Present were: Chair T. Galloway, L. Armstrong, J. Brewer, T. Cowan, D. Craig, R. Deutschmann, J. Haalboom, B. Halloran*, R. Kelterborn, G. Lorentz, C. Millar, J. Mitchell, K. Seiling, S. Strickland, and C. Zehr

Members absent: J. Wideman

CLOSED SESSION

MOVED by L. Armstrong
SECONDED by T. Galloway

THAT a closed meeting of Regional Council and Budget Committee be held on Wednesday, November 21, 2012 at 12:30 p.m. in the Waterloo County Room in accordance with Section 239 of the Municipal Act, 2001, for the purposes of considering the following subject matters:

a) proposed or pending acquisition of land in the City of Kitchener
b) proposed or pending acquisition of land in the City of Kitchener
c) potential litigation and advice subject to solicitor-client privilege related to proposed or pending acquisition of land in the City of Kitchener
d) labour relations

CARRIED

MOVED by T. Cowan
SECONDED by C. Zehr

THAT Council reconvene in Open Session.

CARRIED

DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT

None declared

OPENING REMARKS

Chair T. Galloway and Mike Murray, Chief Administrative Officer, provided opening remarks. M. Murray advised that staff continues work on the budget and revisions will be presented by Craig Dyer, Chief Financial Officer.
BUDGET UPDATE

F-12-101 Executive Summary – Budget 2013 was received for information.

C. Dyer delivered a presentation on the 2013 Regional Budget. The presentation is attached to the original minutes. C. Dyer provided details with respect to the following items:

a) 2013 Budget Pressures Overview:
   - Waste Management Pressures
   - Provincial funding reductions for Social Services programs
   - OMERS contribution rates and other benefit rate increases
   - Debt servicing costs to finance capital projects
   - Cost of living adjustments
   - Long term funding strategy for Roads
   - Rapid Transit Master Plan (RTMP) reserve contribution

b) Base Budget Review: Approximately $2 Million in sustainable budget reductions are reflected in the Base Budget without affecting service levels

Staff was requested to provide information on the $2 Million in reductions.

c) Assessment Growth: No significant increases are anticipated between now and the final roll in December.

d) Funding for Transit Improvements: Reviewed budget commitments for the RTMP

e) Current Potential Base Budget: 2.04%, including RTMP and Assessment Growth

Budget Issue Papers: Budget Issue Papers were reviewed by the Corporate Leadership Team and were presented as follows:

- Recommended Operating Budget Issues
- Recommend One-Time / Capital Budget Issues
- Non-recommended Operating Budget Issues
- Non-recommended One-Time / Capital Budget Issues
- Budget Issue Papers Funding Summary

Committee explored options for funding the additional levy requirement for the Ontario Works Discretionary Benefits (OWDB).

MOVED by R. Deutschmann
SECONDED by B. Halloran

THAT staff be directed to report back with $1.15 million additional Regional funding from capital sources to allocate the full amount of funding shortfall for the Ontario Works Discretionary Benefits.

LOST
There was concern about the sustainability of allocating funds from the Capital Budget to fund the OWDB. Chair Galloway encouraged members to take a look at other sources and bring them forward to be considered through the budget review. It was noted that adding $1.15 million in Regional OWDB funding would put the Region in line with the Region’s comparator municipality average.

Staff responded to questions regarding the Recommend One-Time / Capital Budget Issue papers.

f) Current Budget Position: 2.54% Tax Rate Impact for Regional Programs, excluding Police. This impact would include OWDB levy funding of $750,000 for the 1st year of the $1.15 Million recommended by staff.

g) Budget Reductions Options: Staff are looking at various options and more information will be brought forward to Committee in December.

h) Options for Council to Consider: The staff report provides various options for reducing the budget which Committee may consider.

C. Dyer noted that Committee may request staff to provide additional budget reduction options if they wish to do so, such options would likely involve service level reductions.

Staff was requested to provide balance projection, income and expenditure information for the Tax Stabilization Reserve Fund for the December Budget meeting.

i) Potential Position for Regional Programs

Committee/Member Requests:
- Breakdown of the recommended budget issue paper full-time equivalent (FTE) by funding source
- Wilmot Township pilot transit route project schedule
- Show the proposed FTEs through the Budget Issue papers on the Regional Staffing Summary (permanent FTEs)
- 199-2013 FTE Continuity Schedule
- Reserve and Reserve Fund balances

j) Proposed Fee Increases: More details to be provided to Committee on December 5, 2012

k) OMERS: Reviewed governance and contribution rates

l) Roads Long Term Funding Strategy: 0.3% annual tax rate increase built into the 2013 base budget

m) Responses to Councillor Requests: Consumer Price Index amounts; Regional staffing summary (permanent); fuel purchasing update; and development trends.

n) Waterloo Regional Police Service:

Committee debated the timeliness of the Police Chief’s presentation to Budget Committee. It was the Committee’s consensus that the Police Chief would still present on December 5, 2012.
Chair Galloway recognized that there may be changes to the Police budget and that the Police Chief would be requested to identify any budget changes.

o) Budget Summary

Committee recessed from 3:58 p.m. to 4:11 p.m.

