
Subject: 2021 Levy Operating Budget

Report to: Budget Review Committee of the Whole

Report date: Thursday, January 14, 2021

Recommendations

1. That the 2021 net levy budget relating to the Niagara Regional Departments of \$208,777,440 as consolidated in appendix 1 **BE APPROVED** including the following in accordance with the 2021 budget planning strategy:
 - 1.1. That an increase of \$2,038,765 or 1.0% over the 2020 departmental operating budget **BE APPROVED** to support operating expenses;
 - 1.2. That an increase of \$2,046,918 or 1.0% over the 2020 departmental operating budget **BE APPROVED** to support pay-as-you-go capital financing;
2. That a contribution of \$18,808,401 from the Taxpayer Relief Reserve, which includes Safe Restart Funding, **BE APPROVED** to fund the net pressures related to the COVID-19 pandemic of \$17,196,924 for Regional Departments, and \$1,611,477 for the Agencies, Boards and Commissions COVID-19 pressures, as detailed in appendix 2, for a net taxpayer impact of \$0;
3. That an additional 1.44% or \$5,664,748 of assessment growth **BE APPROVED** to costs, as detailed in appendix 3, in alignment with section 4.7 of By-law 2019-79 Budget Planning By-law;
4. That the 2021 net levy operating budget including the Niagara Regional Departments of \$214,402,632 and Agencies, Boards, and Commissions of \$195,217,203 for a total \$409,619,835 **BE APPROVED**;
5. That staff **BE DIRECTED** to prepare a report for the Corporate Services Committee respecting establishment of a 'Hospital Contribution Reserve'; and
6. That the necessary by-law **BE PREPARED** and **PRESENTED** to Council for consideration.

Key Facts

- The purpose of this report is to approve the Regional Departments budget increase of 2% inclusive of COVID-19 pressures; this was accomplished using mitigation strategies identified in the analysis section of this report, the use of 2020 Safe Restart funding, and Taxpayer Relief reserve.
- The \$12.2 million Provincial Safe Restart funding not utilized in 2020 will be transferred to the Taxpayer Relief reserve at year-end along with any other year-end surplus. Any provincial or federal funding that may be realized in 2021 for Community Services or Public Health will be used to replenish the Taxpayer Relief Reserve at 2021 year-end.
- The assessment growth for 2021 is 1.44%, and has been allocated in accordance with Budget Planning By-law and as identified in Appendix 3. This aligns to the 4-year average assessment growth of 1.41%; the effects of COVID-19 may have an impact on assessment growth for the 2022 budget.
- Subject to the Hospital Funding Policy approval, to address the motion requesting a contribution to the West Lincoln Memorial Hospital, an annual reserve contribution of \$1.5 million is proposed to begin funding from assessment growth. A separate report will be presented to Corporate Services Committee on the establishment of a “Hospital Contribution Reserve” in alignment with the Reserve and Reserve Fund Policy.
- The departmental budget when consolidated with the ABCs totals \$409,619,835 2021 levy, representing a 2.9% levy impact after assessment growth; the 0.9% in excess of the 2021 budget strategy is \$3.5 million, and represents the NRPS increase above 2%.

Financial Considerations

The recommendations in this report are made in accordance with By-law 2019-79 “Budget Planning” with consideration of COVID-19 impacts per the 2021 budget planning strategy. The proposed 2021 Tax Levy of \$409.6 million represents a \$17.1 million increase. The Regional departments, Niagara Regional Housing, Court Services and Niagara Peninsula Conservation Area budget requests, exclusive of COVID-19 costs addressed separately, aligned with the budget planning strategy of 2%. The Niagara Regional Police Service increase of 4.3% is \$3.5 million in excess of the 2% strategy or 0.9% of the levy. Therefore the resulting total levy budget increase of 4.3% has a net tax levy impact after assessment growth of 2.9%, inclusive of base budget

requirements, capital financing enhancements, and Agencies, Boards, and Commissions (ABCs).

