

TWENTY22

NIAGARA REGION BUDGET

2022 Budget Planning

June 17, 2021

2022 Budget Planning

What we're going to cover:

- Proposed Strategy for 2022 Budgets
 - Budget engagement
 - Budget Planning By-law application
 - COVID-19 implications
- Budget Timetable
- Conclusion/Next Steps

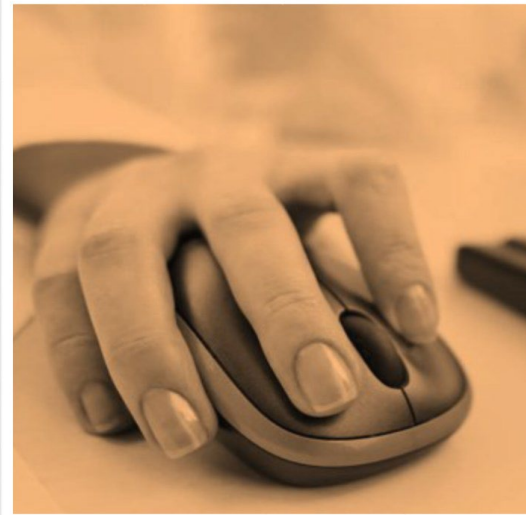
Niagara Region Budget Engagement

Presented October 15, 2020

Initiatives perceived to be top priorities for the Region:

- Affordable housing and homelessness
- Long term care homes
- GO transit and regional transit
- Infrastructure

2022 will focus on education and raising awareness about Regional services and budget planning