PRESENTATIONS

a) Water/Wastewater Budgets

Nancy Kodousek, Director, Water Services, provided a presentation to the Committee highlighting the following:

- Division Initiatives
  - Leadership and Innovation
  - Energy reduction initiatives
  - Clean Water Act
- Water operations
- Operating Budget
- Capital Budget 2013-2022
- Water Supply Master Plan
- Wastewater Operations
- Wastewater Operating Budget
- Wastewater Capital
- Wastewater Treatment Plants
- Water and Wastewater Issues
- Household Impact of wholesale rate increases

The presentation is attached to the original minutes.

b) Waste Management

Jon Arsenault, Director, Waste Management, provided a presentation to the Committee explaining the following:

- Division Highlights
- 2013 Budget Challenges
- Cost Containment Measures
- Staff Recommended Budget Adjustments

There was discussion about shifts in the Waste Management industry and whether alternative business models should be explored. It was noted that the Waste Management Master Plan will review these issues. Committee discussed possible fee increases and staff noted that additional information would be available at the next meeting regarding the four staff recommended budget adjustments.

A request was made for more information regarding the Shingle, Gypsum (Drywall) and Wooden Pallet Diversion programs.

The presentation is attached to the original minutes.
c) EMS Response Times and Budget Issue Papers

John Prno, Director, Emergency Medical Services, provided a presentation to the Committee reviewing details of the following:

- System Performance: call volumes and response times
- Hospital Impacts: time spent in hospitals and offload delays
- Key System Improvements Underway
- 2011 Ontario Municipal Benchmarking Initiative (OMBI) Comparators
- Budget Issues
- Budget Issue Papers 1-3
  - Master Plan Optimized Staffing
  - Response Times – Rural

Committee recessed from 5:42 p.m. to 7:37 p.m.
*B. Halloran absent

Committee continued with the EMS Presentation.

- Management Reorganization
- Summary of Requests and Modifications

The presentation is attached to the original minutes.

J. Prno indicated that hospital off-load issues are being reviewed and initiatives are underway.

The following budget papers were received for information:

- User Rate Budgets: Water / Wastewater / Water Distribution & Wastewater Collection
- 2013 Waste Management Budget
- 2013 Proposed Fee Increases
- OMERS
- Transportation Base Capital Program Long Term Funding Strategy
- Responses to Councillors’ Requests
- Updated Status of Associated Agencies

OTHER BUSINESS

Committee debated the various parameters of budget considerations and balancing of issues.

Committee requested that staff report back with scenarios that would achieve a 1.5% and 1% tax rate increase for Regional programs.
ADJOURN

MOVED by L. Armstrong
SECONDED by J. Brewer

THAT the meeting adjourn at 8:14 p.m.

CARRIED

COMMITTEE CHAIR, T. Galloway

COMMITTEE CLERK, J. Reid
2013 Regional Budget

November 21, 2012

Today's Agenda

• 2013 Property Tax Budget overview
• Budget Issue Papers
• Budget Information Papers
• Waterloo Regional Police Service
• User Rate budget overview

• Presentations
  • Water / Wastewater
  • Waste Management
  • EMS

• Next Steps / Discussion

• Public Input Session

Budget Information

• Preliminary Budget Book
• Executive Summary
• Budget Issue Papers
• Budget Information Papers
• Budget Presentations
**Base Budget**

Definition:
The funding required to deliver the Council approved service levels

---

**2013 Budget Pressures**

- Waste Management pressures
  - Reduced tipping fee revenue from commercial, industrial and institutional sources
  - Shingle Diversion Pilot
  - Collection contract increases

---

**2013 Budget Pressures**

- Provincial funding reductions for Social Service programs
- OMERS contribution rates and other benefit rate increases
- Debt servicing costs to finance capital projects
- Cost of living adjustments
- Long term funding strategy for Roads
- RTMP reserve contribution

---

**Base Budget Review**

- Numerous adjustments are already reflected in base budgets prior to departmental reviews, for example:
  - GRT driver utilization efficiencies: attendance management program and greater use of part-time employees – 10 FTEs/$700,000 reduction
  - Waste Management moving from four stream to two stream collection - $300,000 reduction
- Many other smaller expenditure and revenue adjustments
**Base Budget Review**

- Approximately $2 million in sustainable budget reductions for 2013
- No impact on service levels
- Adjustments include:
  - Maintenance costs, supplies, printing, conferences, office supplies
  - Revenue and fee adjustments (e.g. GRT fares, POA)

**Assessment Growth**

- Assessment growth is currently estimated at 1.60%
- Minor changes are possible between now and roll return
- Final roll will be returned in early December
- Tax impact of assessment growth is shared between Regional Programs & Police Services

**History of Assessment Growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>Assessment Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>1.80%</td>
</tr>
<tr>
<td>2001</td>
<td>1.50%</td>
</tr>
<tr>
<td>2002</td>
<td>2.35%</td>
</tr>
<tr>
<td>2003</td>
<td>3.01%</td>
</tr>
<tr>
<td>2004</td>
<td>3.02%</td>
</tr>
<tr>
<td>2005</td>
<td>3.67%</td>
</tr>
<tr>
<td>2006</td>
<td>3.49%</td>
</tr>
<tr>
<td>2007</td>
<td>3.04%</td>
</tr>
<tr>
<td>2008</td>
<td>3.68%</td>
</tr>
<tr>
<td>2009</td>
<td>1.84%</td>
</tr>
<tr>
<td>2010</td>
<td>1.32%</td>
</tr>
<tr>
<td>2011</td>
<td>2.18%</td>
</tr>
<tr>
<td>2012</td>
<td>1.55%</td>
</tr>
<tr>
<td>2013</td>
<td>3.00%*</td>
</tr>
</tbody>
</table>