Table 1 – 2021 Levy Budget (in millions)

Item	2020	2021	\$ Change	% Change	% Levy Change
Departmental Base Budget	\$204.7	\$206.7	\$2.0	1.0%	0.5%
Capital Financing		\$2.0	\$2.0	1.0%	0.5%
Departmental COVID-19 Pressure		\$17.2	\$17.2		4.4%
Reserve funding for Dept COVID-19		(\$17.2)	(\$17.2)		-4.4%
Departments Subtotal	\$204.7	\$208.8	\$4.1	2.0%	1.0%
ABCs (BRCOTW December 10)	\$187.9	\$195.2	\$7.3	3.9%	1.9%
ABC COVID-19 Pressure		\$1.6	\$1.6		0.4%
Reserve funding for ABC COVID-19		(\$1.6)	(\$1.6)		-0.4%
Subtotal before Growth	\$392.6	\$403.9	\$11.4	2.9%	2.9%
Costs funded from Assessment Growth		\$5.7	\$5.7	1.4%	1.4%
Assessment Growth					-1.4%
Consolidated Levy Budget	\$392.6	\$409.6	\$17.1	4.3%*	2.9%

**increase before assessment growth*

Analysis

The 2021 departmental levy budget was developed giving consideration to historical actual results inclusive of 2020 forecast for the year, operational concerns, service delivery requirements, and impacts as a result of COVID-19.

Budget for Base Services

The departmental base budget was prepared to align with the 2021 budget planning strategy of 1.0% for base services and 1.0% for capital financing. In Table 2, the base increases/pressures identified for Regional departments for 2021 are \$4.1 million before recommended mitigation measures totaling \$2.1 million, and additional capital financing request of \$2.0 million.

Table 2 – Departmental Base Budget

Item	2020	2021	\$ Change	% Change
Base Budget Pressures	\$204.7	\$208.8	\$4.1	2.0%
Mitigations and service reductions		(2.1)	(2.1)	-1.0%
Net Base Budget	\$204.7	\$206.7	\$2.0	1.0%
Capital Financing		2.0	2.0	1.0%
Net Regional Department Budget	\$204.7	\$208.8	\$4.1	2.0%

The increases/pressures in the base budget of \$4.1 million can be attributed primarily to the following items:

- \$2.96 million labour related costs reflective of current contracts and strategies, and \$0.56 million in WSIB increases. The appendix 1 base budget increase deducts the salary gapping and FTE reductions to \$1.0 million
- \$1.13 million for various contracts (new 10-year winter maintenance contract, EMS fleet and NRPS gun range facilities, new homelessness contract effective April 1st, 2020)
- \$0.85 million including traffic signal repairs and indexing of Infrastructure Deficit Reduction reserve
- \$0.70 million in insurance premium increases on policy renewal (excluding properties related premium increase funded from assessment growth)
- \$0.67 million in inflationary increases related to base level of service, with largest increases in janitorial supplies, software licenses & support, and raw food purchases

These base pressures have been partly offset by:

- \$1.37 million in general savings, of which \$0.65 million relates to decline in fuel & utilities rate estimates, and \$0.30 million reduction in tree removal program
- \$0.71 million in savings from time-limited expenses expiring (Regional Official Plan, Niagara Regional Transit enhanced services consulting)
- \$0.58 million in increase Public Health and Emergency Services subsidy including \$0.46 million of one-time funding to mitigate the Public Health formula change from 75/25 to 70/30
- \$0.32 million in increased Community Services subsidy net of benefit costs for Ontario Works clients
- \$0.30 million for the delay of street lighting upload from the local area municipalities and a reduction of the Pro-kids program funding for one year as a result of COVID-19 related closures and the ability to provide services (from \$0.25 million to \$0.15 million)

Mitigations of \$2.10 million were necessary for an overall increase of only 1.0%:

