

Memorandum

BRC-C 28-2023

Subject: Council Information Request

Date: December 7, 2023

To: Budget Review Committee of the Whole

From: Helen Furtado, Director / Deputy Treasurer, Financial Management and Planning

The following responses relate to Councillor Information request at the Budget Review Committee of the Whole on October 12, 2023.

1. Provide information as to why the budget for the Niagara-on-the-Lake EMS site has increased from \$8M to \$15M (Councillor Huson)

A budget of \$8M was originally submitted for 2024 capital budget submission under the assumption that the existing Niagara-on-the-Lake EMS site would need to be urgently vacated and a new site would need to be constructed. During June/July 2023, Region staff were successful in extending the existing lease agreement for an additional year and the \$8M project was consequentially deferred to 2025. At the same time EMS staff engaged a planning consultant and the \$8M was revised to \$15M due to the uncertainty around market conditions for construction costs and land purchase. The \$8M project will therefore has been removed from the EMS capital forecast and the \$15M project remains as per the amended capital forecast attached. Each year as the capital budget is brought forward for approval all projects are reviewed and evaluated using CAMRA with the most up to date cost estimate included in the 2025 Capital Budget.

Staff have revised the 9-Year Forecast for the above change as well as the deferral of \$2.5M in Water and Wastewater capital projects from 2024 to 2025 in alignment with the Water and Wastewater 2024 budget approved on November 16, 2023. The 2024 budget is still inclusive of full 2.5% capital financing listing (2024 total budget will decrease to \$268,831,846 if only 1.5% is approved). See Appendix 1 – 2024 Budget and 9-Year Forecast.

2. Outline Discretionary Expenditures and Grants

The following definitions were used for budget education session on September 14, 2023 as shown in Table 1 below. There may be discretionary items in departmental budgets that are in the interest of public health or public expectation therefore were reported as Essential (for example Mental Health funding) or Traditional (for example Physical Recruitment) as per definitions below.

Table 1 – Definition of Service Delivery

Basis	Definition
Mandatory Services	Services that are required to be delivered <u>by regulation or legislation</u>
Essential Services	Services that, while not mandatory, are required to be delivered in order to ensure <u>public health and safety and/or the effective functioning</u> the Region as a corporate body
Traditional Services	Non-mandatory, non-essential services that are typically delivered by municipalities of comparable size and complexity and for which a <u>public expectation</u> exists that the service will be provided
Discretionary Services	Services that are delivered at the <u>direction of the Region</u> a formal requirement or expectation, including services that may not be delivered by other municipalities of comparable size and complexity

Table 2 outlines expenditures identified in the 2023 budget as Discretionary (as defined in Table 1 above). The budget education session did not include Tax Increment Grants as discretionary as they are committed as per agreements but are at the discretion of Council to continue programs going forward therefore are included in the table below. The information in Table 2 includes the first four rows to align with grant pillars as per the Incentive Policy, Other Development Charge Grants that are either transitional provisions coming from the incentive review as well as discretionary grants in the DC By-Law. The remaining items are discretionary spending in Community Services, funding for hospitals and hospices, and a variety of small items across many departments such as Economic Development grants, Canada Summer Games capital reserve contribution, ferry funding etc. collectively reported as “Other Discretionary”.

Table 2 – Discretionary Expenditures and Non-Mandatory Grants

Categories	2023 Budget
Affordable Housing Grants	900,000
Brownfield Grants	7,620,902
Employment Grants	3,460,048
Public Realm Grants	350,000
Other Development Charge Grants	5,396,986
Discretionary Community Programs	5,546,404
Hospital & Hospice	3,831,750
Other Discretionary	1,309,679
Total	28,415,768*

* Note that mandatory Development Charge exemptions related to Bill 23 Phase-In, rentals, non-profit affordable housing and exemptions for intensification are not included in this chart (2023 Budget - \$18,987,504).

3. Provide information regarding Canada Infrastructure Bank (Councilor Huson)

Canada Infrastructure Bank (CIB) provides funding for public private partnerships commonly referred to as P3s. Public private partnerships (P3s) are contractual agreements between a public agency and a private entity that allow for greater private participation in the delivery of projects. The CIB provides debt funding in the following sectors: public transit, clean power, green infrastructure,

broadband, and trade and transportation. Currently the Region is not involved in any P3 contracts.

Respectfully submitted and signed by

Helen Furtado
Director / Deputy Treasurer, Financial Management and Planning