

2020 Budget Overview



Region of Waterloo

Presentation to Budget Committee

December 11, 2019



Region of Waterloo

Today's agenda

Water /
Wastewater
budget approval

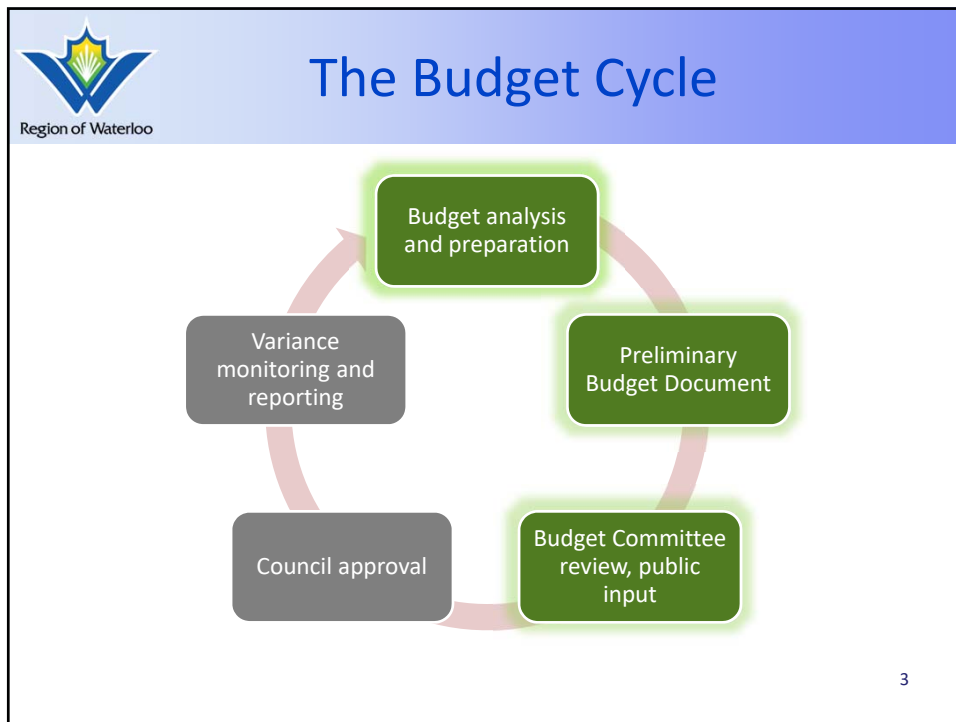
2020 Tax
Supported
Budget

POA info paper

River Road
project info
paper

Police Budget
presentation


Public Input #2



User Rate Budgets

Region of Waterloo

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User Rate Budgets

Water Supply

Wastewater Treatment

Water Distribution and Wastewater Collection (Wellesley and North Dumfries)

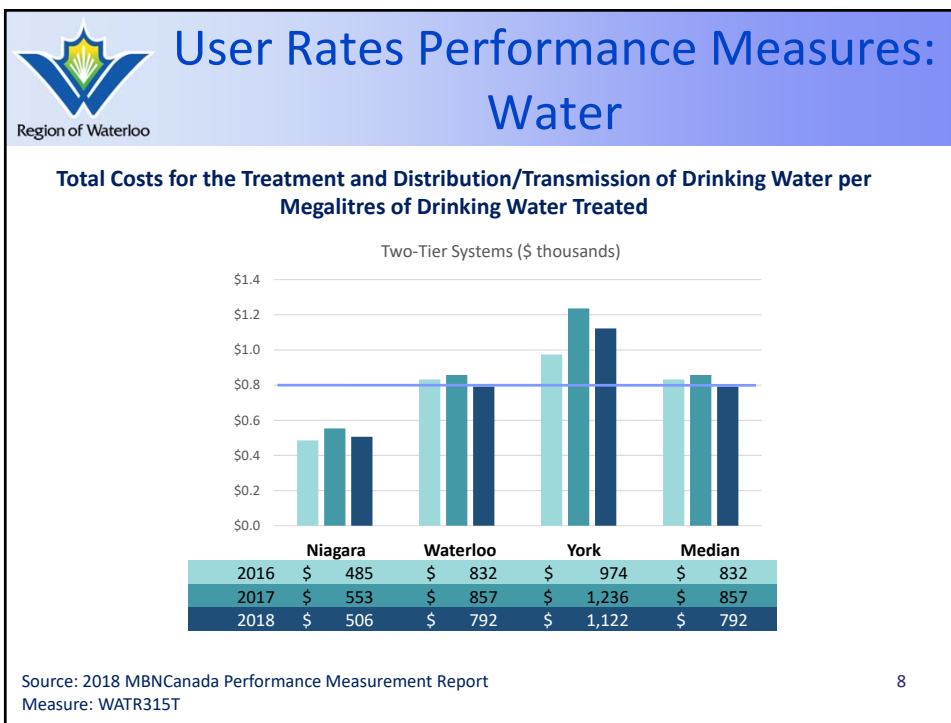
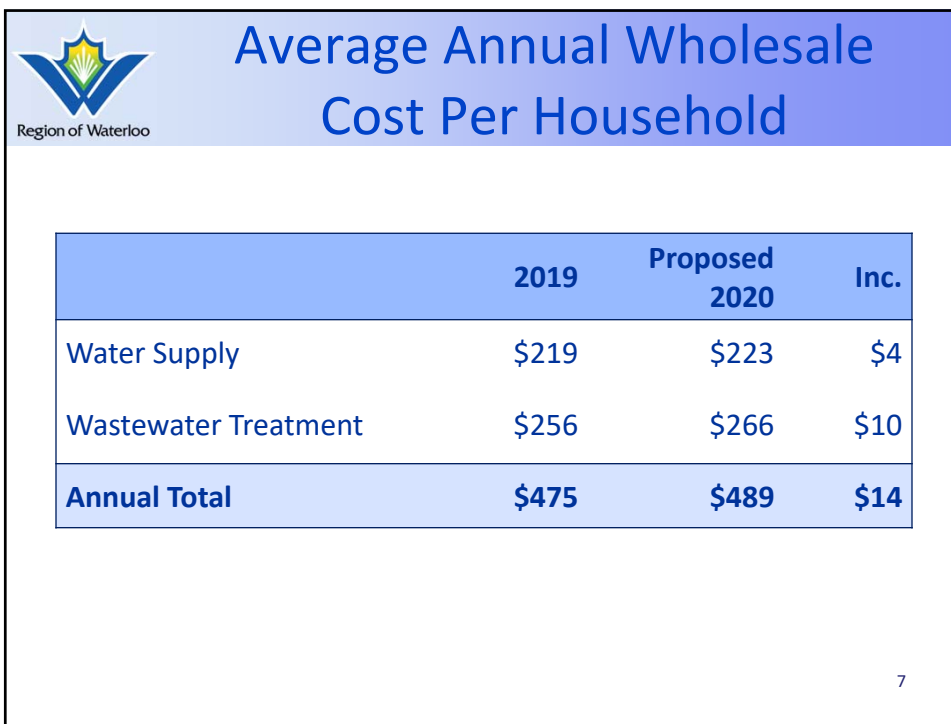
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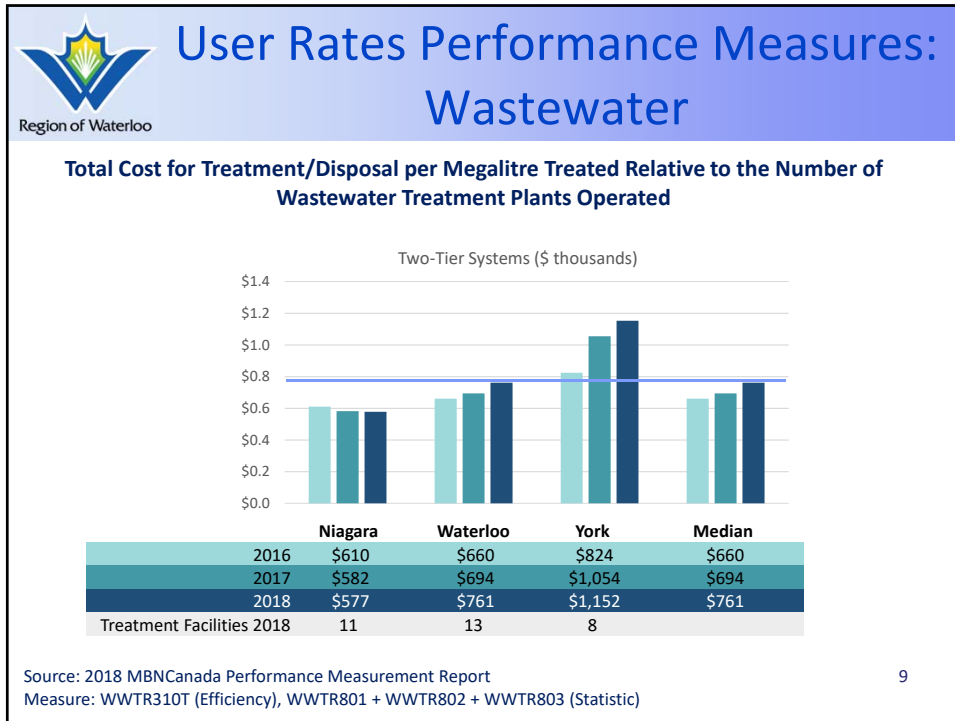