- \$1.15 million – Staff have implemented a salary gapping strategy which estimates the savings due to staff turnover at 1% of the proposed labor-related budget
- \$0.69 million – required to align the budget for insured & uninsured claims and labour relations to appropriate levels based on historical trends could not be accommodated within the strategy of 1.0%
- \$0.25 million to reinstate the 2020 one-time reduction of the Niagara Prosperity Initiative could not be accommodated within the strategy of 1.0%; the strategy is to reinstate to the full \$1.5 million in 2022
- \$0.30 million to establish sustainable funding instead of reserve funding has been deferred until completion of the incentive review

An additional 1.0% increase in the budget is for enhanced capital funding as per the 2021 budget planning strategy. Per CSD 41-2019 Capital Financing Policy, an estimated 2.16% consolidated levy increase was required annually for the next ten years to eliminate the infrastructure deficit. Recognizing the impact of COVID-19, the budget strategy proposed a 1.0% increase on the departmental levy, or 0.5% on the consolidated levy; the annual contributions to general capital levy capital reserves will be \$19.9 million. The target based on the 2017 Asset Management Plan's annual asset renewal investment is \$66 million.

COVID-19 Impacts

Staff have estimated incremental departmental net COVID-19 impacts of \$17.2 million (\$18.8 million inclusive of ABCs) on the 2021 budget, in comparison to the \$26.2 million incremental cost incurred in 2020. Due to uncertainty of the long-term need for these measures, the costs are proposed to be funded on a one-time basis using Provincial Safe Restart funding and reserves. This will result in pressure on the 2022 and future budgets should the measures need to be continued.

The Safe Restart funding provided by the Province in 2020 was not utilized by the Region to directly fund 2020 COVID-19 costs due to the mitigation measures adopted by the corporation. Therefore, the \$12.2 million in funding will be transferred to the Taxpayer Relief reserve at year-end along with any other year-end surplus. A significant portion of the COVID-19 costs are related to measures in Public Health and long-term care facilities, for which there has been no confirmed funding to date for 2021 from upper levels of government in spite of monthly one-time supports provided in 2020. It is expected that funding will be forthcoming, however, only confirmed sources of funding have been budgeted. Any unbudgeted funding that may be realized in 2021 will be used to replenish the Taxpayer Relief Reserve at the 2021 year-end.

Table 3 provides a forecast of the Taxpayer Relief Reserve balance to December 31, 2021 which is \$19.5 million which represents 3.5% of proposed 2021 gross operating expenditures (excluding ABCs, reserve transfers, and capital costs) in comparison to the reserve policy target of 10% to 15%. The decrease in the reserve balance impacts the ability to mitigate future unknown/unbudgeted risks.

Table 3 – Taxpayer Relief Reserve Forecast

Description	Amount (in thousands)
2020 Forecasted Year-end Balance <i>(before year-end transfer)</i>	\$23,204
2020 Safe Restart funding <i>(year-end transfer)</i>	12,185
2020 Forecasted Surplus <i>(year-end transfer)</i>	4,888
Balance available for 2021	\$40,277
Annual contribution	850
Transfers for one-time operations	(2,003)
2021 COVID-19 Rate requirements (November 26 th BRCOTW)	(750)
2021 COVID-19 ABC requirements (December 10 th BRCOTW)	(1,611)
2021 COVID-19 Levy requirements	(17,197)
2021 Forecasted Year-end Balance	\$19,565

Departmental COVID-19 pressures are \$17.8 with funding from \$17.2 million of 2020 Safe Restart Funding and Taxpayer Relief Reserve and \$0.6 million from assessment growth. The pressures focus on the following key services:

- \$5.5 million to establish a Pandemic Response Division for the first of two years
 - Annual operating costs of \$11.8 million
 - Offset by \$5.2 million in savings due to timing of hiring and adjustments to business continuity
 - \$1.1 million in one-time school nursing revenues estimated for 2021
 - Six roles for pandemic support are recommended as permanent positions therefore the \$0.6 million is recommended from assessment growth
 - The Public Health incremental cost for 2020 pandemic response is \$4.7 million from the date of the emergency declaration.
- \$4.3 million long-term care staff (Registered Practical Nurses, Personal Support Workers, housekeeping)
- \$3.4 million personal protective equipment, supplies, and enhanced sanitization at various sites
- \$2.2 million for screening staff at various sites
- \$1.2 million for homelessness programs net of subsidized funding
- \$1.1 million in lost revenues, primarily a decrease in supplemental taxes

A listing of COVID-19 pressures is provided in appendix 2 and the business cases are available in the 2021 Budget Detail.