* 2013 assessment growth is an estimate

**Funding for Transit Improvements**

- On June 15, 2011 Regional Council approved an annual 1.5% tax rate increase for RTMP for 2012-2018
- Area-rated to urban service municipalities
- Cost offset in part by debt retirement on Regional administration buildings and uploading of social assistance costs
Funding for Transit Improvements

2013 Base Budget Impact of RTMP

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>RTMP reserve contribution</td>
<td>1.32%</td>
</tr>
<tr>
<td>(1.5% urban: 1.2% RT, 0.3% GRT)</td>
<td></td>
</tr>
<tr>
<td>Less: Upload savings</td>
<td>-0.38%</td>
</tr>
<tr>
<td>Less: Debt retirement</td>
<td>-1.12%</td>
</tr>
<tr>
<td></td>
<td>-0.18%</td>
</tr>
</tbody>
</table>

2013 Base Budget

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Base Budget Position, net of Administration Review savings</td>
<td>3.30%</td>
</tr>
<tr>
<td>Less: Impact of RTMP, net of upload and debt servicing savings</td>
<td>-0.18%</td>
</tr>
<tr>
<td>Less: Tax Impact of assessment growth</td>
<td>-1.08%</td>
</tr>
<tr>
<td>Revised Base Budget Including RTMP</td>
<td>2.04%</td>
</tr>
</tbody>
</table>

Budget Issue Papers

- Budget Issue Paper Package distributed with Agenda (section 4 of Budget binder)
- Budget Issues are service expansion requests
- Budget Issue Papers provide details of the request, including costs/revenues, staffing requirements and implications of not approving
- Staff recommendation noted at end of each issue paper
- Number of Budget Issue Papers allowed limited

Budget Issue Papers

- BIPs reviewed by Corporate Leadership Team
- Guidelines used in determining whether an issue is to be recommended:
  - Is the issue meeting a legislative or regulatory requirement?
  - Can the issue be implemented without impacting the tax levy?
  - Does the issue address a critical service requirement on a region-wide basis?
- All issues are important, and all would be recommended if additional funding were available
Issues are summarized as follows:

- **Appendix B** – Recommended Operating Budget Issues (page 9 of Agenda)
- **Appendix C** – Recommended One-Time / Capital Budget Issues (page 10 of Agenda)
- **Appendix D** – Non-recommended Operating Budget Issues (page 11 of Agenda)
- **Appendix E** – Non-recommended One-Time / Capital Budget Issues (page 12 of Agenda)

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### Budget Issue Papers – Recommended Operating

#### Ontario Works Discretionary Benefits

- Staff report reviewed by Committee on November 6
- Range of scenarios and options was presented
- Staff recommendation is to add $1.15 million in funding, phased in over 2 years, using a one time $400,000 contribution from the Tax Stabilization reserve fund in 2013
- 2013 levy impact = $750,000
- 2014 levy impact = $400,000

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<table>
<thead>
<tr>
<th>Issue</th>
<th>'000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ontario Works Discretionary Benefits</td>
<td>750</td>
</tr>
<tr>
<td>EMS Master Plan Optimized Staffing Requirements</td>
<td>288</td>
</tr>
<tr>
<td>EMS Management Re-Organization</td>
<td>211</td>
</tr>
<tr>
<td>Capital Financing</td>
<td>380</td>
</tr>
<tr>
<td>AODA Compliance</td>
<td>238</td>
</tr>
<tr>
<td>Information Technology Services Staff Conversion</td>
<td>62</td>
</tr>
<tr>
<td>Diversity and Inclusion Initiative</td>
<td>60</td>
</tr>
<tr>
<td>Opportunities Waterloo Region</td>
<td>59</td>
</tr>
<tr>
<td>Total Tax Levy Impact</td>
<td>2,048</td>
</tr>
<tr>
<td>Implementation of RTMP</td>
<td>953</td>
</tr>
<tr>
<td>Clean Water Act Implementation</td>
<td>90</td>
</tr>
<tr>
<td>Healthy Babies Healthy Children</td>
<td>-</td>
</tr>
<tr>
<td>Sunnyside community Alzheimer day program (Cambridge)</td>
<td>-</td>
</tr>
<tr>
<td>Facilities Capital Program Project Management</td>
<td>-</td>
</tr>
<tr>
<td>Implementation of Ontario Healthcare Reporting Standards</td>
<td>-</td>
</tr>
<tr>
<td>Total Recommended Operating Budget Issue Papers (Appendix B)</td>
<td>3,091</td>
</tr>
</tbody>
</table>
If approved, would be added to the 2013 Capital ten year program.