Proposed 2020 User Rates

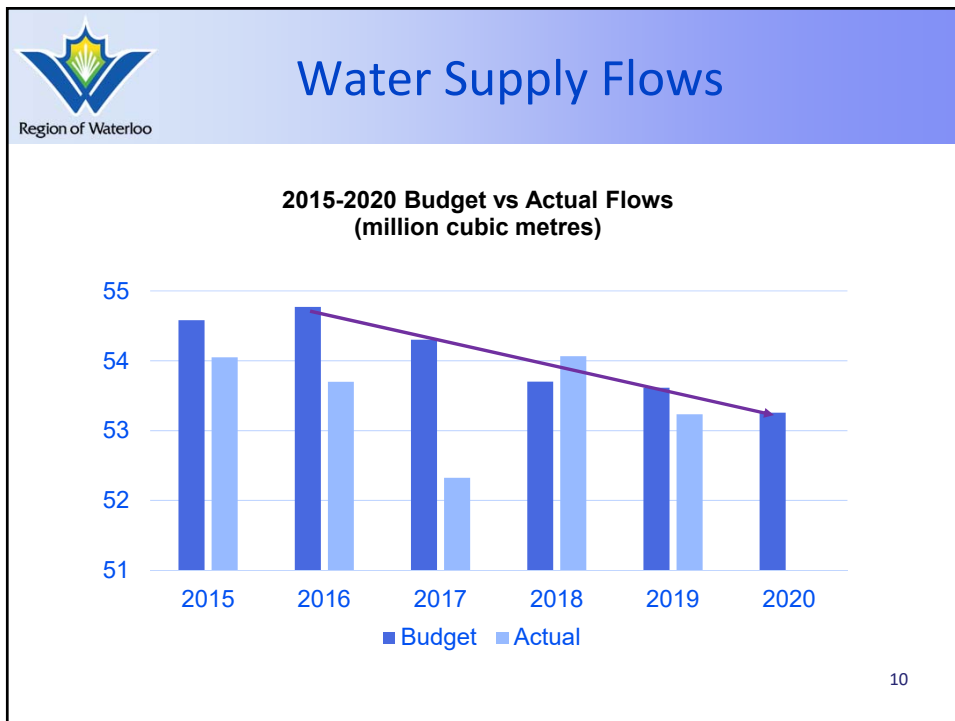
Wholesale Rate (effective January 1, 2020)	2019 approved user rate increase	2019 Rate Model - projected 2020 user rate increase	2020 Rate Model – current 2020 user rate increase (change)
Water supply	2.9%	2.9%	1.9% (-1%)
Wastewater treatment	6.9%	4.9%	3.9% (-1%)
Water distribution	7.9%	6.9%	4.9% (-2%)
Wastewater collection	4.9%	4.9%	3.9% (-1%)

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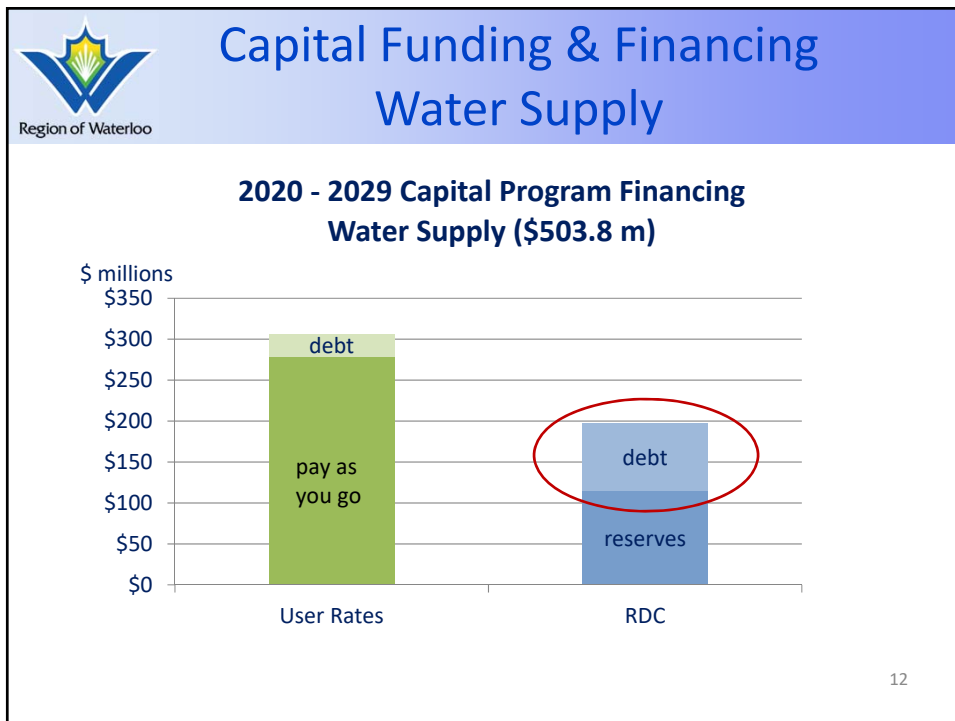
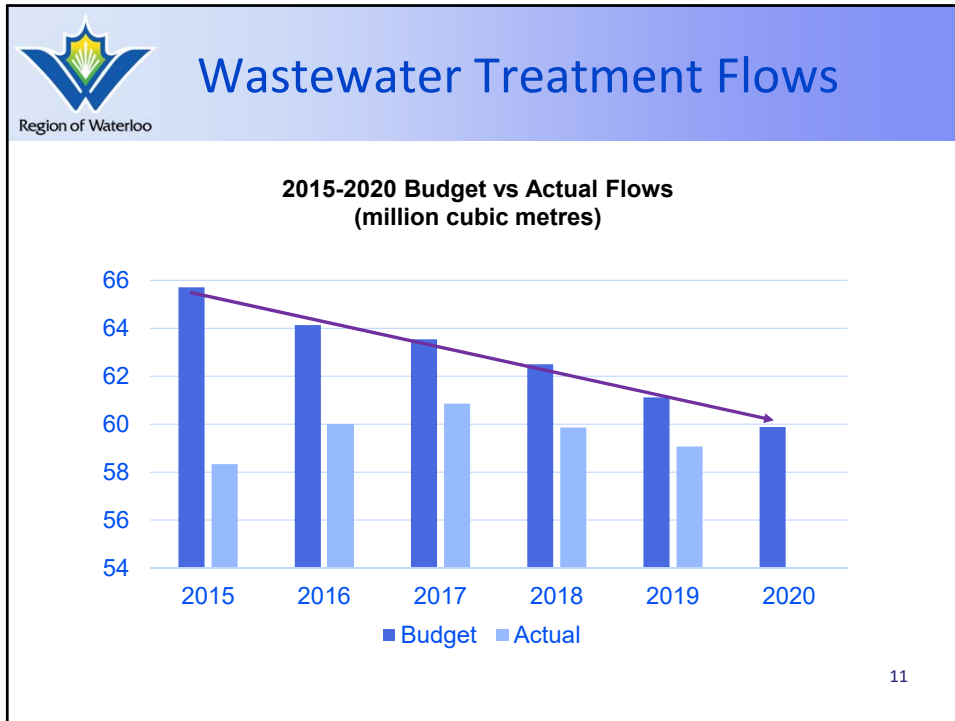