Assessment Growth

Assessment growth for 2021 is 1.44% (\$5.7 million); this is defined as the sum of all changes in the Region's tax base. Assessment growth is allocated in alignment with the Budget Planning By-law to fund priorities in the following order:

- \$0.1 million Tax Increment Grants
- \$1.1 million operating costs of Growth
 - New FTEs in the areas of EMS call volumes, project management related to growth in road network, and corporate staffing support (\$0.9 million)
 - Property insurance costs related to growth in assets; the property portion of the insurance premium increase is \$0.2 million
- \$0.9 million capital asset plan funding gap
 - This further enhances the \$19.9 million annual capital contribution noted above to \$20.8 million.
- \$3.6 million for Council Priorities and economic growth
 - Pandemic support staff – 6 permanent pandemic support staff (\$0.6 million)
 - Transit governance transition costs – the time-limited request to address service enhancements has ended; new funding is to cover transition to a new governance model (\$0.5 million)
 - Development Charge Grants – DC grants have averaged \$8 million annually over the past few years; base funding is currently \$6.9 million. (\$1.0 million)
 - \$1.5 million Transfer to Hospital Reserve – Per delegation CSC-C 24-2020, to address the West Lincoln Memorial Hospital request of \$14 million. A new reserve will be created to segregate these funds for use in 2024.

A list of the recommended uses of assessment growth is provided in appendix 3.

Staff Complement

The recommended 2021 Regional Department Operating Budget includes a full-time equivalent (FTE) staff complement of 2,388.4 permanent FTEs and 232.1 temporary FTEs. This is a net increase of 16.7 permanent FTEs and 179.0 temporary FTEs, funded as follows:

- Base – reductions of 1.9 perm and 9.7 temp, primarily due to employment and EMS system transformations
- Assessment Growth – increase of 18.6 perm and 1.0 temp, primarily due to making the EMS System transformation permanent as well as the 6.0 permanent pandemic support positions
- COVID-19 – increase of 187.5 temp mainly attributed to Public Health pandemic response (75.2) and long-term care (95.8)
 - The long-term care resources are primarily dedicated to direct resident care with the balance for housekeeping and screening staff

- The Pandemic Response division required to support call centre, case & contact management and outbreak management efforts in the region includes 111.9 FTEs but is mitigated by reduction of 36.7 due to reduction in business continuity in other Public Health service areas

A list of the FTE changes is available in appendix 4.

Household Impact

Based on the 2021 cost for levy programs, the average household assessed at \$278,764 is estimated to increase from \$1,611 to \$1,657 in 2021, an increase of \$46.

Table 5 – Household Tax Impact

Item	2021 impact to household	Cost to household
2020 cost per typical household		1,611
Departmental base budget	8	
Capital Financing	8	
Funded by Assessment Growth	23	
Assessment Growth	(23)	
COVID-19 pressures	76	
Reserve funding for COVID-19	(76)	
ABC budget increase	30	
2021 cost per typical household	46	1,657

The actual cost per household may change depending on tax policy decisions that are made in 2021; particularly around the phase-out of the vacant and excess land subclasses for commercial and industrial properties. The impact on individual property owners will depend on the increase in assessment that they experience; those with an increase greater than the average property would experience a larger tax impact, while those with an increase less than the average property would experience a smaller tax impact.