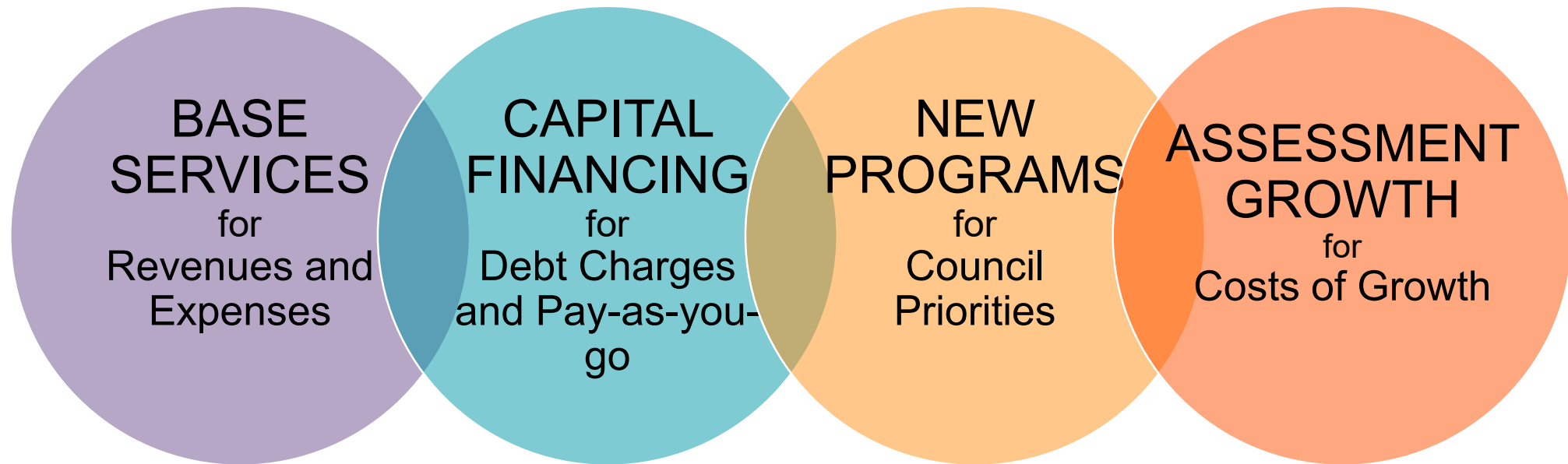
Online
Survey



Third-party
facilitated focus
groups

Budget Planning By-law

Approved by Council on October 17, 2019



2022 Budget Strategy

Themes

Sustainability

- Reduce the reliance on reserves used to fund 2021 base services



Affordability

- Focus on new programs that encourage growth to support pandemic recovery

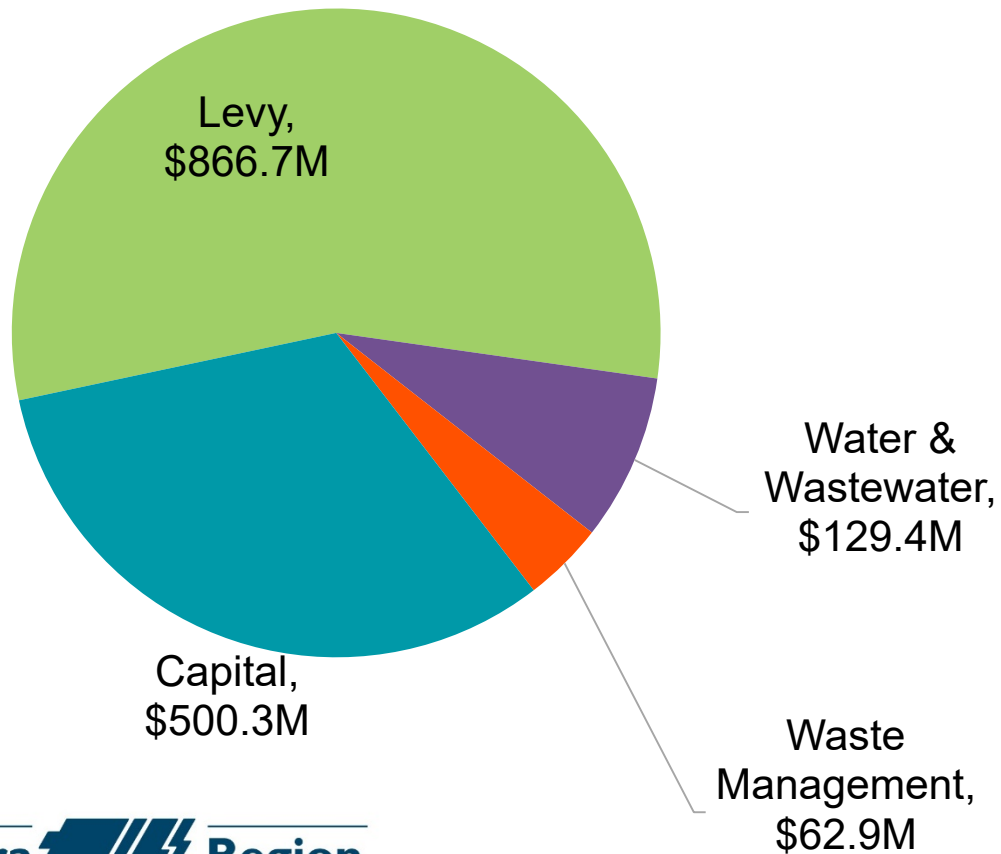
Transparency

- Inform each component of the Budget as per the Budget Planning By law

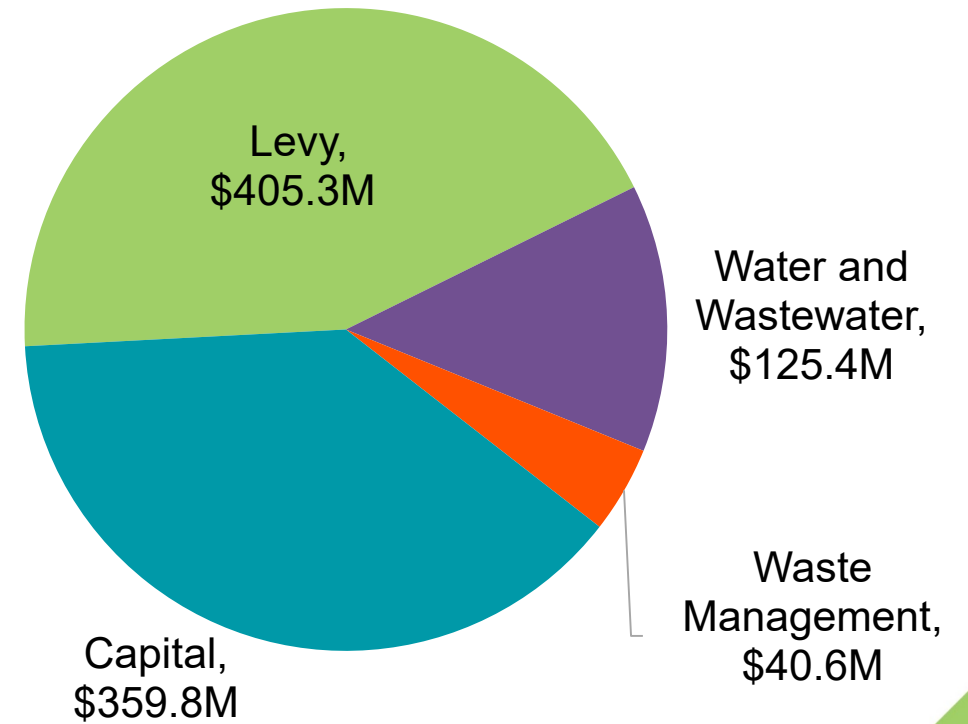
2021 Gross Budget of \$1.56 Billion

2021 Net Budget of \$931.1 Million

2021 Gross Budget



2021 Net Budget



Base Services

Impact of 2022 Inflation

- 2022 CPIX is targeted federally at 2.0%
- The 2021 Federal budget* has forecasted 2021 CPI at 1.7%