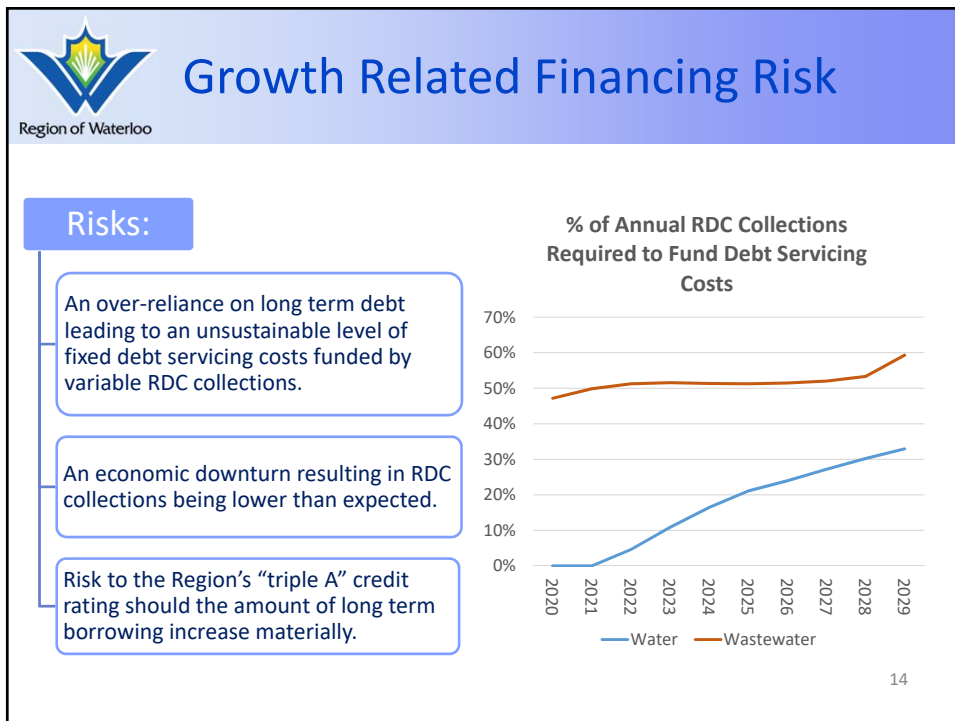
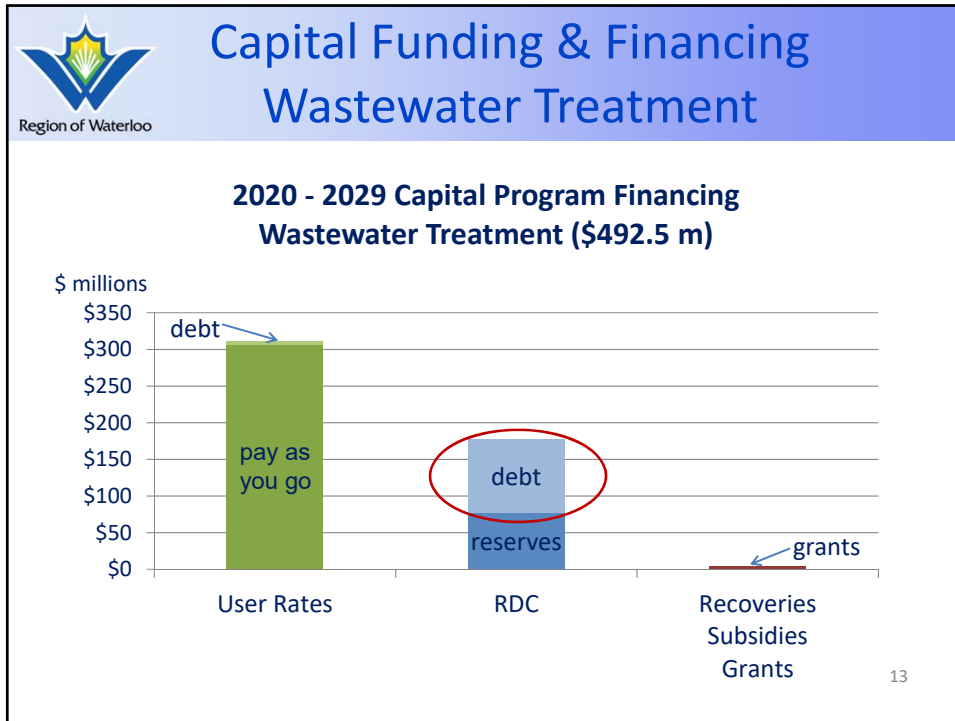



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2020 User Rate Budgets

Region of Waterloo

All rate adjustments are lower than projections from last year


Declining flow volumes

Key messages

Non-growth capital sufficiently funded

Growth-related capital continues to be a challenge

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User Rate Budget Approval (Appendix A and B)

Region of Waterloo

User Rate Recommendations
December 11 agenda package
pages 11 & 12

- Approve 2020 Operating Budgets
- Approve 2020-2029 Capital Programs
- Approve wholesale and retail rates

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2020 Tax Supported Budget



Region of Waterloo

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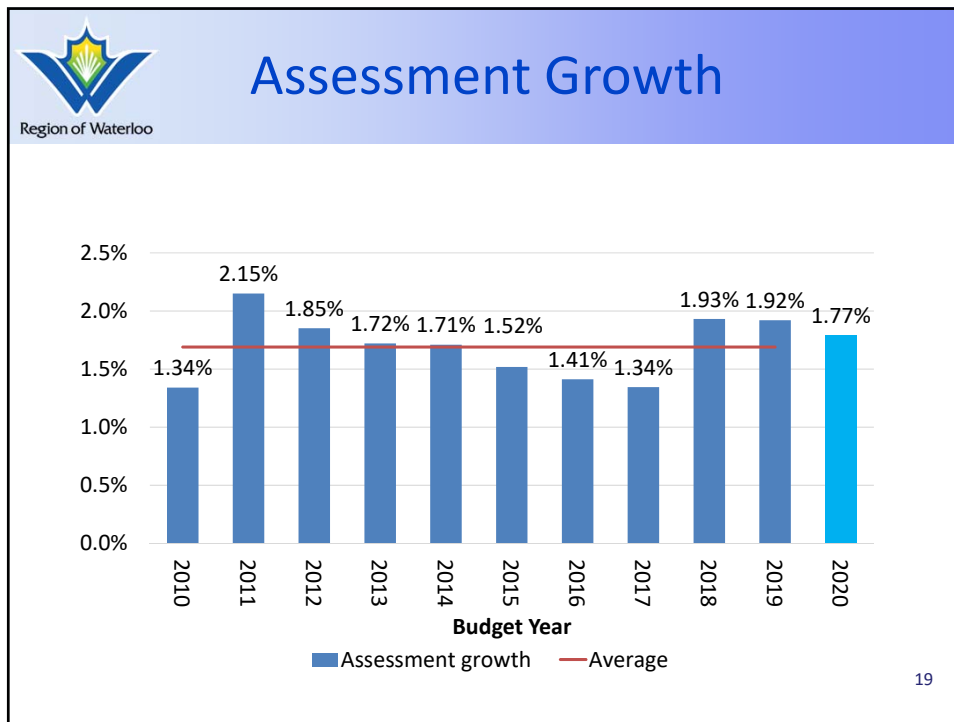