In the Province's 2020 Budget, they have announced numerous property tax measures directed specifically at business properties. In particular, the Province announced reductions to the business education tax for 2021. This reduction will provide a maximum education tax rate reduction of 30% depending on the property tax class. This represents an estimated \$9.4 million in total education tax relief for business properties in 2021 for Niagara (\$6.6M for commercial and \$2.8M for Industrial). This decrease in the education tax rate for business properties in effect reduces the overall tax bill and potentially mitigates any increases proposed by the Region or Local Area Municipalities. The Province did not propose any tax relief measures for the residential property tax class within their 2020 Budget.

Multi-year

The two most significant items impacting the multi-year forecasts of 9.6% in 2022 and 1.8% in 2023 are COVID-19 and Transit service integration & enhancement. Forecasted costs of the pandemic in 2022 are \$9.2 million. As sustainable funding is not identified, the budget would need to be established through tax increases, continued reserve draws, or funding from other levels of government. To address Transit service integration and enhancement in accordance with the governance review, net increases of an estimated \$2.6M in 2022 and \$5.7M in 2023 would be required.

Risks and Opportunities

Niagara Region budget is prepared based on information available at a point in time. Services and/or the actual operational costs can be impacted by the following:

- Uncertainty regarding Niagara Region's role in the vaccine rollout. At this time, no cost of the program is included in the budget.
- If actual staff turnover is not consistent with prior years then we are at risk of not realizing the budgeted salary gapping. Additionally, labour-related cost savings have been available at year-end to mitigate other unbudgeted pressures (i.e. claims, development charge grants, etc.), which could put further pressure on year-end results.
- A total of \$4 million has historically been realized from the casino gaming revenues; only one quarter of that has been incorporated as a loss resulting from COVID-19 casino closure.
- The incentive review is underway; therefore optimal funding requirements are still outstanding.
- Inability to increase budget to match historical trends of certain expenditures may result in unbudgeted pressures.
- A contribution of \$1.5 million per year until 2024 will only provide \$6 million of funding in the Hospital Contribution reserve, which is not in line with the West Lincoln Memorial Hospital request; therefore, there will be additional impacts on future years' budgets.
- Business license revenue could be further impacted by future COVID-19 business closures should Niagara move into greater restrictions within the provincial framework.
- One-time ministry funding used to mitigate the Public Health formula change from 75/25 to 70/30 may result in a pressure in the 2022 budget.
- Long-term care and Public Health COVID-19 pressures may result in increased sustainable funding.
- Work from home measures that have been explored during COVID-19 could result in more permanent reductions in space requirement costs.
- Shared services arrangements as well as sustainability review results continue to be analyzed for future implementation.

- Safe Restart funding (phase 2) was announced December 16th. This one-time funding will further mitigate 2020 COVID-19 costs, increase the year end transfer to reserve and fund 2021 COVID-19 costs.

Sinking Fund

As per the Municipal Act, Section 289, Niagara Region is required to prepare and adopt a budget including amounts to be raised for sinking funds. Additionally, as per Section 424, the Treasurer must prepare for Council, an annual statement of the amount to be raised for a sinking fund. This report will also serve to carry out Niagara Region's responsibilities as prescribed in the Municipal Act.

Niagara Region's sinking fund is a separate fund maintained for the purpose of providing the repayment of all sinking fund debt when it becomes due and payable. Proportionally, 88.05% of the fund relates to Niagara Region and the remaining 11.95% relates to the City of St. Catharines. The debt issued on June 30, 2010 subject to repayment through the sinking fund is \$78,079,000. This amount is repayable in full on June 30, 2040. The annual budget for Niagara Region's portion of the debt charges associated with the sinking fund is \$4,906,470 (\$1,331,695 principal, \$3,574,775 interest). This amount has been included in the 2021 budget, and subject to Niagara Region achieving the annual required rate of return of 3.50%, will remain in effect until the sinking fund matures on June 30, 2040. To date the Niagara Region has been able to invest in bonds yielding greater than the required rate of return.

Alternatives Reviewed

At the discretion of Council, they can identify to eliminate/add programs from/to the budget. Business cases identifying the impacts/risks of adding or removing programs related to growth, mitigations, and COVID-19.

Relationship to Council Strategic Priorities

The 2021 levy budget supports all facets of the organization in their support of Council's priorities.

