



Region of Waterloo

Proposed 2016 Budget Issue Papers

November 18, 2015

**Region of Waterloo
Proposed 2016 Budget Issue Papers**

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	Dept/Div	Description	Annualized Levy Impact	2016 operating budget impact		2016 sources of funding - capital budget		
			(\$000s)	Property taxes	Reserves Capital Other	Property taxes	RDC	User Rates
Budget Issue Papers - No Levy Impact								
1	COR/Facilities Management	Capital plan delivery - convert 2 temporary project managers to permanent	\$0					
5	COR/Facilities Management	Facilities maintenance efficiency - replace external contractors with 2 permanent FTEs	\$0			\$90		
8	COR/Facilities Management	Facilities Asset Planning - add 1.0 permanent FTE	\$0					
12	PDL/Legal Services	Convert temporary contract Solicitor, Rapid transit to Permanent Solicitor, Real Property	\$0					
17	PDL/Legal Services	Convert two temporary contract Property Agent positions to permanent	\$0		\$146			
21	TES/Water Services	Convert Technologist, Water Efficiency from temporary to permanent	\$0					\$94
25	TES/Water Services	Water capital program - temporary positions	\$0		\$150			
Budget Issue Papers - 2016 Levy Impact								
27	COR/Facilities Management	Facilities Maintenance and Reliability Planning Engineer	\$143	\$84				
30	PDL/POA Court	Prosecutions Clerk II, 1 year extension	\$0	\$63				
34	PDL/Community Planning	Community wide Climate adaptation plan	\$0	\$80				
38	PDL/Council & Administrative Services	Develop a privacy/information management training program for corporate staff	\$0	\$75				
42	CSD/Seniors' Services	Quality and Risk Management Coordinator	\$125	\$96				
45	PHE/Paramedic Services	Addition of 1 - 24 hour Ambulance	\$811	\$441		\$63	\$566	
52	TES/Transit Services	Implement MobilityPlus Business Plan (Year 2 from 2015 BIP)	\$309	\$150		\$220		
57	TES/Transit Services	Implement Conestoga College U-PASS Service	\$1,108	\$339		\$3,681	\$819	
61	TES/Transit Services	Transit Service to Family & Children's Services on Hanson Avenue	\$156	\$52				
63	Corporate Financial	Capital Financing - increase contribution to CLRF for non-debenturable projects	\$750	\$750				
Subtotal			\$3,402	\$2,130	\$296	\$4,054	\$1,385	\$94

**Region of Waterloo
Proposed 2016 Budget Issue Papers**

Operating Impacts & Capital Financing Summary		Annualized Levy Impact	2016 Budget Impact (\$000s)				
			Operating		Capital		
Dept/Div	Description	(\$000s)	Property taxes	Reserves/ Capital/ Other	Property taxes	RDC	User Rates
Contemplated Budget Issue Papers total		\$3,402	\$2,130	\$296	\$4,054	\$1,385	\$94
	2016 incremental levy impact	\$2,130					
	2017 incremental levy impact	\$1,339					
	2018 incremental levy impact	(\$67)					
	Subtotal	\$3,402					
Capital Financing:							
	Property tax levy						
	Debentures				\$3,681	\$819	
	Reserves				\$373	\$566	\$94
	Subtotal				\$4,054	\$1,385	\$94



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Facilities Project Management Positions
Corporate Services – Facilities Management
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Ensure regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

To convert two existing temporary Project Management positions to permanent FTE positions, funded from the projects they deliver. This will ensure the effective delivery of the Facilities Ten-year Capital Program which is a critical element of the Facilities Asset Management Program.

Justification/Rationale

Facilities Management is responsible to maintain and extend the life of a portfolio of over 800 existing buildings along with the construction of new buildings for the Region. The value of this work currently ranges between \$30 and \$50 million annually, of which approximately \$30M is capital renewal work and the remainder is new construction or major renovations. The project management workload associated with this Capital Program delivery has increased steadily over the last decade as a result of the increasing building portfolio and aging condition.