2020 Tax Supported Budget status

Status Of Preliminary 2020 Tax Supported Operating Budget (excluding Police Services)	Tax Rate % impact
Direct Regional Services – base budget estimate	3.42%
Recommended Budget Issue Papers as adjusted to meet the Council approved target	0.37%
Less: Regional share of assessment growth	(1.21%)
Tax impact of Regional programs – current estimate	2.58%
Direct Regional Tax supported budget guideline	2.5%

Assessment growth of 1.77% in 2019 for 2020 budget
 Revenue generated by a 1% tax increase = \$5.5m
 Cost of 1% increase to average household valued at \$344,200 = \$20.23


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Non-tax revenue estimates

Budgeted non-tax revenues (\$ millions)	2019	2020	Change
Public transit fares	\$39.4	\$43.4	\$4.0
Housing unit rent	14.6	15.0	0.4
POA and red light camera fines	8.8	8.9	0.1
Waste Management tipping fees	7.6	7.8	0.2
Sunnyside user fees	5.3	5.4	0.1
WM Resource Productivity & Recovery Authority (RPRA) funding	4.1	4.2	0.1
Waste Management recycling revenues	3.4	3.1	(0.3)
Airport user fees	2.3	2.4	0.1
Regional Child Care Centre fees	1.4	2.1	0.7
Waste Management methane gas royalties	0.6	0.6	0.0
Total	\$87.5	\$92.9	\$5.4

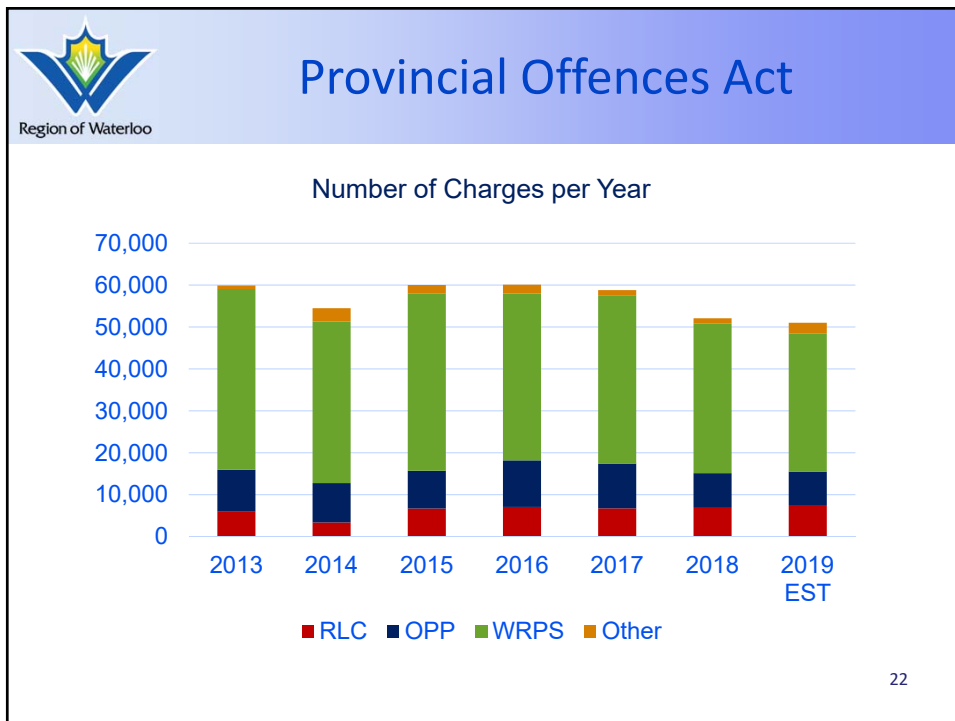
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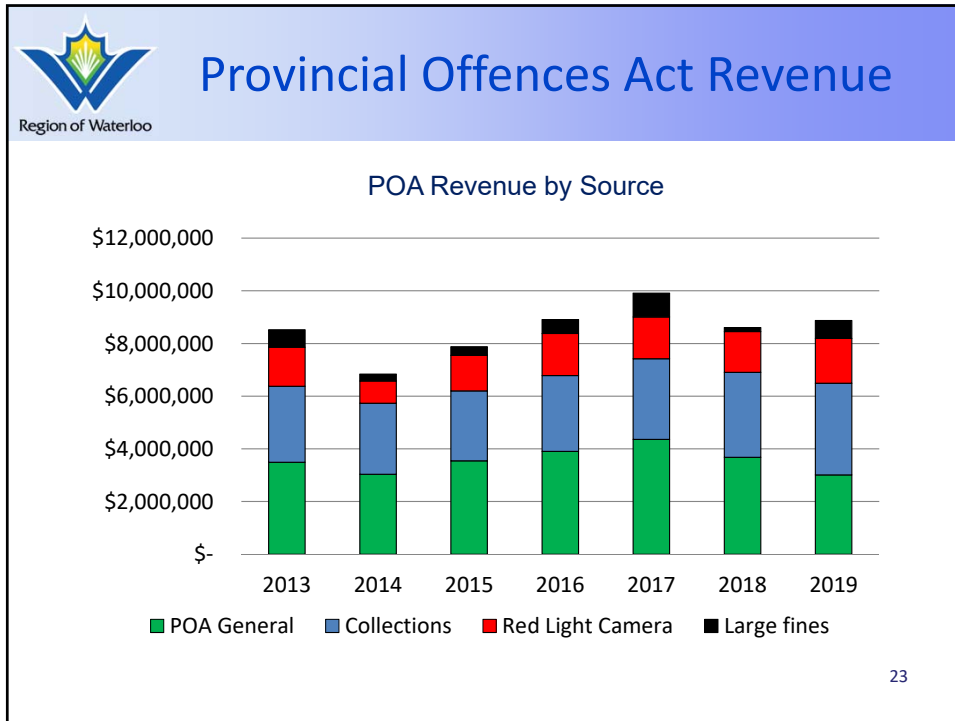


Rationale for major non-tax revenue estimates

Budgeted non-tax revenue	2020 Change (\$M)	Rationale
Housing unit rent	0.4	2019 surplus of \$426K; RGI rent calculation set to change midway through 2020 which is anticipated to negatively impact revenue
POA and red light camera fines	0.1	Small increase given total tickets issued are declining; overall 2019 POA revenue anticipated to be slightly above budget
Waste Management revenue	0.2	Reflect tipping fee increase \$2/MT
WM Resource Productivity & Recovery Authority (RPRA) funding	0.1	Increased to reflect 2019 actuals (program uncertainty in 2020 and future years)
Waste Management recycling revenues	(0.3)	Adjusted by 1/3 of 2019 revenue shortfall of \$1M