Other Pertinent Reports

CSD 41-2020	2021 Budget Planning
CSD 58-2020	2021 Capital Budget
CSD 76-2020	Q3 2020 Financial Update

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Appendices

Appendix 1	Niagara Region Departments Base Budget
Appendix 2	COVID-19 Pressures
Appendix 3	Assessment Growth Funded Costs
Appendix 4	Full-time Equivalents Summaries

Appendix 1 – Niagara Region Departments Base Budget

Object of Expenditure	2020 Budget*	2021 Budget~	\$ Variance	% Variance	Note
Labour Related Costs	243,755,649	244,759,016	1,003,367	0.4%	(1)
Administrative	22,872,047	24,185,907	1,313,860	5.7%	(2)
Operational & Supply	43,641,010	43,557,765	(83,245)	-0.2%	
Occupancy & Infrastructure	13,609,740	14,097,690	487,950	3.6%	(3)
Equipment, Vehicles, Technology	8,931,603	9,088,046	156,443	1.8%	
Community Assistance	165,157,825	166,985,460	1,827,634	1.1%	
Partnership, Rebate, Exemption	13,906,580	14,125,290	218,710	1.6%	
Financial Expenditures	67,246,569	70,747,176	3,500,608	5.2%	(4)
Transfers to Funds	23,674,558	26,312,204	2,637,646	11.1%	(5)
Expense Allocations to Capital	(140,000)	(140,000)	0	0.0%	
Allocations Between Departments	(604,565)	(613,982)	(9,417)	1.6%	
Total Expenditure before Indirect Allocations	602,051,017	613,104,573	11,053,556	1.8%	
Indirect Allocations to Rate and Courts	(6,916,323)	(7,019,909)	(103,585)	-1.5%	
Capital Financing Allocation to Rate and Courts	(12,420,277)	(15,722,089)	(3,301,812)	-26.6%	(6)
Total Expenditure	582,714,417	590,362,576	7,648,159	1.3%	
Taxation	(17,063,974)	(17,078,253)	(14,279)	-0.1%	
Federal & Provincial Grants	(296,237,294)	(298,750,331)	(2,513,037)	-0.8%	
By-Law Charges & Sales	(15,359,242)	(15,676,410)	(317,168)	-2.1%	
Other Revenue	(45,389,738)	(45,331,186)	58,552	0.1%	
Transfers from Funds	(3,972,411)	(4,748,956)	(776,544)	-19.5%	(7)
Total Revenue	(378,022,659)	(381,585,136)	(3,562,476)	0.9%	
Net Departmental Levy Budget	204,691,758	208,777,440	4,085,683	2.0%	

*includes in-year adjustments and excludes 2020 one-time programs

~excludes 2021 program changes for COVID-19 and Growth Costs

Notes:

1. Labour related costs includes contract and WSIB increases, salary gapping, and base FTE reductions, which were separated in the analysis section of the report.
2. Administrative cost increases includes \$0.8 million to facilitate Human Resource Systems (HRIS) transition if required, offset by increased transfers from reserves in note 6, and \$0.7 million due to insurance premium increases on policy renewal.
3. Occupancy and Infrastructure includes \$0.5 million in roof patching, one-time building security costs, and long-term care minor capital funded through increases in transfers from reserve and provincial grants.
4. Financial Expenditures includes an increase of \$4.3 million related to the debt financing of the SNF wastewater treatment plant offset by retiring debt in Waste Management of \$0.8 million. These costs are recovered through Capital Financing Allocations to wastewater operations as per note 6.
5. Transfers to Reserves increase includes the \$2.0 million or 1.0% levy increase to support capital investment.
6. Capital Financing Allocation includes increased debt charges allocated to the Rate program, approved at BRCOTW November 26th.
7. Transfers from reserves increase includes \$0.8 million for HRIS transition included in note 2 above.