- Funded by debentures and reserves.
- Projects funded by debentures have a 2014 impact since debt financing will not occur until late 2013.
- The ability to fund one-time issues from the Capital Levy Reserve Fund (i.e. items that cannot be debentured) is limited by the annual contribution to the Reserve Fund (currently at $640,000).

**Budget Issue Papers – Recommended Capital/One-Time**

- Immigration Partnership $50
- The Region’s Comprehensive Approach to Poverty Reduction $63
- Consolidated Homelessness Prevention Initiative (CHPI) Implementation $125
- Diversity and Inclusion Initiative $86
- AODA Compliance $157
- Employee Portal Rebuild $50
- Service Satisfaction Measurement and Action Program $109
- Capital Levy funded in 2013 $640
- Implementation of RTMP $8,161
- Clean Water Act implementation $735
- Appendix C total recommended One-Time/Capital $9,536

*2013 impact only

**Budget Issue Papers Funding Summary**

<table>
<thead>
<tr>
<th>Description</th>
<th>$</th>
<th>% tax impact</th>
<th>2013 Funding Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>Discretionary Benefits</td>
<td>$1,150,000</td>
<td>0.18%</td>
<td>Property Tax Levy ($750,000) and Tax Stabilization Reserve Fund ($400,000)</td>
</tr>
<tr>
<td>Other issue papers with operating impacts</td>
<td>$1,208,000</td>
<td>0.32%</td>
<td>Property Tax Levy</td>
</tr>
<tr>
<td>Issue papers of a capital or one time nature</td>
<td>$840,000</td>
<td>0.00%</td>
<td>Capital Levy Reserve Fund, which in turn is funded from the Property Tax Levy</td>
</tr>
</tbody>
</table>

**Budget Issue Papers**

- All issues are important, including issues listed on Appendices D and E (which are not recommended).
- All would be recommended if additional funding were available.
Current Budget Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Tax rate impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Budget including RTMP</td>
<td>2.04%</td>
</tr>
<tr>
<td>Recommended new Budget Issues</td>
<td>0.50%</td>
</tr>
<tr>
<td>Tax Rate Impact for Regional programs (excluding Police)</td>
<td>2.54%</td>
</tr>
</tbody>
</table>

A 2.54% increase would add approximately $42 to the Regional tax bill for a residential property assessed at $269,000.

Budget Reductions Options

- Staff continue to work on certain aspects of the 2013 budget with the intent of identifying additional base budget adjustments, including:
  - Utility costs at housing units
  - Various revenue estimates
  - Solar Photovoltaic revenues
  - Assessment growth

Budget Options for Council to Consider

- Other options for Council to consider have been identified in the staff report
  - Waste Management service level reductions and/or revenue increases (approx. $600,000)
  - GRT fare increase to 9% (approx. $200,000)
  - Roads Long Term Funding Strategy reduction (up to $1.2 million)
  - Transfers to external agencies
  - Not approving some/all Budget Issue papers with tax levy impacts

- The potential total budget reduction associated with these items is approximately $2.0-$2.5 million

- Additional budget reduction options can be provided if directed by Council

- Such options would likely involve service reductions
2013 Potential Budget Position

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional base increase</td>
<td>2.04%</td>
</tr>
<tr>
<td>New Issues (including OWDB)</td>
<td>0.50%</td>
</tr>
<tr>
<td>Regional position</td>
<td>2.54%</td>
</tr>
<tr>
<td>Potential Council reductions</td>
<td>-0.60%</td>
</tr>
<tr>
<td>Potential position for Regional Programs</td>
<td>1.94%</td>
</tr>
</tbody>
</table>

Budget Information Papers

- Waste Management (pages 20-24)
- Proposed Fee Increases (page 25)
- OMERS (pages 27-29)
- Roads Long Term Funding Strategy (pages 30-32)
- Responses to Councillors' Requests (pages 33-36)
- Status of Associated Agencies (pages 37-38)

Proposed Fee Increases

- Increases are subject to Council's consideration and approval
- Information paper focuses on significant changes
  - GRT fare increase by 7% on July 1, 2013
  - Increases to certain development application fees
- Details of all fee changes will be provided on Dec. 5, 2012

OMERS
Ontario Municipal Employees Retirement System

Governance

- Ontario Municipal Employees Retirement System Act, 2006
- Dual governance model for OMERS giving employees and employers control over the pension plan through a Sponsor's Corp. (SC) and an Administration Corp. (AC)
- SC has responsibility for plan design including benefits, contribution rates, etc.
- AC has responsibility for the day-to-day administration of the plan, including investment management, plan valuation and pension administration
Governance

- Both SC and AC Board of Directors have 14 voting members each, made up of an equal number of employee and employer representatives on each.
- Voting structure is equally weighted between employee and employer representatives.
- Association of Municipalities of Ontario (AMO) has two representatives on the SC and two representatives on the AC.

OMERS plan changes

- Change requests are made to the SC and require a two-thirds majority.
- Municipal Councils do not make decisions regarding changes to contribution rates or benefits.