The Facilities Management Asset Management Plan currently projects a long term average annual capital budget requirement of \$40 million per year to meet the Region’s current and projected building portfolio needs. These projections, which include work identified from the 10 year capital program, support the need to convert temporary project engineer positions to permanent project engineering staff.

A consultant was hired in 2011 to complete a comprehensive assessment of workload and staff resources to substantiate the number of staff required to complete ongoing capital project work into the future. This detailed review of projected workload in relation to project management best practice and surveys of other Regional Municipalities supported the need for full time project management resources for the foreseeable future. Since that time, most temporary positions have been converted into permanent positions. Two temporary positions remain and would be converted to permanent positions through this request. Three years worth of project workload data further

supports the need for changing these temporary project staff positions to permanent staff in order to effectively deliver the capital program. New building construction and major renovations of existing buildings will be better managed and will be completed to meet current and projected Building Portfolio needs.

Benefits of Permanent Staff and Alternatives

Since 2000, Facilities Management has used a combination of permanent and temporary in-house project management staff funded entirely through the capital projects they deliver. Permanent staff is recommended wherever there is reliable workload evidence to indicate an ongoing need for these positions on a permanent basis. Permanent full time project management staff provide improved service to Regional client groups and improved performance of capital projects.

Alternatives to hiring additional full-time permanent staff to manage projects include hiring staff on short-term contract positions or hiring project management firms to manage specific groups of projects. Both of these alternatives result in increased capital project costs and inefficiencies.

Although temporary project management staff fulfill an immediate need to manage approved projects, it is not a good solution to a long term resource need. The workload projections continue to demonstrate growth, which warrants permanent full-time project management staff. Temporary contract positions attract an applicant pool that limits the loyalty and availability of qualified and experienced applicants which can lead to poor project management, high staff turnover and loss of efficiencies as a result of retraining new staff. Additionally, the short-term contracts put the delivery of the building capital program at risk of poor project quality, schedule delays, increased costs in terms of staff turnover and resulting knowledge loss related to current work.

Hiring a project management firm to undertake some of the capital projects has been explored and have similar outcomes as using temporary contract staff. Based on current in-house experience hiring a project management firm is approximately twice the price of having internal project management staff manage the same projects and the vendors require a similar amount of oversight and management as our own staff.

Implications of Not Approving

The projects within the Facilities capital program are related to asset renewal and extension of the life of existing Regional assets along with construction related to program area changes. There are new construction and major renovation projects as well as projects such as roof repairs, window and door replacements, concrete restoration and HVAC upgrades. Deferring this work affects the Region's ability to offer services to a growing population and results in the deterioration of existing buildings, compromising the value and functionality of the building assets.

The average non-residential building construction inflation for the last 10 years in this area has been approximately 3.5%. If this inflation trend were to continue, for \$8 million of work deferred for a year, the capital construction costs would increase by \$320,000. Combined with the increased cost to perform work reactively following a system failure rather than proactively in advance of failure, the increased cost to the organization would offset the cost of the additional staff needed to manage the projects.

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Salaries & Benefits	\$168	\$56			\$224
Training, computer, travel, phone	15	5			20
Total Operating Expenditure	\$183	\$61	\$0	\$0	\$244
Revenue					
Recovery from Capital Projects	\$183	\$61			\$244
Total Operating Revenue	\$ 83	\$61	\$0	\$0	\$244
Net Regional Levy					
	\$0	\$0	\$0	\$0	\$0

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
Project Engineer/Architect	2.0			
Temporary Staff				
Project Engineer/Architect	-2.0			
Total Staff Requirement	0.0	0.0	0.0	0.0

Performance Measures

	2011	2012	2013	2014
Value of projects delivered per project management resource	\$2.3M	\$2.6M	\$2.9M	\$2.8M
Total projects completed (%)	58%	65%	54%	56%
Total value of capital projects completed	\$42.3M	\$32.7M	\$35.6M	\$30.7M

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Facilities Property Management - Housing
Corporate Services – Facilities Management
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Ensure regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

To provide two (2.0) permanent full time positions to complete preventative and demand plumbing and general maintenance work for the Waterloo Region Housing buildings using in-house staff rather than contractors.