Appendix 2 – COVID-19 Pressure Business Cases

2021 COVID-19 Pressure with Funding

Department	Description	Pressure	Funding Source
General Gov'nmt	Supplemental Tax Revenue	\$1,008,263	Safe Restart
Corporate Admin	Talent Acquisition Support	\$56,676	Safe Restart
Corporate Services	Business Licensing Revenue	\$73,989	Safe Restart
Corporate Services	IT Solutions	\$39,500	Safe Restart
Corporate Services	Finance Staffing & Expenses	\$93,756	Safe Restart
Corporate Services	Facilities PPE	\$1,165,633	Safe Restart
Corporate Services	Customer Service Screeners	\$148,026	Safe Restart
Community Services	Homelessness Services & Community Engagement	\$1,230,034	Safe Restart
Community Services	Children's Services Screeners	\$267,442	Safe Restart
Public Health & EMS	Emergency Medical Services	\$788,039	Safe Restart
Transportation	Niagara Regional Transit	(\$86,215)	Safe Restart
Transportation	Niagara Specialized Transit	\$12,000	Safe Restart
Community Services	Long-term care	\$7,486,713	Safe Restart 2020 Surplus
Public Health & EMS	Pandemic Response Division	\$5,496,081	2020 Surplus Taxpayer Relief Reserve
Departments Total		\$17,779,939	
Corporate	Assessment Growth funding	(\$583,015)	
Net Departments		\$17,196,924	
Court Services	PPE and supplies	\$39,556	Safe Restart
NPCA	PPE and supplies	\$109,464	Safe Restart
NRH	PPE, cleaning, and security	\$412,457	Safe Restart
NRPS	Casino revenue	\$1,050,000	Safe Restart
ABCs Total		\$1,611,477	
Total		\$18,808,401	

COVID-19 Pressure 2020 and 2021 Comparison (in thousands)

Department	2020 COVID-19 Net of Base Budget Funding*	2021 COVID-19 Costs	Difference	Note
General Government	(3,403)	1,008	4,411	(1)
Governance	(132)	-	132	
Corporate Administration	(1,835)	57	1,892	(2)
Corporate Services	1,627	1,521	(106)	
Community Services	20,100	8,984	(11,116)	(3)
Public Health & Emergency Services	7,478	6,284	(1,194)	(4)
Planning & Development	344	-	(344)	
Transportation	(2,238)	(74)	2,164	(5)
Department Total	21,941	17,780	(4,161)	
Court Services	691	40	(651)	
NPCA	-	109	109	
NRH	199	412	213	
NRPS	3,416	1,050	(2,366)	
ABC Total	4,306	1,611	(2,695)	
Total	26,247	19,391	(6,856)	

*As included in CSD 76-2020 Q3 Financial Update – Levy Supported “Total Gross Cost” of \$46,850 thousand, less \$20,603 “Costs supported by our base budget” which are those funds repurposed in the base budget to support the pandemic.

1. 2020 includes one-time savings due to the COVID-19 shutdown of development, reducing development charge grants. 2020 savings are offset by reduced investment income as a result of reduced interest rates; both development and interest rates are expected to rebound in 2021. Developments impacted by the shutdown are expected to have an adverse effect on 2021 supplemental taxes.
2. 2020 includes one-time savings resulting from closures of businesses offering health insurance covered benefits.
3. 2020 includes increased childcare provider payments in 2020 and pandemic pay.
4. 2020 includes increased pandemic pay.
5. 2020 includes reduced level of service for regional and specialized transit systems.