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<tbody>
<tr>
<td>Municipal (NRA 65)</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Up to YMPE</td>
<td>6.5%</td>
<td>6.3%</td>
<td>6.4%</td>
<td>7.4%</td>
<td>8.3%</td>
<td>9.0%</td>
</tr>
<tr>
<td>Above YMPE</td>
<td>9.6%</td>
<td>9.5%</td>
<td>9.7%</td>
<td>10.7%</td>
<td>12.8%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Police / Fire (NRA 60)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to YMPE</td>
<td>7.9%</td>
<td>7.7%</td>
<td>7.9%</td>
<td>8.9%</td>
<td>9.4%</td>
<td>9.3%</td>
</tr>
<tr>
<td>Above YMPE</td>
<td>10.7%</td>
<td>12.8%</td>
<td>13.1%</td>
<td>14.1%</td>
<td>13.9%</td>
<td>15.9%</td>
</tr>
</tbody>
</table>

NRA denotes normal retirement age. NRA 60 are police and fire, NRA 65 are all other.

Plan contributions ($ millions)
by the Region of Waterloo

<table>
<thead>
<tr>
<th></th>
<th>NRA 65</th>
<th>NRA 60</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$ 7.9</td>
<td>$ 5.8</td>
<td>$13.7</td>
</tr>
<tr>
<td>2008</td>
<td>$ 8.7</td>
<td>$ 6.3</td>
<td>$15.0</td>
</tr>
<tr>
<td>2009</td>
<td>$ 9.3</td>
<td>$ 7.1</td>
<td>$16.4</td>
</tr>
<tr>
<td>2010</td>
<td>$10.3</td>
<td>$ 7.5</td>
<td>$17.8</td>
</tr>
<tr>
<td>2011</td>
<td>$12.3</td>
<td>$ 9.0</td>
<td>$21.3</td>
</tr>
</tbody>
</table>

Employee and employer contributions are equal.

The plan’s funding deficit grew to $7.3 billion in 2011, up from $4.5 billion a year earlier. OMERS expects that it will be able to return to a surplus in the next 10-15 years based on expected investment returns and temporary contribution increases and benefit reductions.
Regional Council, as part of the 2002 and 2003 budget deliberations, approved in principle a long term funding strategy (LTFS) to address the outstanding structural deficiencies in the Regional Road network.

Specifically, Council committed to an annual 0.3% tax rate increase in roads capital funding.

If the 2013 incremental funding contribution is not approved, the impact to the LTFS will be a reduction of $1.2 m per year.

In order to accommodate the funding reduction certain projects would be deferred.

Responses to Councillor Requests

Consumer Price Index (CPI)

- Sept 2012
  - ONT CPI = 1.58%
  - Sept 2012 YTD mean CPI = 1.60%
  - Sept 2012 YTD mean MPI = 1.95%

- Current forecast for 2013 = 1.95%

Regional Staffing Summary (permanent)

- 2012 restated: 2,651.42 FTEs
- 2013 base: 2,642.65 FTEs
**Responses to Councillor Requests**

**Fuel Purchasing Update**

- The Region is a member of the Co-operative Purchasing Group of Waterloo Region (CPGWR)
- RFP being issued for a new fuel supply contract
- No hedging contracts

**Development Trends**

- The value of total building activity has been steady in the Region over the past 10 years, and has been consistently over $800 million annually
- Recently, building activity has reached much higher values, measuring almost $1.5 billion in 2010 and over $1.25 billion in 2011

**Waterloo Regional Police Service**

- Preliminary budget information presented to the Police Services Board November 7, 2012
  - $136.9 million base budget, up by $10.9 million or 8.7% from 2012
  - General expansion ($0.3 million) and 2013 Staffing plan ($1.3 million)
  - 2013 preliminary Police budget = $138.5 million, up by $12.5 million or 10% from 2012
Waterloo Regional Police Service

- Police budget as it stands requires a property tax impact of 2.60%, net of assessment growth
- The Police Services Board has requested that Police staff bring back options to their December 5, 2012 meeting

2013 Budget Summary

<table>
<thead>
<tr>
<th></th>
<th>Oct-24</th>
<th>Nov-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Region</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Base Budget</td>
<td>3.13%</td>
<td>3.12%</td>
</tr>
<tr>
<td>Tax Impact of assessment growth</td>
<td>-0.89%</td>
<td>-1.08%</td>
</tr>
<tr>
<td>Net Base Budget</td>
<td>2.24%</td>
<td>2.04%</td>
</tr>
<tr>
<td>Budget Issues</td>
<td>0.25%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Region Tax Rate Impact</td>
<td>2.49%</td>
<td>2.54%</td>
</tr>
<tr>
<td>Police</td>
<td></td>
<td></td>
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2013 User Rate Budgets

- Water Rate
- Wastewater Rate
- Retail Water and Wastewater for North Dumfries and Wellesley
- Approval of User rates planned for December 5 2012, effective March 1 2013
**Water Rate**

- Water operating budget increasing by 3.4% in 2013
- Water ten year capital program equals $542 million
- Level of debenture financing is increasing from $6 million to $13 million

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- 2012 Average cost per Household $176.78
- Water Rate Plan to increase rates by 6.9% through 2013 then reduce to 2.9% by 2017
- Water consumption continues to be a challenge from a rate setting perspective – volumes decreased by almost 11% in six years
- However, drier weather conditions experienced may bring water consumption levels for 2012 back to 2010 levels
- Additional information included on pages 14-15 of Agenda