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Provincial Offences Act: Key Messages

Region of Waterloo

- WRPS lays the majority of charges, and their ticket volumes are declining
- General revenue decreasing – approx. \$135,000 less in 2019 than in 2018
- Third collection clerk added - additional revenue collection (approx. \$300,000)
- Large fines: variable, long time to process, difficult to collect
- The number of cases going to court is substantial


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Use of Tax Stabilization Reserve

Item	Amount (\$)
2020 Operating Budget Funding	
Paramedic Services (2019 BIP Bundles 1 & 2)	\$408,000
Southwestern Integrated Fibre Technology (SWIFT)	\$446,600
Winter Maintenance of the Separated Cycling Lane Pilot Network (COR-TRY-19-113)	\$600,000
Residential Project Neutral Program (2019 BIP)	\$58,000
Paramedic Services (2020 BIP as adjusted)	\$433,000
Total Operating Budget	\$1,945,600
2020 Capital Budget Funding	
Consumption & Treatment Services Site renovations	\$500,000
Total 2020 Tax Stabilization Reserve Funding	\$2,445,600


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2020 Budget Issue papers property tax levy impact

Budget Issue Paper (\$ thousands)	2020 tax levy impact	Annualization in 2021	Annualized Levy Impact
Paramedic Services master plan implementation	\$433	\$359	\$792
GRT business plan implementation	1,017	172	1,189
Mobility PLUS business plan implementation	144	60	204
Route 77 Wilmot Township Service enhancements	59	118	177
Implementation of the WRH Master Plan	99	99	198
Personal Support Workers at Sunnyside	146	49	195
Public Health program funding for substance use, harm reduction and sharps disposal	122	-	122
Total	\$2,020	\$857	\$2,877
Tax Rate Impact	0.37%	0.16%	0.52%

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Proposed Budget Issue Papers

Transit Services

- **Route 77 – Wilmot Township Transit Service**
 - Service enhancement contemplates increasing frequency, not extending hours of service
 - Increases the frequency from 75 minutes to 45 minutes commencing September 2020
 - Doubles the number of BusPLUS vehicles allocated to this route
 - Wilmot Council approved the service enhancement as presented in this budget issue paper on December 9th

On-Going Budget Impacts (\$thousands)		
2020	2021	Annualized
\$59	\$118	\$177

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2019 GRT Service Approvals

Transit Services

- **GRT Service Expansion**
 - Bundle 1 of the 2019 Implementation of GRT Business Plan (Year 2) BIP to start on Sept. 1, 2019 (25,000 hours)
 - Council approved service expansion to the Conestoga College area to start Sept. 1, 2019 (13,225 hours)
 - Council approved bundle 2 of the Implementation of GRT Business Plan (Year 2) BIP to be implemented April 1, 2020 (10,000 hours – reflected in 2020 base budget), which includes increased frequency and hours of service on selected routes mainly in Cambridge

On-Going Budget Impacts (\$thousands)				
	2019	2020	2021	Annualized
Bundle 2 (10,000 hours)	\$0	\$654	\$45	\$699

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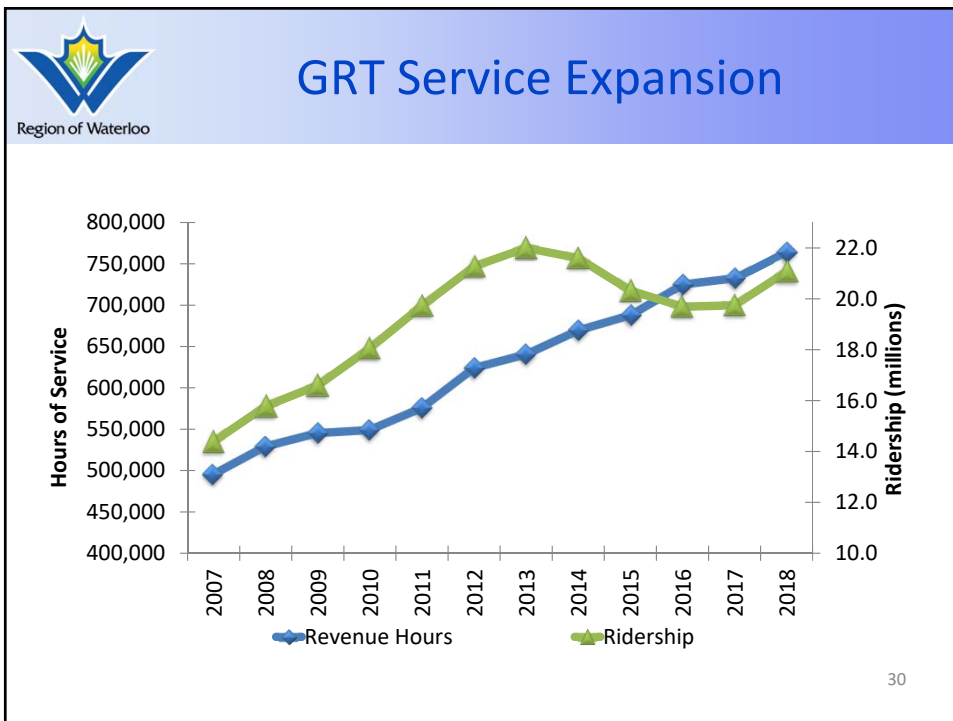


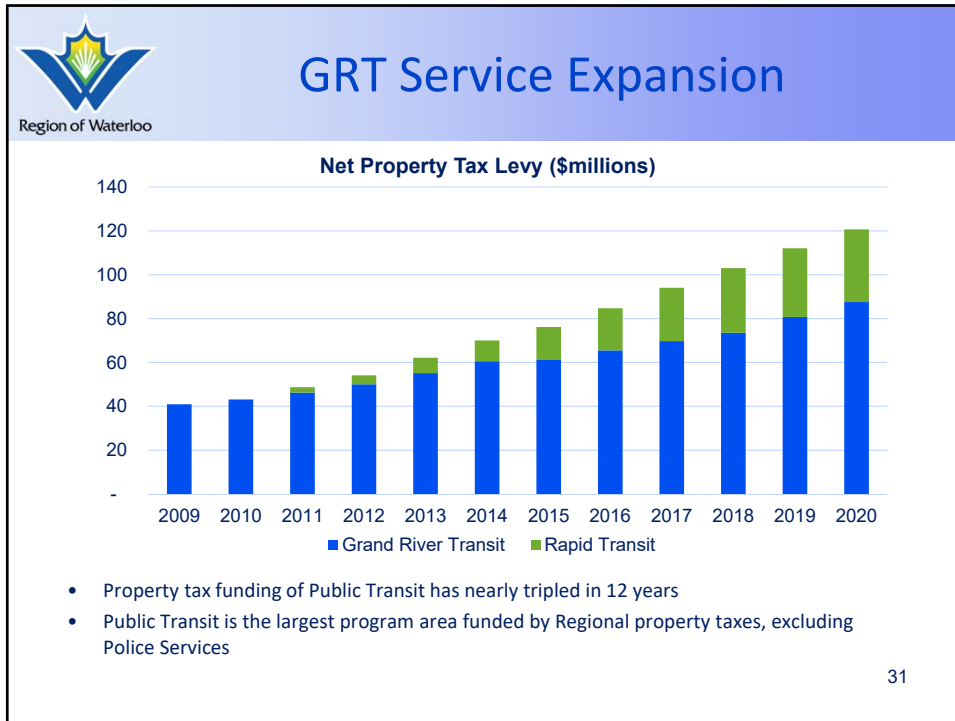
GRT Service Expansion

Budget issue paper approval	Service Hours Added	Start Date
2018	35,000	Sept. 1 2018
Light Rail Transit	61,653	Jun. 21 2019
2019 Bundle 1	25,000	Sept. 1 2019
2019 Conestoga College	13,225	Sept. 1 2019
2019 Bundle 2	10,000	Apr. 1 2020
Proposed 2020 Bundle 1	15,000	Sept. 1 2020

June 2019: An estimated 67,650 hours were reallocated from routes 7 and 200 to be more effectively used as part of the network redesign at ION launch.