 - 2021 budget increase for base services was limited to 1.0%
- Further constraints to 2022 base may compound service delivery cost pressures from 2021

Base Services

Impact of 2021 Base Services Funding Decisions

2021 budget included one-time sources to fund base services:

Levy - \$4.3 million (1.1%) was drawn from the taxpayer relief reserve to:

- Mitigate NRPS increase of \$3.5 million
- Reduce Tax increase from 2.00% to 1.80%

Water/Wastewater - \$1.0 million was drawn from Capital to:

- Fund 50% of the CSO program, which was removed to mitigate to 2.00% strategy

Waste Management - \$3.4 million from the Waste Stabilization Reserve to:

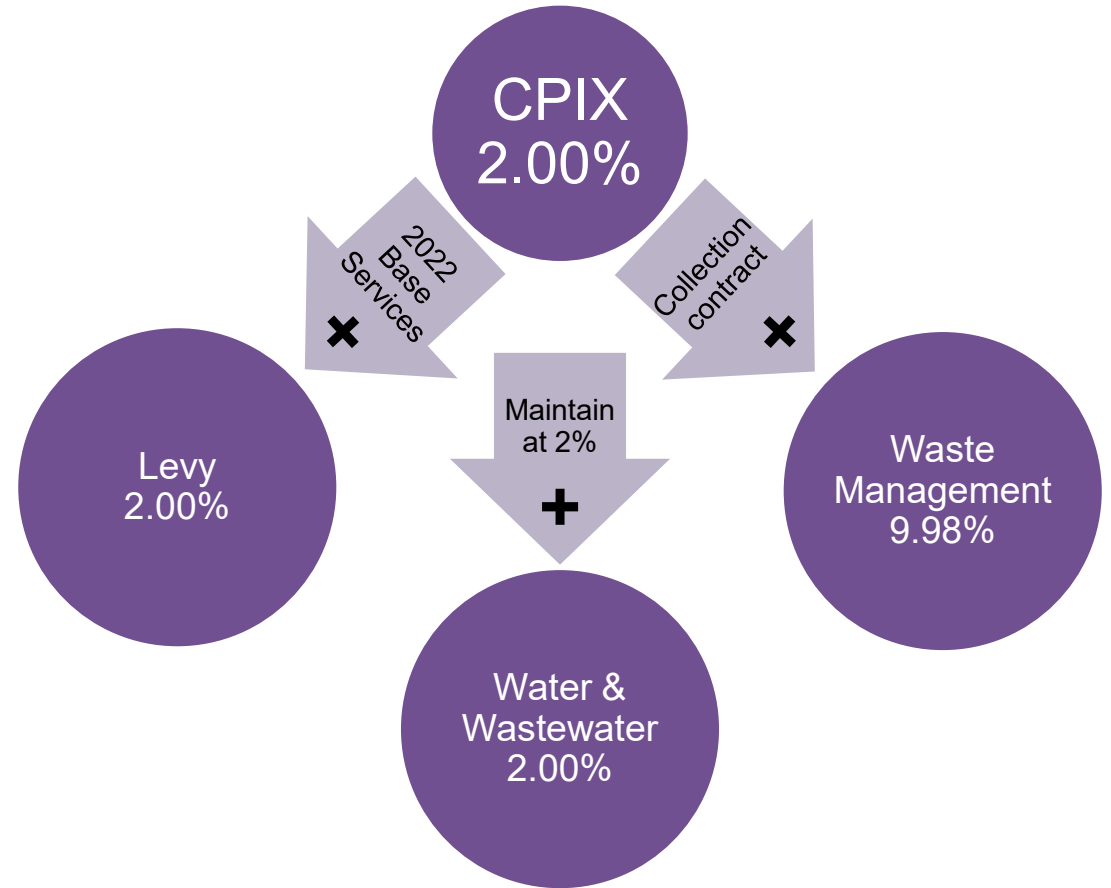
- Mitigate collection contract increases to 9.8% for three years.