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- Water has two issue papers
  - Clean Water Act implementation
    - page 1 of Budget Issue Papers, section 4 of budget binder
  - Occupational Health and Safety Act
    - page 86 of Budget Issue Papers, section 4 of budget binder
- Detailed Budget information in Preliminary Budget Book starting on page 217
Wastewater Rate

- Wastewater operating budget increasing by 10.6% in 2013
  - 5.8% is due to debt charges
  - 4.8% is due to forecasted hydro increases and new projects coming online
- Wastewater ten year capital program equals $731 million
- Level of debenture financing is decreasing from $113 million to $73 million

Wastewater Rate

- 2012 Average cost per Household $159.61
- Wastewater Rate Plan to increase rates by 7.9% through 2018 then reduce to 5.9% by 2019
- Capital program continues to be the key cost driver for future Wastewater rate increases
- Wastewater has no Budget Issue Papers
- Additional information included on pages 16-17 of Agenda
- Detailed Budget information in Preliminary Budget Book starting on page 217
**Water and Wastewater Retail Rate**

- Retail water rate is recommended to increase by 9.9% in 2013 (same as 2012)
- Retail rate increase required for wholesale water increase and to fund operating expenses on a sustainable basis
- Retail wastewater rate increase is recommended to increase by 7.9% in 2013 (same as 2012)
- Retail wastewater rate increase is required for wholesale wastewater increase

**Staff Presentations**

- Water/Wastewater Budgets (pages 15-19 of Agenda)
- Waste Management (page 20-24 of Agenda)
- EMS Response Times and Budget Issue Papers

**December 5, 2012 Meeting**

- Approve User Rate Budgets
- Tax Supported Budget update
- Police and GRCA presentations
- Information papers on reserves, gapping, Ontario Works caseload
- User Fees & Charges – details
- Updates on assessment growth and fuel
- Discretionary Benefits and Consolidated Homelessness Prevention Initiative
- Budget Issue Paper review
Water and Wastewater

2013 User Rate Budget Update

LEADERSHIP AND INNOVATION
- Mannheim Improvements
- Optimize AOP Treatment Using Chlorine
- Wastewater Optimization Study at Galt WWTP

ENERGY REDUCTION INITIATIVES
- Energy has Surpassed Staffing as the Highest Cost in Water Operations
- Optimize UV/AOP Treatment – Savings 30%
- Reservoir Filling During Off-peak Hydro Demand Times

CLEAN WATER ACT
- Full Compliance Expected in 2013
- > 80 Source Protection Policies
  - Education/Awareness/Incentives
  - Extensive Risk Management

Water Services

Responsibilities
- Water Supply – 45 Supply Systems Supplied 56.5 Million m³
- Wastewater – 13 Treatment Plants Treated 65 Million m³
- Distribution & Collection Services for North Dumfries & Wellesley

Leadership
- Provide Safe Water & Effective Wastewater Treatment
- Protect Environment & Public Health
- Responsive to Customer Needs
- Regulatory Compliance

Water Operations – Highlights

2012 Achievements
- Training of Regional Councillors on Standard of Care
- 14 Drinking Water Quality Management Systems
- Continuous Improvement Program Achieving 60% Reduction in Non-compliance Events

Asset Management Milestones
- Initiate Pilot Program at Shades Mills WTP
- Evaluate Risk for Equipment Failure Modes

Monthly Operation & Maintenance Activities
- 7,000 Analytical Tests Performed
- >200 Chlorine Analyzers Inspections/Calibrations
- >30 Diesel Generator Load Tests
- > 100 Well Maintenance Inspections
Water Operating Budget – Highlights

- Operating Budget: $33 million (3.4% increase)
- Focus on Optimization & Sustainability
  - Enhanced Analytical Monitoring Program
  - Chemical Treatment Optimization
  - Increase in Maintenance Costs and Hydro with Commissioning of New Treatment at Middleton
  - Inflationary Increase of 9.5% for Hydro (utilities represent 27% of Water Operating Budget)

Water Capital Budget – Highlights

- 2013–2022 Capital Program: $540 million
  - Projects include:
    - Source Protection $48M
    - Infrastructure Replacement $171M
    - Water Mains $88M
    - Upgrades/Expansions $225M
      - New Weber Street Water Main Projects
      - Conestoga Plains Environmental Assessment
      - Cambridge East Source Upgrade
      - Mannheim WTP RMP Upgrade
      - Strange Street WSS Upgrades

Wastewater Operations – Highlights

- Monthly Operations & Maintenance
  - Volume of Wastewater Treated = 4.95 Million m³/month
  - Biosolids Produced = 49,663 m³/month
  - Preventative Maintenance Performed 1190 Hours
  - Samples Analyzed = 930/month
  - Average Removal Efficiency = 98%

- Ontario Clean Water Agency (OCWA) Contract
  - Implement Automated Daily Report
  - Optimize Chemical Treatment with Improved Effluent Criteria
  - Asset Management Pilot at Ayr WWTP

Wastewater Operating Budget – Highlights

- Operating Program: $37 Million (10.6% increase)
  - a) 5.8% attributed to new debt charges in 2013
  - b) 4.8% expenditure increase due to
    - Hydro Inflation
    - Commissioning Costs Due to New Infrastructure
      - Manitou Biosolids Handling Facility
      - Kitchener WWTP – Plant 1 and Plant 2 Upgrades
      - Kitchener and Waterlo WSS Upgrades
      - Interim Biosolids Management Program