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Proposed Budget Issue Papers

Transit Services

- **GRT Business Plan**
 - **Bundle 1 (recommended):** 15,000 service hours focusing on routes mainly in Cambridge.
 - **Bundle 2:** 15,000 service hours focusing on improvements to service following changes in travel patterns, largely resulting from the implementation of the ION LRT
 - **Bundle 3:** Additional 5,000 service hours focusing on improving the frequency of hours and service on routes mainly in Cambridge.

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Proposed Budget Issue Papers

Transit Services

- GRT Business Plan

On-Going Budget Impacts (\$thousands)			
	2020	2021	Annualized
Bundle 1 (15,000 hours)	\$1,017	\$172	\$1,189
Bundle 2 (15,000 hours)	\$1,017	\$172	\$1,189
Bundle 3 (5,000 hours)	\$133	\$263	\$396
Subtotal (35,000 hours)	\$2,166	\$610	\$2,776

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Proposed Budget Issue Papers

Paramedic Services

- Update Paramedic Services Master Plan
 - **Option 1:** Add 2-12 hour shifts (July 1, 2020 - 10 FTEs and 3 vehicles) – interim UU of 37.5% and low population growth scenario
 - **Option 2:** Add 5-12 hour shifts (July 1, 2020 - 25 FTEs and 6 vehicles) – interim UU of 37.5% and high population growth scenario

On-Going Budget Impacts (\$thousands)			
	2020	2021	Annualized
Option 1	\$433	\$359	\$792
Option 2	\$1,043	\$890	\$1,933

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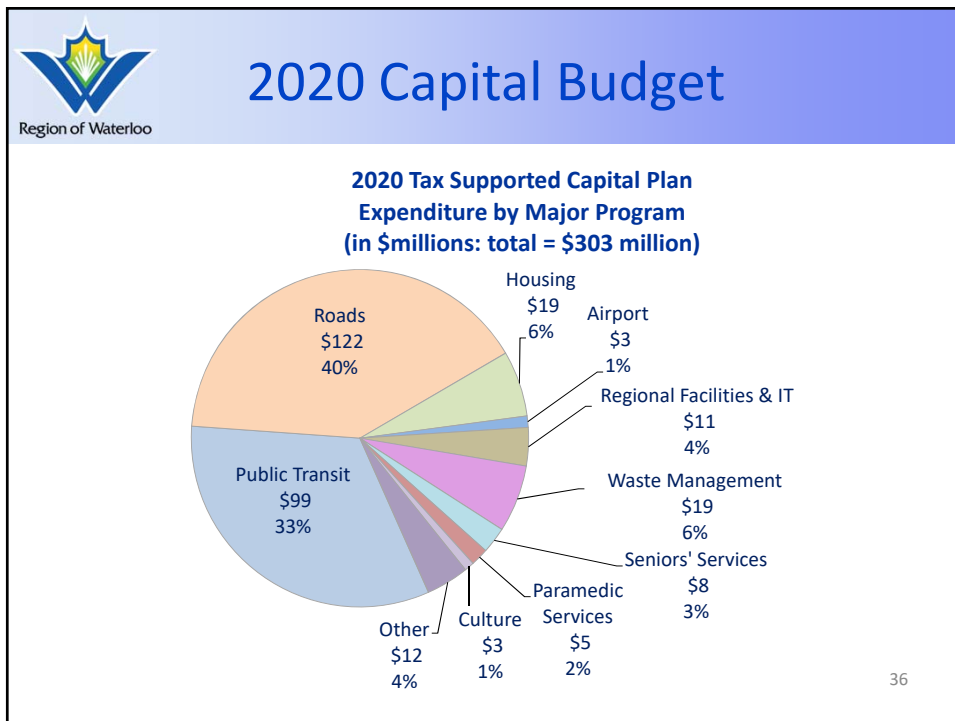



Draft 2020-2029 Tax Supported Capital Program

10 year
investment
plan = \$3.5 b

- Roads rehabilitation and expansion
- Public Transit
- Facilities expansion and renewal
- Waste Management
- Paramedic Services
- Airport
- Cultural Services

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Significant 2020 Capital Projects

Transportation

- River Rd Extension, King St to Manitou Dr
- South Boundary Rd, Water St to Franklin Blvd
- Franklin Blvd, Myers Rd to HWY 401
- Dundas St, Elgin St to Hespeler Rd
- Ottawa St, Nottingham Ave, King St & Weber St from Sheldon Ave to Borden Ave
- Bleams Rd at Fischer-Hallman Rd
- Erb St, Gateview Dr/Beechwood Dr to Erbsville Ct and Ira Needles Blvd to Wilmot Ln and Ira Needles Blvd to Wilmot Ln
- King St, Bishop St to Dover St
- Weber St, Blythwood Rd to Northfield Dr

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Significant 2020 Capital Projects

Transit Services

- Northfield Drive Facility Construction
- Vehicle Additions
- Vehicle Replacements
- Conestoga College Terminal
- University of Waterloo Transit Shelter Canopy


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Significant 2020 Capital Projects

- Seniors' Services**
 - Sunnyside Renewal (HVAC system)
 - Equipment / Furnishings Replacement
- Waste Management**
 - Waterloo Landfill Gas System
 - Waterloo Leachate Control
- Brownfield Financial Incentive Program**
 - 83 Elmsdale Brownfield Incentives
- Housing Services**
 - WRH Master Plan (start of first two projects)

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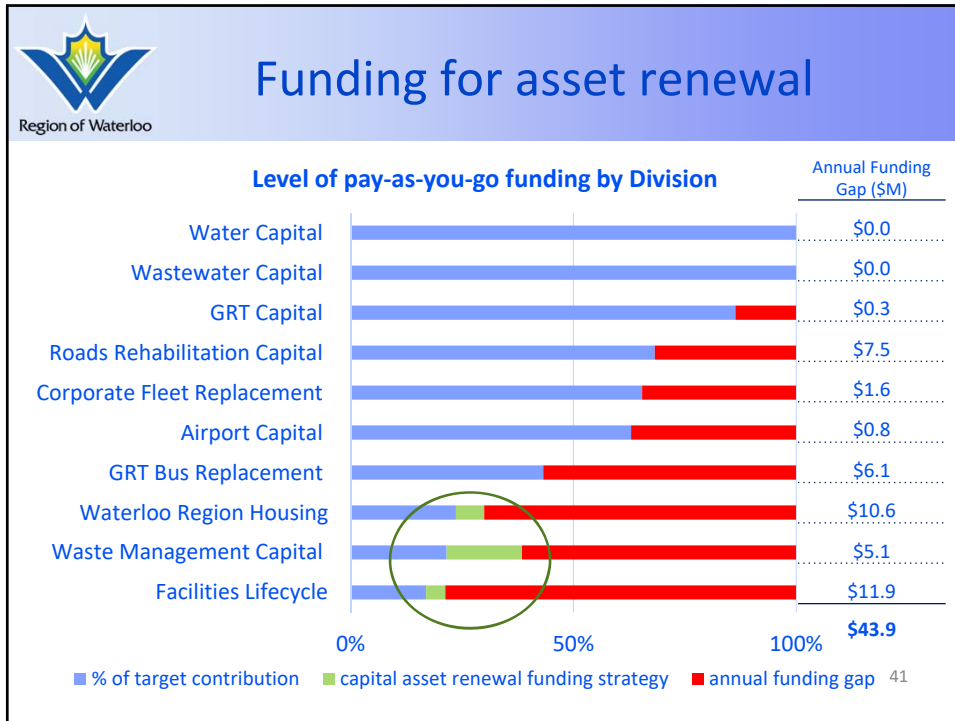
Active Transportation

Draft 2020-2029 Transportation capital program includes \$88M of Active Transportation works:

Active Transportation Component	\$ Millions
Cycling Facilities	\$65
Sidewalks	\$16
Bus Pad and Pedestrian Refuge Islands	\$7
Total	\$88

Total planned expenditure for active transportation in the 20 year planning horizon is in line with the amounts contemplated in the 2018 Transportation Master plan (\$120M).