Base Services

2022 Budget Strategy

Policy aligns base increase to inflation

- Core consumer price index (CPIX) target of 2.0%
- To cover labour related costs, operating expenses, contract escalations etc.
- With modifications to address prior year commitments/pressures



Capital Financing Strategy

Use of Reserve and Debt Funded From Operating Budgets

Reserves

Replacement of existing infrastructure to maintain level of service

Examples:

- Roads Rehabilitation and Reconstruction
- Ambulance Replacement

Debt

Use for new assets, strategic priorities and Region's share of growth assets

Examples:

- South Niagara Falls WWTP
- LTC Redevelopment

Development Charges

Used to fund growth assets

Capital Financing

2022 Budget Strategy

Levy

- From 2.16% to 1.89% for 10 years to provide sustainable reserve funding
- \$10M Debt available with no operating budget increase

Water and Wastewater

- 3.15% for 8 years provides sustainable reserve & debt funding
- Debt forecast in approved 10 year SDWA plan – (\$51M for Water and \$110M for Wastewater excluding SNF WWTP) included in 3.15%

Reserves – 2021 to 2029

\$21M → **\$94M**
Target



Reserves – 2021 to 2029

\$37M → **\$80M**
Target



Capital Financing

2022 Budget Strategy

Capital funding gap to be addressed separate from base services

- 2022 – propose 1% vs 1.89% for Levy
- 2021 – 1.00% of departmental budget increase allocated to fund the infrastructure gap
- 2021 – one-time doubling of Federal Gas Tax
- 2020 - 1.54% for long term care capital
- 2017 – 1.00% infrastructure levy