The 2013 Water Supply Master Plan will have a significant impact on flow/revenue projections & capital program.
Wastewater Capital – Highlights

- 2012–2021 Capital Program: $731 Million
- Projects Include Major Treatment Upgrades to:
  - Waterloo WWTP
  - Kitchener WWTP
  - Hespeler WWTP
  - Elmira WWTP
- Growth Related:
  - Assimilative Capacity Study Grand and Speed Rivers
  - Environmental Assessments
    - East Side Lands Pump Station
    - Hespeler WWTP
    - Baden–New Hamburg WWTP
    - Waterloo WWTP

Wastewater Treatment Plants

Kitchener
- $291M Remaining in Upgrades (total $370M)
  - Upgraded to Tertiary Treatment Level
  - Improve Equipment Reliability & Sustainability
  - Improve Effluent & Water Quality in the Grand River

Waterloo
- $37.5M Remaining in Upgrades to Treatment Plant (total $120M)
  - Improve Equipment Reliability & Sustainability
  - Improve Effluent & Water Quality in the Grand River

Water Issues

Challenges
- 11% Decrease in Volume (Loss of Significant Industry)
- Current and Future Hydro Increases
- Continued Pressure on Water Rate (85% fixed costs)
- Future Impacts of Clean Water Act
- Future Impacts of Water Supply Master Plan Update and Water Efficiency Plan

Wastewater Issues

Challenges
- Variable Wastewater Flows Dependent on Weather
  - Impact on Revenues – $5.1M Shortfall (10%)
  - Major Capital Program
  - Significant Operating Cost Increases Due to Construction
  - Capital Upgrades Result in Significant Improvement in Effluent Quality and Positive Impact on the Grand River
## Household Impact of Wholesale Rate Increases

**Recommended 2013 User Rate (10 year user rate)**
- Water Supply – 6.9% Proposed Increase
- Wastewater Treatment – 7.9% Proposed Increase

Based on annual household consumption of 215 m³

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<th>2012</th>
<th>2013</th>
<th>Impact</th>
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<td>Cost of wholesale water</td>
<td>$177</td>
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<td>$172</td>
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<tr>
<td>$0.8109/m³</td>
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<td>(+7.9%)</td>
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**TOTAL ANNUAL IMPACT:** $24 per household
Agenda

- What We Do
- Division Highlights
- 2013 Budget Challenges
- Cost Containment Measures
- Recommended Budget Adjustments

What we do

- 15 million curbside stops per month
- 498,500 transactions at various Waste Management sites
- Over 37,000 calls handled by call centre
- 5,800 participants at the education centre
- 52% residential waste diverted from landfill
- Approximately 20 years of landfill capacity remain

Division Highlights
Division Highlights cont'd

- Costs within lower range of same sized municipalities (OMBI)
- One of the lowest Residential Cost Impacts at $2.10/household per week (2012)

2013 Budget Challenges

- Overall reduction in IC&I waste tonnage to landfill
- Transition to lighter (less dense) waste stream (tonnage decreased but volume of waste near the same)
- Local waste transfer stations very price competitive
- Excess landfill capacity in Ontario and Northern United States (supply outstrips demand)

2013 Budget Challenges cont'd

- Remain @ $74 per tonne
  - 90,000 – 100,000 tonnes estimated
  - $6.66 to $7.4 million projected
- Reduce to $50 - $55 per tonne
  - 100,000 – 120,000 tonnes estimated (not guaranteed)
  - $5.0 - $6.6 million projected
- Reduce to $45 per tonne
  - 120,000 - 140,000 tonnes estimated (not guaranteed)
  - $5.4 - $6.3 million projected
2013 Budget Challenges cont'd

- Number of site visits and onsite activity remain stable
- Operational shift from landfill disposal to more resource intensive diversion programs

![Customer Visits at Regional Sites](chart)

Cost Containment Measures

- Blue Box collection efficiencies ($300,000)
- Beneficial landfill use of mixed glass ($26,000)
- Elimination of compost workshops/composter giveaway program/other ($77,000)
- Deferred capital equipment and vehicles replacements ($1.87 million)
- Rebuild of major pieces of equipment vs. replacement ($800,000)

Recommended Budget Adjustments

1. Close/reduce hours at Landfill/Transfer Stations on Holidays to the public  **Impact** $54,590
2. Eliminate 11 MHSW Event Days  **Impact** $55,000
3. Charge for Blue Boxes/Eliminate Free Distribution ($4.50/box)  **Impact** $200,000
4. Minimum Fee of $2 at all Sites  **Impact** $328,000 to $535,000

Recommended Budget Adjustments cont'd

![2012 Minimum Fee Comparison](chart)
Questions
Today's Presentation

- Highlight current EMS performance, system impacts and improvements underway
- Review 2011 OMBI Comparators
- Review the three EMS Issue Papers

System Performance

- EMS Call Volume (Codes 1-4)
- Emergency Response Time

Hospital Impacts

- Time per Call Spent in Hospital by EMS
- Offload Delay Losses in 24 Hr Ambulance Days
Key System Improvements Underway

- Continuing to work with hospital CAOs and the LHIN to reduce offload delays.
- Continuing to work with the Cambridge CACC (ambulance dispatch) to refine deployment policies to maximize vehicle availability within available hours.
- Working with the Community Care Access Centre (CCAC) to develop a Community Referral system for EMS (CREMS), to redirect patients to community-based resources instead of hospital Emergency Departments.
- Use of EMS TIF to both reduce Fire response to medical emergencies, and monitor/reduce offload delays, end-of-shift overrun, and missed meals.
- Installation of Traffic Signal Pre-emption nearing completion.

