

TWENTY21

NIAGARA REGION


Q1 2021 FINANCIAL UPDATE

Corporate Services Committee

June 16, 2021

Agenda

Q1 COVID-19 Overview



Taxpayer Relief Reserve Forecast



Q1 Consolidated Operating Results – Levy & Rate



Next Steps

2021 Key Messages as of Q1 2021

The purpose of this report is to:

- provide an overview of COVID-19 related financial activities (hybrid Q1 report with only significant non-COVID items reported)
- seek Council's approval to adjust the 2021 operating budget for incremental expenses and confirmed sources of funding
 - That a gross budget increase of \$13,596,268 for COVID-19 expenditures **BE APPROVED** and **BE FUNDED** with incremental external revenue

Q1 2021 COVID-19 Reporting

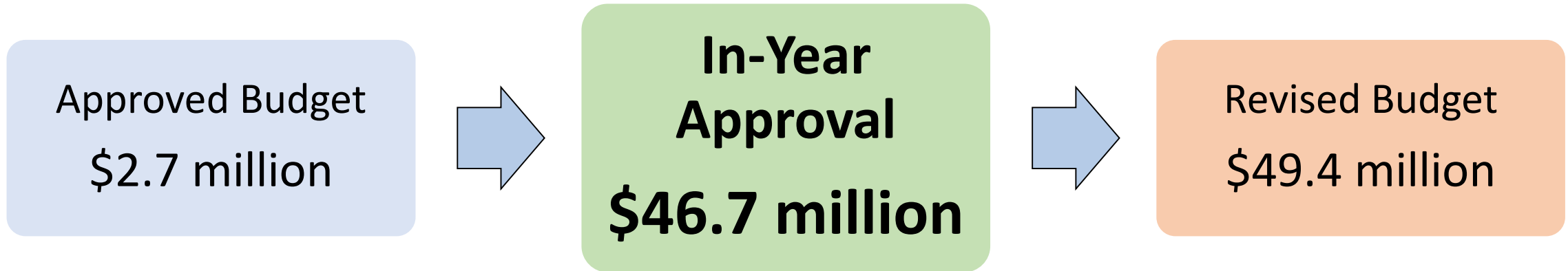
(in thousands)

Program Area	Total Forecasted COVID- Related Costs at Q1	Total Confirmed External Funding	Forecast - Levy- Funded	Net Forecasted Reserve Funding
Regional Departments	48,762	(43,712)	593	(5,643)
ABCs	5,561	(4,721)	(840)	-
Total Levy-Supported	54,323	(48,433)	(247)	(5,643)
Rate-Supported	921	(921)	-	-
Total Niagara Region	55,244	(49,354)	(247)	(5,643)

Detailed
schedule –
Appendix 3

Budgeted
Reserve
funding was
\$19 million

Overview of COVID-19 2021 External Funding



Forecasted Use of In-Year External Funding:

- Mass Immunization Clinics – staffing (\$15.9 million), medical supplies (\$2.2 million)
- Homelessness agency-related costs (\$4.7 million)
- Childrens Emergency provider payments (\$2.4 million)
- NRPS additional lost Casino revenue for the full year (\$3.2 million)
- Economic Development Niagara Tourism Adaption and Recovery (\$2.0M)
- Reduce transfers from Taxpayer Relief reserve (\$13.4 million)

Q1 COVID-19 Reporting – Taxpayer Relief Reserve

<i>(in millions)</i>	2021 Budget	2021 Forecast	2022 Forecast	2023 Forecast
Opening Balance (reflects 2020 year-end approved transfers)	\$53.5	\$53.5	\$42.3	\$24.2
Non-COVID Transfers				
Annual Contribution	0.9	0.9	0.9	0
Transfer for one-time operations	(2.0)	(2.0)	0	0
Mitigation of 2021	(4.3)	(4.3)	0	0
Community Services/Homelessness Project	(1.0)	0.0	0	0
Niagara Foreign Trade Zone Transfer (1)	(0.2)	(0.2)	0	0
Total Non-COVID Transfers	(6.6)	(5.6)	0.9	0
COVID-19 Funding Requirements				
2021 COVID-19 Regional Levy & General Government funding	(17.2)	(5.6)	(17.2)	0
2021 COVID-19 ABC funding	(1.6)	0	(1.6)	0
2021 COVID-19 Rate funding	(0.2)	0	(0.2)	0
Total COVID-19 Funding Transfers	(19.0)	(5.6)	(19.0)	0
Closing Balance	\$27.9	\$42.3	\$24.2	\$24.2

- Balance forecasted at end of 2021 is \$14.4 million greater than forecast due to confirmed funding for 2021 expenses.
- Provides for funding to mitigate 2022 COVID-19 expense forecast.

Two Year COVID-19 Cost Summary

(in thousands)

Financial Impacts	2021 Spent & Committed	2021 Forecasted	2021 Total	2020 Total	Total Cumulative
Redeployed resources	\$ 4,519	\$ 5,107	\$ 9,626	\$ 20,780	\$ 30,406
Costs incremental to base budget	11,578	38,412	49,990	31,132	81,122
Lost Revenue	-	11,740	11,740	14,382	26,122
Less: Cost Savings	-	(6,486)	(6,486)	(17,306)	(23,792)
Total COVID Gross Cost	16,097	48,773	64,870	48,988	113,858
Less: Confirmed Funding	(13,055)	(36,299)	(49,354)	(47,911)	(97,265)
Net Cost to Region	3,042	12,474	15,516	1,077	16,593

Gross costs reported above include the cost of redeployed resources funded through base budgets.

External funding has been applied in accordance with each provincial or federal funding agreement.

Q1 Consolidated Operating Results

(in thousands)	Forecasted Surplus (before indirect allocations)	Percentage of Gross Budget
Total Regional Departments	\$ 4,487	0.75%
Total Agencies, Boards and Commissions	628	0.22%
Total Levy Supported Programs	5,115	0.58%
Total Rate Supported Programs	1,502	0.73%
Consolidated Forecasted Surplus	\$ 6,617	0.61%

These consolidated results incorporate the net levy COVID-19 impact reflected on slide 4

Major Factors Impacting Forecasted Results:

- Regional Departments and General Government
 - Labour-related savings – gapping (Public Health) and Transit-related savings
- ABCs – Labour-related savings – gapping in NRPS
 - NRPS will use non-COVID surplus/savings to mitigate COVID-related costs of \$594 thousand
- Rate - Increased recycling sales revenue in Waste Management

Other/Next Steps

- Staff will continue to monitor funding announcements and costs
 - Provide updates quarterly on the forecasted Reserve funding requirements
- Full Quarterly Financial Update report will be prepared for Q2, including fulsome forecasts for non-COVID items

Questions?

Beth Brens

Acting Associate Director, Reporting & Analysis