CAPITAL FINANCING

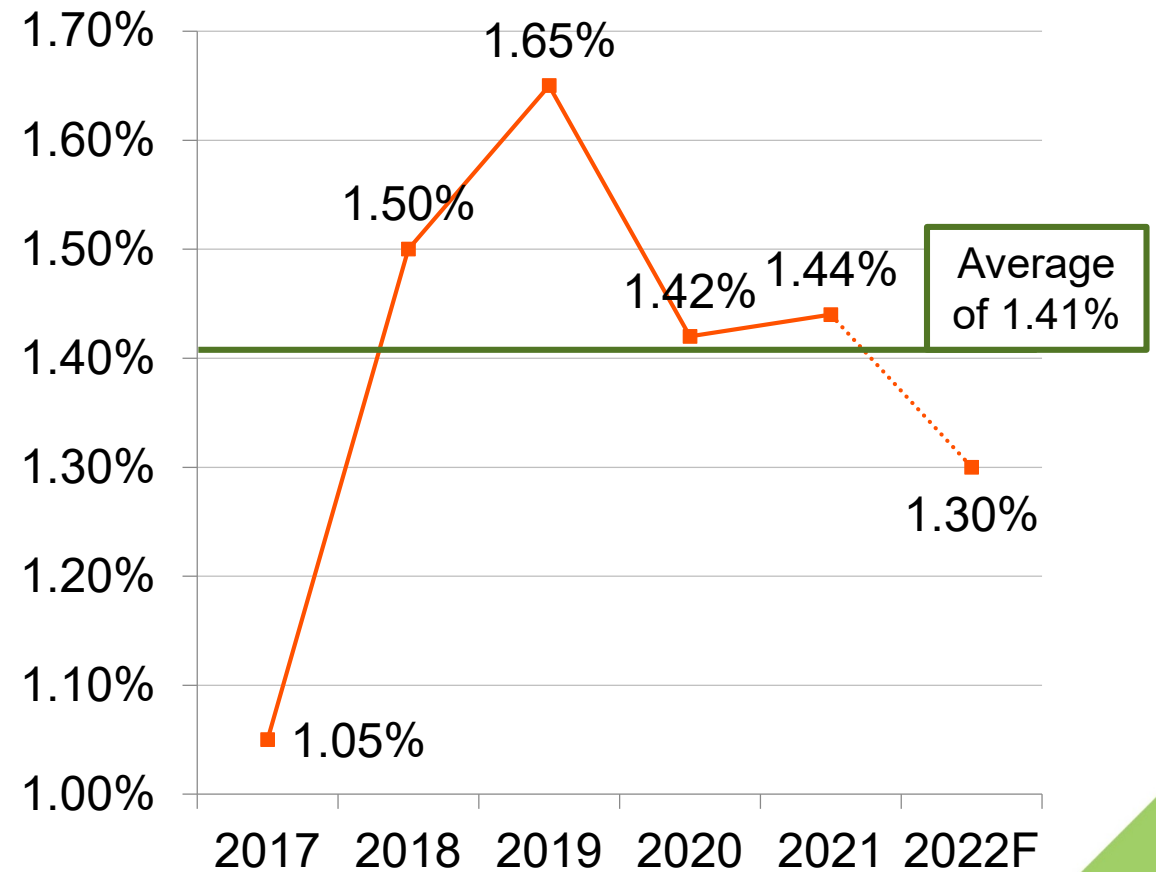
Levy 1.00%
W/WW 3.15%

Growth Programs

Assessment Growth Consideration

- Pandemic restrictions from 2020/21 are expected to affect MPAC 2022 assessment growth
- Growth is estimated at 1.3%
- Staff will continue to monitor assessment growth results

Historical Assessment Growth



Assessment Growth

2022 Budget Strategy

Only programs that support growth will be recommended

- Funded from assessment growth for a net zero taxpayer impact
- No incremental impact from new programs
- 1.3% estimated assessment growth is \$5.3 million

GROWTH
PROGRAMS

1.30%

(1.30%)

Net 0.00%

COVID-19

2022 Budget Strategy

Net zero impact

- Continue strategy in 2021 budget
- Costs will be funded initially with Taxpayer Relief Reserve and substituted as other funding is confirmed in-year
- Costs to consider are long-term care, economic development, mental health programs, etc.