Justification/Rationale

Facilities Management is responsible for maintaining 2,722 Waterloo Region Housing (WRH) units owned by the Region of Waterloo, the majority of which are in excess of 30 years of age. Maintenance services are provided by staff and are augmented by private sector contractors when necessary.

The properties are aging, and over the past several years the maintenance work load has been stable and consistent. During 2011 to 2014 between 7,200 to 7,600 work orders were issued each year. On average, 27% of those work orders were completed by outside contractors at an estimated cost of 30% higher than using in-house staff for the same work.

Taking this into account, FM staff analyzed the overall workload and concluded that approximately 90% of the plumbing and maintenance work orders could be completed more cost effectively by in-house Regional staff. The remaining work orders are best performed by contractors because they are more labour intensive, or require specialized expertise.

Based on this analysis, it is recommended that one additional plumber and one general maintenance staff be retained to complete preventative and demand maintenance tasks. The estimated cost of \$206,000 per year would be 100% offset by a corresponding reduction in the use of contractors.

Similar success with this approach has already been realized through the hiring of a licensed electrician in 2011. FM will continue to analyze the work load and may recommend additional positions in future years to achieve an optimal balance of contracted vs. in house work.

Implications of Not Approving

Contractors would continue to be hired at an estimated premium of 30% to do the essential work required to keep the properties in a good operating condition. In-house staff are less expensive and have a greater knowledge of the buildings and tenants. Hiring additional staff will increase cost effectiveness while providing better service.

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Salaries and Benefits	\$128	\$42			\$170
Vehicle operating & replacement	21	3			24
Training, computer, phone, plus one-time	19	(7)			12
Savings from contracted work	(168)	(38)			(206)
Total Operating Expenditure	\$0	\$0	\$0	\$0	\$0
Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	\$0
Net Regional Levy					
	\$0	\$0	\$0	\$0	\$0

Capital (\$000s)	2016	2017	2018	2019	Total
Expenditure					
Vehicles (2)	90				90
Total Capital Expenditure	\$90	\$0	\$0	\$0	\$0
Sources of Financing					
Capital Levy Reserve Fund	90				90
Total Capital Financing	\$90	\$0	\$0	\$0	\$0

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
WRH Maintainer	1.0			
WRH Plumber	1.0			
Temporary Staff				
Total Staff Requirement	2.0	0.0	0.0	0.0

Performance Measures

	2011	2012	2013	2014
Work Orders issues	7233	7630	7636	7489
% Work Orders Completed by Contractors	34%	23%	28%	21%

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Facilities Asset Planning
Corporate Services – Facilities Management
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Ensure regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

To create one (1.0) permanent Facilities Asset Planning position, funded from capital projects, to ensure timely and cost effective creation and management of accommodation assets that are critical to the delivery of Regional programs and services. There is no net regional levy impact to this request.

Justification/Rationale

Facilities Management (FM) is responsible for the planning, construction and management of facilities that accommodate and support Regional programs and services. Program accommodations are provided primarily through owned facilities. Short-term leased space is utilized when program growth can no longer be accommodated in Region-owned facilities.

Facilities Management has over the years undertaken accommodation studies for the three main corporate office facilities: 150 Frederick Street (Kitchener), 99 Regina Street (Waterloo), and 150 Main Street (Cambridge). Programs that operate at other facilities have generally undertaken their own studies or have dealt with changing accommodation needs on an ad-hoc basis. This approach to planning can lead to foregone opportunities and reduced optimization of space and land. The 10 year capital plan includes an increasing amount of new construction and renovation that must be appropriately planned. The ad-hoc approach is no longer viable given the size of the existing facility portfolio (800+ buildings) and the magnitude of the upcoming construction program.