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Growth Related Debt Issuance

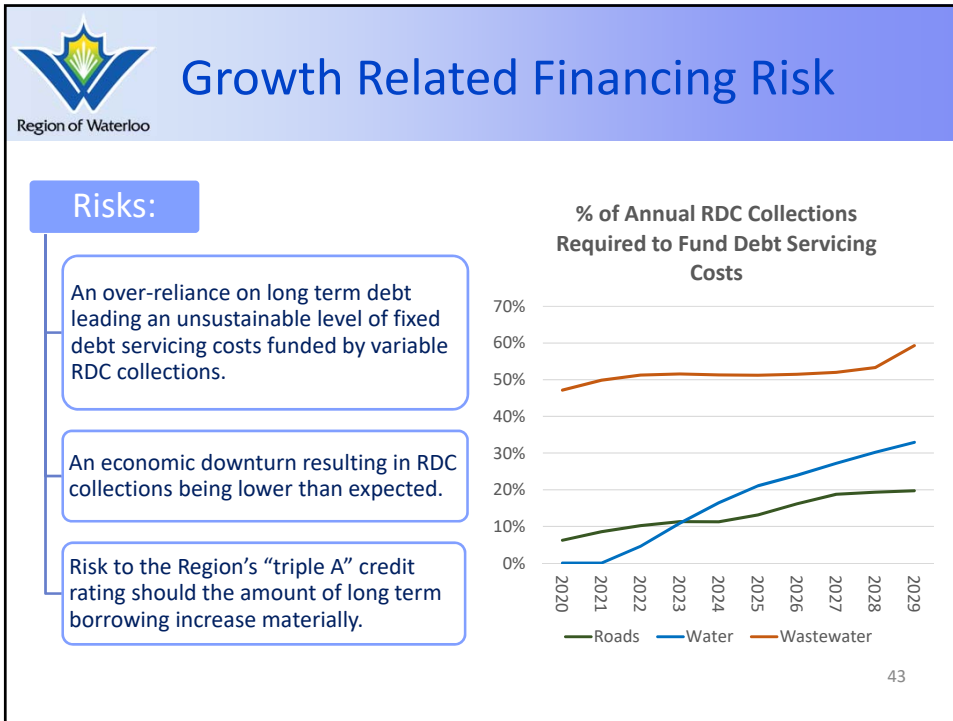
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2020 - 2029 Capital Program

Growth Related Debt to be Issued (\$M)

Division	Years 1-5	Years 6-10	Total
Transportation	47	48	95
Wastewater	35	57	92
Water	45	36	81
Airport	13	48	61
Police	31	9	40
Public Transit	21	3	21
Facilities	-	8	8
Waste Management	1	1	2
Subtotal	193	210	403

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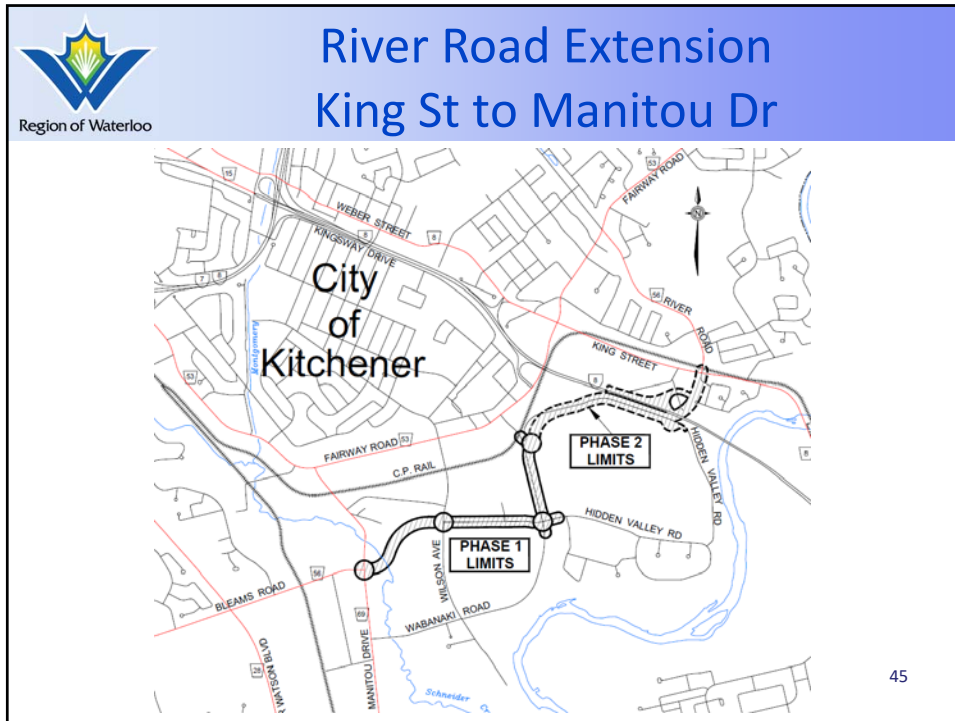
River Road Extension

Project Phasing

Phase 1 limits: from the existing roundabout on Bleams Rd at Manitou Dr through to a new roundabout at the intersection of Wabanaki Dr and Hidden Valley Rd

Phase 2 limits are from the roundabout at Wabanaki Dr/Hidden Valley Rd to King St East/ Stonegate Dr

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River Road Extension

Region of Waterloo

Capital Project 07087 River Rd Extension, King St to Manitou Dr (\$ thousands)

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2020-2029 Total
2020-2029 Capital Plan	9,400	1,000	1,000	1,000	1,000	16,025	9,000	19,000	9,500	5	66,930
Reinstate Original Time Line	19,000	10,000	6,900	10,000	10,000	6,025	5,000	5	-	-	66,930