Appendix 3 – Assessment Growth Funded Costs

Description	Gross \$	Net \$	% Increase
Gross Assessment Growth	(5,664,748)	(5,664,748)	(1.44%)
Tax Increment Grants on new assessment	76,582	76,582	0.02%
Incremental costs of new growth			
Operating Impacts of the Capital Budget	5,300	5,300	0.00%
EMS System Transformation (11.6 FTEs)	1,290,342	741,910	0.19%
Total Rewards Coordinator (1.0 FTE)	79,275	79,275	0.02%
Transportation Planning Project Manager (1 temp FTE)	99,765	99,765	0.03%
Insurance Premium increase for new properties	216,510	216,510	0.06%
Gaps in funding the capital asset plan			
Incremental transfer to capital reserves	862,392	862,392	0.22%
Programs aimed at driving economic growth or other Council priorities			
Regional Development Charge grants	1,000,000	1,000,000	0.25%
Pandemic Response (6 FTEs)	583,015	583,015	0.15%
Transit Consulting	500,000	500,000	0.13%
Transfer to Hospital Reserve	1,500,000	1,500,000	0.38%
Total Costs of Growth	6,210,296	5,664,748	1.44%

Appendix 4 - Full-time Equivalent Summaries

Employees are reported as an equivalent of a full-time employee (full-time equivalent, FTE) providing service throughout a fiscal year. Depending on the category of employee and nature of service, the fixed number of hours tied to an FTE may vary (35, 37.5, 40, or 42 hour weeks). Permanent FTEs can only be added through the annual budget process or budget adjustments where there is funding available and approved by Council.

Permanent Full-time Equivalents

Item	FTE	Comments
2020 Approved FTEs	2,369.8	
Public Health & Emergency Services	2.0	Occupational Therapists (PHD 8-2020)
2020 Adjusted FTEs	2,371.8	
Base Program Delivery Changes		
Corporate Services	0.6	Office Cleaner*
Community Services	6.0	St. Catharines Childcare Expansion
Community Services	(13.0)	SAEO Employment Transformation
Public Health & Emergency Services	0.5	EI Expansion Program Analyst
Public Health & Emergency Services	2.0	Community Paramedicine*
Planning & Development	1.0	Wet Weather Management*
Transportation	1.0	Capital Planning Specialist*
Subtotal	(1.9)	
Funded from Assessment Growth		
Corporate Administration	1.0	HR Benefits Coordinator
Public Health & Emergency Services	3.8	Emergency Communications Nurses*
Public Health & Emergency Services	6.8	EMS System Transformation
Public Health & Emergency Services	1.0	Mental Wellness Coordinator*
Public Health & Emergency Services	6.0	Pandemic Response
Subtotal	18.6	
2021 Total Change	16.7	
2021 Total Perm FTEs	2,388.4	

*offset with a reduction in temporary FTE in following table

Temporary Full-time Equivalents

Item	FTE	Comments
2020 Approved FTEs	53.1	
Expiring		
Corporate Administration	(1.0)	Community Safety & Well-being
Planning & Development	(1.0)	Manager Special Projects
Transportation	(1.0)	Project Manager Airports
Transportation	(1.0)	Office Assistant
Subtotal	(4.0)	
Base Program Delivery Changes		
Corporate Services	(0.6)	Office Cleaner*
Corporate Services	1.0	IT Project Manager
Community Services	1.0	One-time Childcare Support
Public Health & Emergency Services	(1.0)	Mental Wellness Coordinator*
Public Health & Emergency Services	(3.8)	Emergency Communications Nurses*
Public Health & Emergency Services	0.3	Mental Health Supervisor
Public Health & Emergency Services	(0.5)	Community Paramedicine*
Planning & Development	(1.0)	Wet Weather Management*
Transportation	(1.0)	Capital Planning Specialist*
Subtotal	(5.7)	
Funded from Assessment Growth		
Transportation	1.0	Project Manager
Subtotal	1.0	
COVID-19		
Corporate Administration	1.0	Staffing Support
Corporate Services	2.4	Screeners
Corporate Services	1.0	Program Financial Analyst
Community Services	61.6	Long-term Care Homes Staffing (RPNs, PSWs, Housekeeping)
Community Services	6.4	Homelessness Outreach
Community Services	39.2	Screeners (long-term care & daycare)
Public Health & Emergency Services	75.2	Pandemic Response
Public Health & Emergency Services	1.0	Ambulance Technicians
Subtotal	187.7	
2021 Total Change	179.0	
2021 Total Temp FTEs	232.1	

*offset by increase in permanent FTE in prior table