FM has identified the opportunity to consolidate all facility and accommodation planning in a Corporate Master Accommodation Plan (MAP). The benefits of the MAP will include:

- Proactive, planned management of program accommodation
- Improved accuracy and optimization of capital budget forecasts
- Improved planning coordination between programs that are co-located at one site
- Improved utilization of existing Region-owned facilities and lands
- Ability to forecast land needs and to strategically acquire lands as opportunities arise
- Proactive identification and disposition of surplus lands
- Recognition of opportunities to co-locate unrelated program functions within newly built or renovated facilities
- Reduced office “churn” and associated renovation costs
- Reduced reliance on short term leased space

This position will be responsible for the development and ongoing revision of the MAP. The MAP will include consultation with all Regional programs to identify current and projected future staffing levels and facility space utilization to understand and document medium and long term facility space needs. The program includes the ongoing analysis of various accommodation options and optimization of available space. Formal business cases will be developed for each building where expansion or redevelopment needs are identified in the study. The MAP will be continuously updated to ensure full evaluation of corporate accommodation needs on a four-year cycle. This will ensure facility planning forecasting and capital budget decisions are based on current and reliable information.

In addition to development and ongoing revision of the MAP, this position will: augment project advance planning including needs analysis, feasibility studies, options analysis and development of business cases; project performance management; support client relationship management; support project management during the design phase; and periodically manage small to medium sized projects.

Formal needs analysis, feasibility studies, options analysis and business cases provide significant benefits by ensuring that projects are appropriate and justified, efficient and effective, thereby minimizing the risks associated with more short-sighted and less rigorous planning. The findings of these studies and analysis will be used as the basis for project design and management.

This position will also be responsible for undertaking project performance management reviews. Project success factors such as budget and schedule adherence as well as achievement of functional, operational and environmental goals will be reviewed. Further analysis will be conducted where project success factors are not achieved, with the intent of correcting deficiencies and continuously improving project processes.

Implications of Not Approving

The following can be expected if this position is not approved:

- Facility planning decisions based on outdated and incomplete information, increased reliance on assumptions that may not be accurate
- Poor coordination of available land and facility resources resulting in missed opportunities for economies of scale and other cost savings
- Increased potential for decisions that preclude future opportunities
- Less accurate capital and operating budget forecasts
- Reduced ability to provide timely and cost-effective accommodation for changing program needs
- Higher risk that facilities may be over-built or under-built

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Salary & Benefits	\$74	\$25			\$99
Office costs	16	(8)			8
Total Operating Expenditure	\$90	\$17	\$0	\$0	\$107
Revenue					
Recovery from Capital Projects (see note below)	\$90	\$17			\$107
Total Operating Revenue	\$0	\$0	\$0	\$0	\$107
Net Regional Levy					
	\$0	\$0	\$0	\$0	\$0

The cost of this position will, for the first two years, be recovered from the Master Accommodation Plan capital project. Following the completion of the plan, costs will be recovered from major projects included in the 10 year Facilities Management Capital program, as are several other Facilities positions.

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
Senior Project Coordinator, Facilities Asset Planning	1.0			
Temporary Staff				
Total Staff Requirement	1.0	0.0	0.0	0.0

Performance Measures

The 10 year capital budget forecast currently includes over \$200M for new and renewed facilities and land purchases for program accommodation and operations. The following is a tabulation of significant projects over the first five years:

	2016	2017	2018	2019	2020
Value of Projects (\$000s)	\$ 5,467	\$ 4,392	\$ 33,284	\$ 44,750	\$ 64,950
Number of Projects *	7	5	7	0	2

Note: Projects are funded (valued) over multiple years. Number of projects represents the year in which design is initiated.

A comprehensive Corporate Master Accommodation Plan will enable enhanced planning, timely provision of new accommodation, and realization of opportunities for efficiency and savings.

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Solicitor (Property)
Planning, Development and Legislative Services – Legal Services
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Ensure Regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

The purpose of this Budget Issue Paper is to request that the existing contract full time position for the Solicitor, Rapid Transit be converted to a permanent full time position with the title Solicitor, Property, with no impact on the Regional levy.