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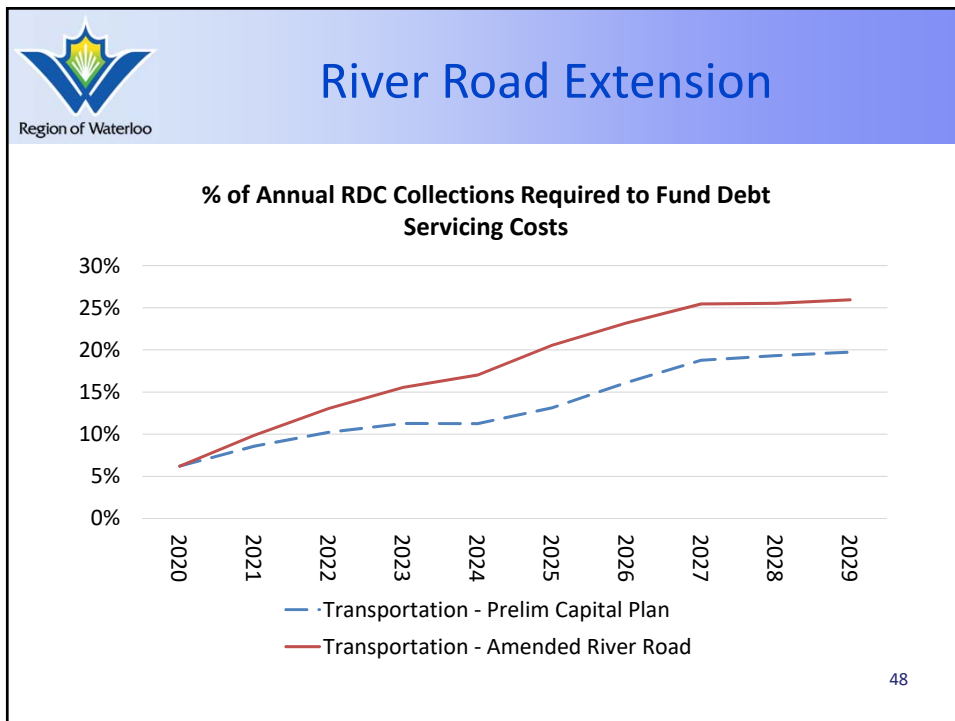



River Road Extension

2020-2029 Transportation Capital Program
Funding and Financing (\$ millions)

Capital funding and financing sources	2020 – 2029 Preliminary Capital Plan	With Reinstating Original Timeline for River Road	Change
Levy contributions to capital	\$259	\$259	\$0
Debt recovered from future tax payers	88	88	-
Development charge reserve funds	299	256	(43)
Debt recovered from future development charges	95	138	43
Grants	204	204	-
Total	\$946	\$946	\$0

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Capital Program Key Messages

Build operating budget and reserve capacity to finance state-of-good-repair (not debt)

Focus debt on significant new infrastructure (growth and expansions)

Mitigate growth-related financing risk

Goal is to maintain credit rating and find a balance between debt and non-debt financing

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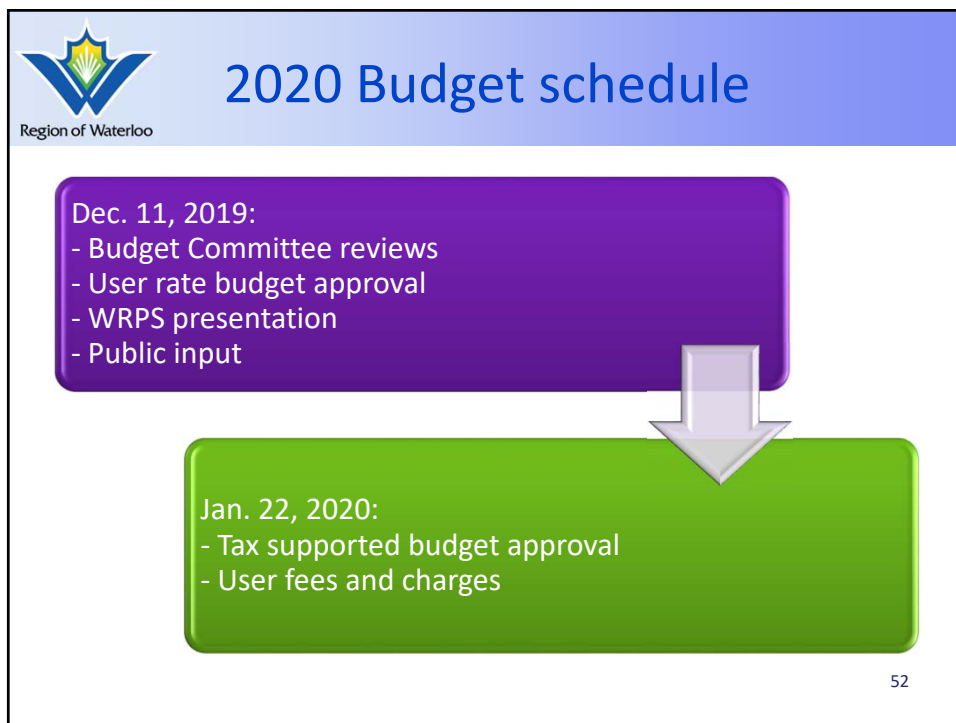
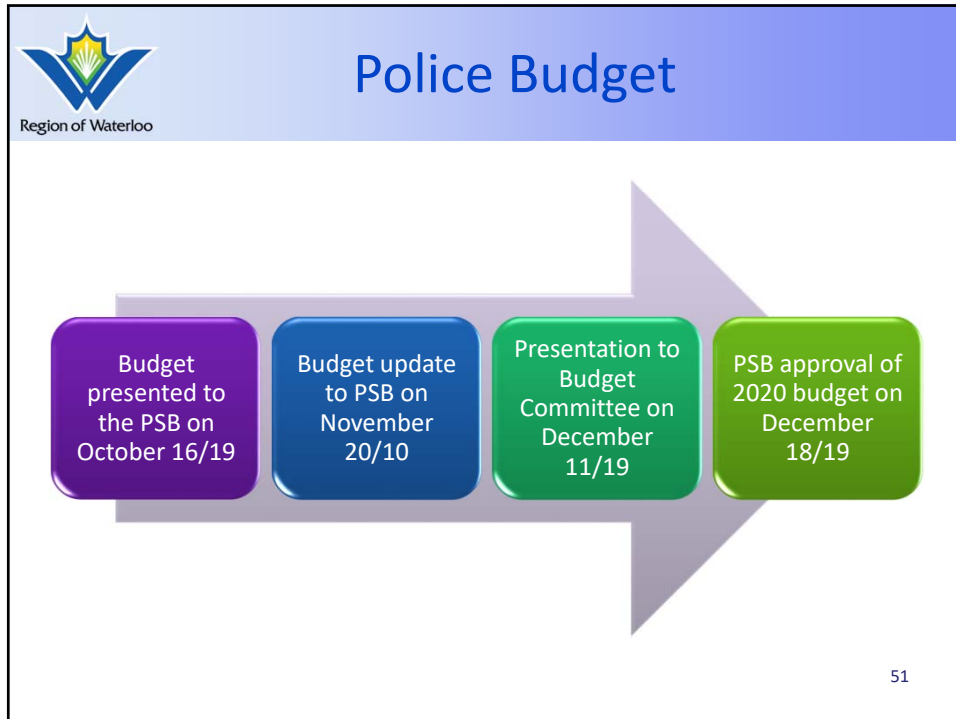



Waterloo Regional Police Service Preliminary 2020 Budget

WRPS Operating Budget Estimates				
(\$millions)	2019 Approved	2020 Preliminary	\$ Change	% Change
Expenditure	\$187.0	\$199.7	\$12.7	6.8%
Revenue	(\$17.5)	(\$18.0)	(\$0.5)	2.9%
Property Tax Requirement	\$169.5	\$181.7	\$12.2	7.2%
Tax Rate Impact	1.00%	1.67%	--	--

As presented to the Waterloo Regional Police Services Board on November 20, 2019

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2020 Budget Update Key Messages

- Operations**
 - Service expansion per master plan approvals
 - Service contracts
 - Winter maintenance
- Capital financing**
 - Funding for capital asset renewal
 - Debt financing of growth-related projects
 - Funding of discretionary RDC exemptions
- Police**
 - Current levy increase of 7.2%
 - Budget continues to be reviewed by staff
 - Budget approval from Board expected on December 18


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January 22 Budget Committee

Public engagement results	Tax supported budget approval
Police and Library budget approvals	User Fees and Charges approval

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Region of Waterloo

2020 Budget

Questions?

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