2011 OMBI Comparators

- While Waterloo provides 192 hours of ambulance service/1,000 population, well below the 2011 OMBI median of 350 hours, we also respond to far fewer calls (70/1,000 population) than the OMBI median of 107.
- It is more reasonable to compare staffing across municipalities with similar call demand, i.e., York at 66 calls and 269 hours/1,000, and Halton at 69 calls and 264 hours/1,000.
- York and Halton respond to similar demand levels with approximately 63 more annual hours/1,000 population (Equivalent to 4 more 24 hour ambulances locally).

OMBI Comparators...

- York and Halton provide this level of service at a cost of $45,200/1,000 population in comparison to Waterloo’s $35,500.
- Across OMBI municipalities, ambulances spend a median of 18.7% of time in hospitals. Waterloo is also well above the median at 22.3%.
How many hours of ambulance service are provided in the community for every 1,000 people?

- Muskoka
- Sudbury (Greater)
- Thunder Bay
- Niagara
- Windsor
- London
- Hamilton
- Ottawa
- Durham
- York
- Halton
- Toronto
- Waterloo

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2011 median: 350 hours/1000 people

Budget Issues

- Three Budget Issue Papers for consideration:
  - EMS Master Plan Optimized Staffing
  - EMS Response Times – Rural
  - EMS Management Re-Organization

EMS Master Plan Optimized Staffing

- Optimized Staffing Plan adopted in principle in December 2007, subject to regular review and the annual Budget process.
- Plan calls for 154.15 FTEs by 2016 (at 134.15 in 2012). Staffing increases on target, but expected response time management continues to be impacted by hospital offload delays and delayed implementation of traffic signal pre-emption.

Budget Issue 1 (Page 49)

- Existing resources continue to be fully optimized with limited capacity for additional peak period calls.
  - *Proposes an additional 12 hour-a-day peak period ambulance to continue moving Region-wide response times towards the 10 minute 30 second target.*
- Budget Implication: $288,000
EMS Response Times - Rural

- 20% recent year-over-year increase in rural call volume, accompanied by a 44 second increase in rural response times.
- 7 minute longer "All Rural" to "All Urban" response time.
- Low call volumes and large geographic area make it difficult to manage the same way.
- RERUs are committed rural resources and not pulled due to urban call volume or hospital delays.

Issue Paper 2 (Page 54)

- Proposes an additional Rural Emergency Response Unit (RERU) staffed between 2300-0700 daily to provide dedicated overnight coverage and further reduce the "All Rural" overnight response time into the 17 minute range.
- Note that the additional peak hour ambulance proposed, will also positively impact rural response times during some of the overnight period.
- Budget implication if approved would be $97,000.

EMS Management Re-Organization

- Since the Region assumed ambulance services in late 2000, the overall staff complement has increased by 66%.
- Rightly so, the majority of these have been paramedics to improve service to the community.
- Management complement (Chief, Deputies and Supervisors) has consistently ranged from 7-9% when overall FTEs are used.
- When actual staff numbers are used (9/207), management currently represents 4%.
- Across 5 Regions and Hamilton, the ratio of management staff to paramedics, ranges from 1:9 to 1:19, with Waterloo well above the mean of at 1:15.
- If the entire issue paper is approved, ratio would drop to 1:12. Approval as recommended would drop the ratio to 1:13.

EMS Management Re-Organization

- Recent Management Re-Org exercise resulted in rebundling and optimizing work among existing positions. Resulted in a Supervisor, Fleet and Support Services, but also highlighted other needs.
- Currently only one supervisor on-duty after normal business hours to manage operational needs and provide staff support.
- Two supervisors on during the day, but one heavily tied up with scheduling and payroll responsibilities.
Budget Issue 3 (Page 51)

- Proposes hiring non-management schedulers to free up two existing supervisors, as well as adding two additional positions. These would ensure two supervisors on-duty 24 hours a day to support staff in day-to-day challenges, perform QA activities, and manage multiple operational scenes simultaneously.
- Ideally, a Senior Duty Supervisor would also be available after-hours Mon-Fri to provide additional management support, specifically relieving supervisors of Labour Relations and administrative duties, and relieving Chief/Deputy Chief of weekday on-call.
- Budget implication for recommended portion is $211,000. Budget implication if fully approved would be $333,000.

Summary of Requests and Modifications

- All of the requests are necessary and important to maintaining effective and efficient EMS.
- However, due to resource limitations, a prioritization exercise was completed by CLT.
- The 12 hour ambulance will partially address both urban and rural response issues.
- The initial Management Re-Organization has been reworked to take place over two years instead of one.

Questions?