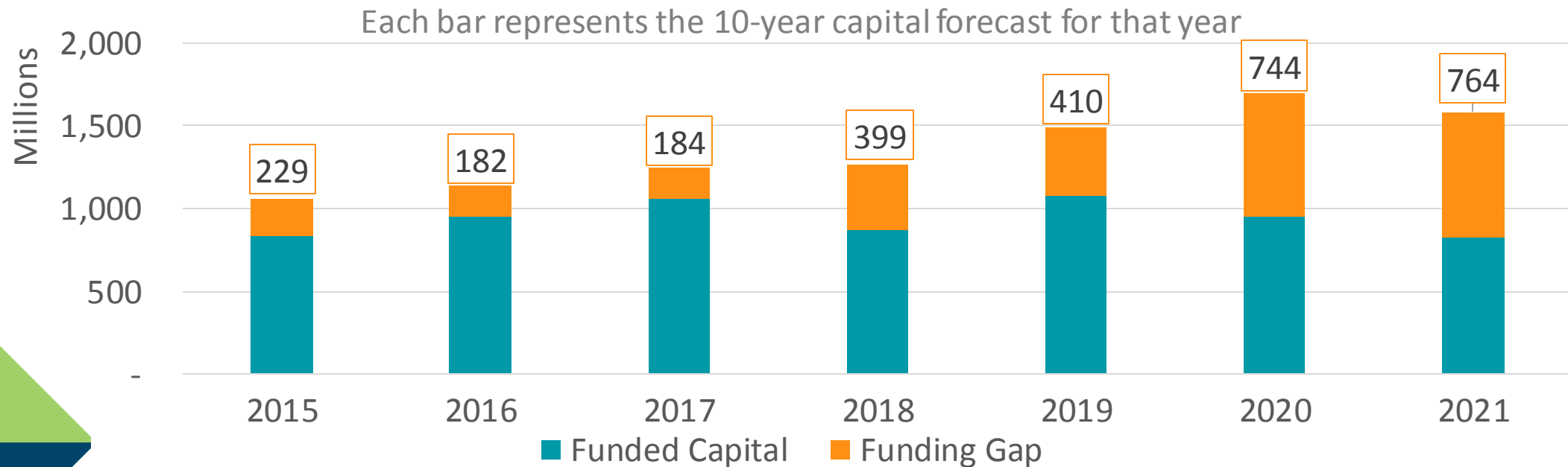
Not accommodated in budget planning strategy of 2%

- Trends for insured & uninsured claims and labour relations actuals (\$0.69M), continued deferral of Niagara Prosperity Initiative budget (\$0.25M), reserve funding for Smarter Niagara Incentive Program pending Incentive review (\$0.30M)

Capital Financing

Enhanced by 1% or \$2.0 million

- 10 year capital gap continues to increase
- Capital Financing Policy recommended funding increase of 2.16%/yr. for 10yrs
- Annual contribution to capital reserves at \$19.9M (AMP recommended \$66M)



COVID-19 Pressures

Estimated Departmental Expenses of \$17.8 million for 2021

Pressures due to:

- Long-term care patient care (\$4.3M), Pandemic Response (\$5.5M), enhanced cleaning, screening, PPE etc. (\$5.6M), homelessness programs (\$1.2M), decreased supplemental taxes (\$1.1M)
- Assumed costs for one year, however Pandemic Response Team is for two years
- Funding proposed is \$0.6M from assessment growth and \$17.2M from Taxpayer Relief Reserve. Mainly from 2020 year-end surplus of \$17.1M due to \$12.2M in 2020 Provincial Safe Restart funding and Regional mitigation measures.

COVID-19 Pressures

Pandemic Response Team Cost of \$5.5 million for 2021

Provides pandemic response through a purpose-built structure to:

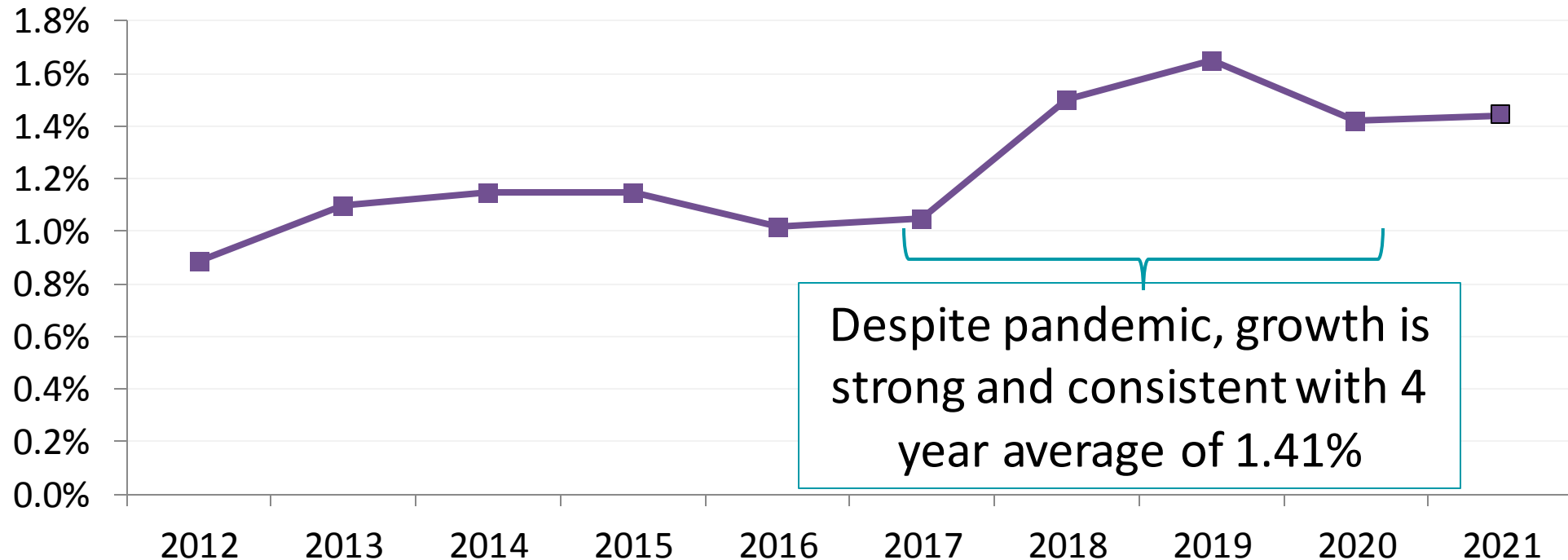
- Streamline management and leadership
- Provide clarity to employees on work assignments
- Support call centre, case & contact management and outbreak management

Request of 111.9 temporary FTEs (128 for 2022) and 6 permanent FTEs

- Offset by 36.7 FTEs (46.2 for 2022) reduction due to business continuity reductions of the pandemic; net impact of 75.2 FTEs in 2021
- 6 permanent FTEs to support investment in critical roles that will support future public health risk mitigation











Assessment Growth of 1.44% for 2021

10 year history



Assessment Growth

Increase of 1.44% or \$5.7 Million

Objective per the Budget Planning Policy	Budget (000's)	Council Priority
Tax Increment Grants	\$77	 
Operating Costs of Growth	\$1,143	  
Asset Management Plan (AMP)	\$862	 
Economic Growth/Council Priorities	\$3,583	  
Total Assessment Growth	\$5,665	

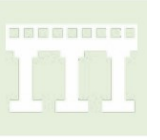
Supporting businesses and economic growth



Healthy and vibrant community



Responsible growth and infrastructure planning



Sustainable and engaging government



Assessment Growth

Economic Growth/Council Priority Total of \$3.6 million

Includes \$1.5 million per year transfer to a Hospital Funding Reserve:

- West Lincoln Memorial Hospital request of \$14M in 2024
- \$1.5 million from 2021 to 2024 provides for \$6.0 million
- Actual Regional commitments subject to:
 - Hospital contributions policy report
 - Hospital reserve creation report
 - Future year budgets

Department Staffing Complement

Permanent and Temporary FTEs

	Perm FTEs	Temp FTEs
2020 Levy Departments	2,371.8	53.1
Base changes	(1.9)	(9.7)
Funded by Assessment Growth	18.6	1.0
COVID-19 funded from reserve	-	187.5
Subtotal of Changes	16.7	179.0
2021 Proposed FTEs	2,388.4	232.1

Reduction driven by mandated SAEO employment services transformation offset by childcare expansion.

Public Health pandemic support and EMS system transformation offset by a reduction of base temporary positions