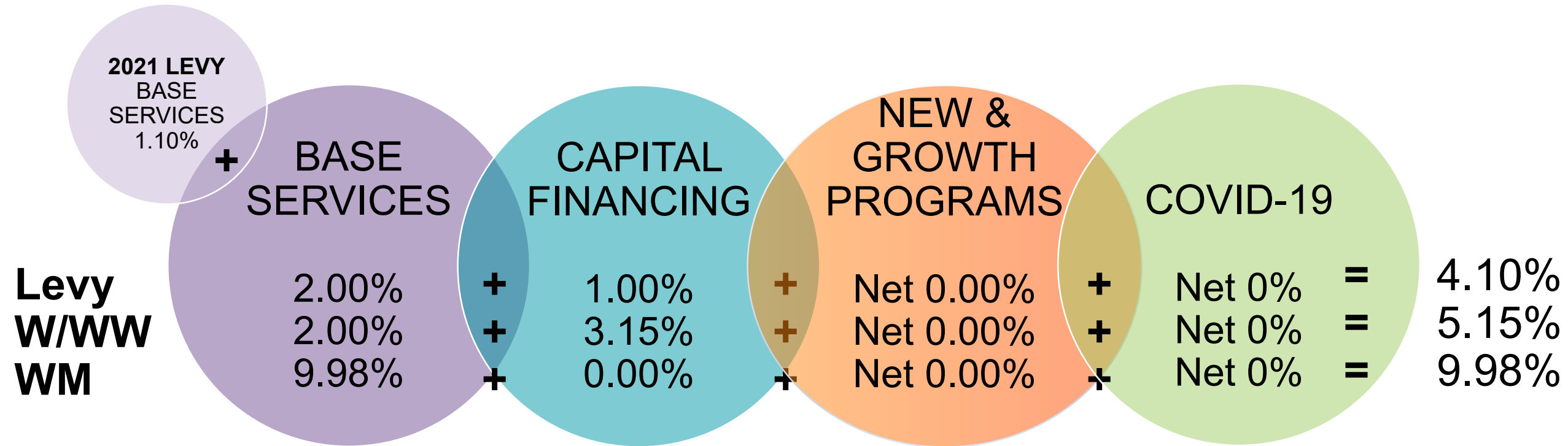


COVID-19

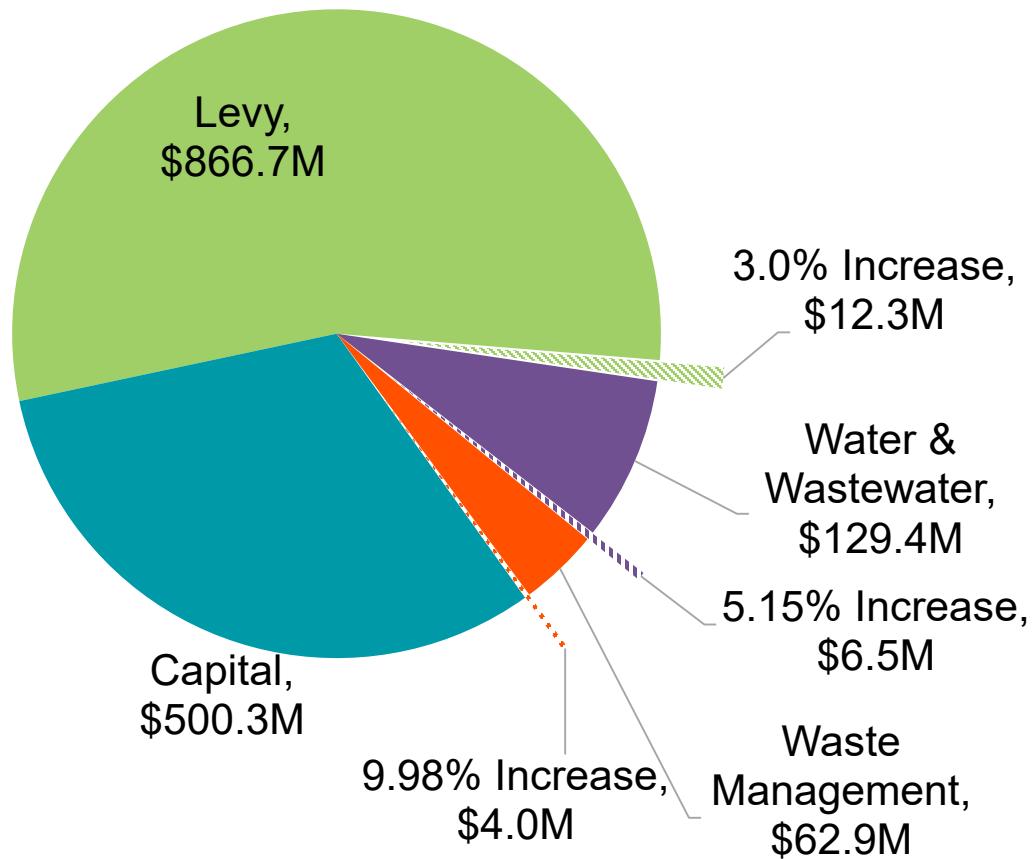
Net 0.0%

2022 Budget Strategy in Alignment with Policy

Budget Strategy Recap



2021 Gross Budget of \$1.56 Billion



2022 strategy provides:

	Operating	Capital
Levy *	\$8.2M	\$4.1M
Water/Wastewater	\$2.5M	\$4.0M
Waste Mgmt.	\$4.0M	n/a

Meeting Timetable

Meeting Type	Subject/Topic	Date
BRCOTW	Budget Planning	June 17, 2021, 6:30 p.m.
Budget Workshop	Capital	September 30, 2021, 4:00 p.m.
BRCOTW	Capital	October 7, 2021, 6:30 p.m.
Budget Workshop	Rate	October 28, 2021, 4:00 p.m.
BRCOTW	Rate	November 4, 2021, 6:30 p.m.
Council	Rate	November 18, 2021, 4:00 p.m.
Budget Workshop	Council Authority over ABCs	November 18, 2021, 6:30 p.m.
BRCOTW	ABCs	November 25, 2021, 6:30 p.m.
Budget Workshop	Levy	December 2, 2021, 9:00 am
BRCOTW	Consolidated Levy	December 9, 2021, 6:30 p.m.
Council	Consolidated Levy, Capital, and User Fees	December 16, 2021, 6:30 p.m.

Next Steps

- Council approval of the Budget Timetable
- October 7th first Budget Review Committee to review Capital



Questions?