COVID-19 pandemic response team and long-term care patient support

Consolidated Levy Budget of \$409.6M

Departments of \$214.4M and ABCs of \$195.2M

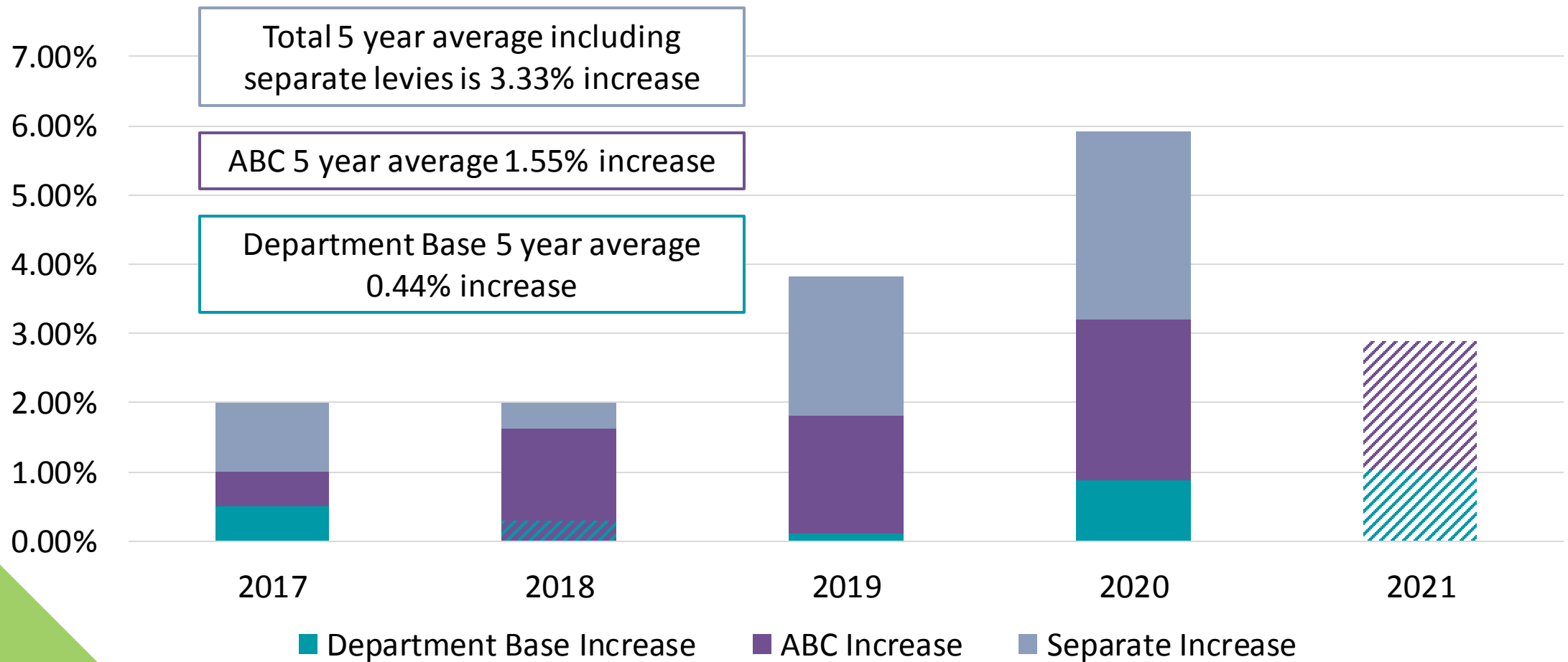
Overall 2.9% net increase

- Departments at 2%
- ABC COVID-19 costs mitigated
- ABCs net increase is 3.9% vs. 2% strategy
 - ✓ NRH 2.0%
 - ✓ Court Services 2.0%
 - ✓ NPCA 2.0%
 - NRPS 4.3%

Item	\$ Increase	% Increase	% Levy Increase
2020 Levy	\$392.6M		
Departments	\$2.0M	1.0%	0.5%
Capital	\$2.0M	1.0%	0.5%
COVID-19 (incl ABCs)	\$18.8M		4.8%
COVID-19 funding	(\$18.8M)		(4.8%)
Use of Assessment Growth	\$5.7M		1.4%
Assessment Growth			(1.4%)
ABCs	\$7.3M	3.9%	1.9%
2021 Levy	\$409.6M	4.3%	2.9%

Consolidated Levy Budget

Historical Tax Levy Increases net of Assessment Growth



Tax Impact on Average Household

Impact on average household (assessment of \$278,764)

	2021 Impact to Household	Cost to Household
2020 cost per household		1,611
Departmental base budget increase	8	
Incremental capital financing	8	
Costs funded by Assessment Growth	23	
Assessment Growth	(23)	
COVID-19 pressures	76	
Reserve funding	(76)	
ABCs budget increase	30	
2021 Cost per Household	46	1,657

Risks & Opportunities

Many unknowns with COVID-19 (risk/opportunity)

- Role in vaccination program, casino reopening assumption, business license revenue impact of potential future restrictions (risks)
- Provincial funding for long-term care homes and Public Health (opportunity)

Result of incentive and sustainability reviews (risk/opportunity)

Aggressive budget mitigations (risk)

- Staff vacancies are estimated based on historical trend; used in the past to mitigate unbudgeted pressures
- Have not been able to align some expenses with recent experience

Next Steps

Approvals and Tax Policy

- Council approval of budget on January 21st
- General tax rate to be set based on 2021 Assessment and Tax Policy decisions (estimated April)



Questions?