Justification/Rationale

The permanent staff complement of the Legal Services Division has not increased in 10 years (since 2006). During those 10 years, the volume and complexity of legal work in connection with Regional programs, activities and areas of responsibility have increased, and are projected to continue to increase significantly.

It is requested that a permanent full time Solicitor, Property position be approved in order to replace an existing contract position and address the significant increase in the volume of legal work in the following key areas (in particular):

1. Land Acquisitions (negotiations, expropriations, conveyances, and settlement of compensation claims) – The land acquisition requirements of the Region’s capital program, in particular the roads capital program, has increased significantly since 2008 and is projected to continue until at least 2023. For the roads capital program, it is noted:
 - a) the number of land acquisitions has increased from 49 in 2008 to 193 in 2015;
 - b) Projected new land acquisition requirements are as follows:
 - i. 2016: 182 properties;
 - ii. 2017: 161 properties; and
 - iii. 2018/2019: 100 properties.

2. Ontario Municipal Board appeals – With the implementation of the Growth Plan and other Planning Act-related policies and market changes (e.g. Increases in intensification), there has been a significant increase in the complexity of development applications and volume of Ontario Municipal Board appeals arising out of such applications. This experience is shared by municipalities within the Greater Golden Horseshoe Growth Plan area. The annual number of active OMB appeals has increased from approximately 4-5 in 2006 to approximately 15-20 OMB appeals each year. The existing Solicitor, Property is responsible for carriage of these OMB matters, with use of external counsel in some matters. Given the increasing prevalence of complex development applications, it is anticipated that the current (elevated) level of OMB appeals will remain the norm.
3. Implementation of Clean Water Act obligations (Sourcewater Protection Plans) New Area of Responsibility - It is anticipated that there will be approximately 800 properties that will be the subject of Risk Management Plans, with approximately 80 to 100 such Plans being negotiated each year over an 8-10 year period, commencing in 2016. Legal services will be required in negotiations, drafting of terms and conditions of these Plans, and in the interpretation of legislation and implementation. Moreover, there are rights of property and business owners to appeal the Plan to the Environmental Review Tribunal and legal services will be required to represent the Region in respect of such appeals.
4. Ongoing Rapid Transit legal work - There are approximately 180 land acquisitions required for the LRT Project and in this regard legal services include: negotiation of agreements of purchase and sale and closings, negotiation and potentially arbitration (OMB) of expropriation compensation claims. Moreover, legal work is required in connection with the Project Agreement (e.g. negotiation of Variation Orders under the Project Agreement, operational legal issues) and the Vehicle Purchase Agreement.
5. Growth - The Region of Waterloo has been identified as a major growth centre both provincially and nationally and with this growth, a concurrent increase in legal work is occurring and is expected to continue to grow.

Staff Complement of Legal Services Division

Since 2006, the Region's Legal Services Division (excluding Provincial Offences Prosecutions staff) has had a 5 lawyer complement comprised of: Director, Legal Services; Solicitor, Property; Solicitor, Corporate (2 positions); and Solicitor, Litigation. It is recommended that a 2nd Solicitor, Property be added to the Legal Services Division complement. It is anticipated that this 2nd Solicitor, Property will continue to carry out legal work in connection with the Rapid Transit Project and, as this workload begins to taper in relation to Rapid Transit-related land acquisition/expropriations, will assume an increasing portion of the other Regional land acquisition/expropriations legal work, primarily in support of the Roads Capital Program. This shift of workload will transfer

capacity of the current Solicitor, Property to carry out the responsibilities outlined above, namely OMB Appeals work and Clean Water Act implementation, in an effort to minimize external legal counsel costs with respect to this legal work.

A contract lawyer – Solicitor, Rapid Transit was hired in 2012 to carry out legal work associated with the Rapid Transit Project, including land acquisitions and expropriations, corporate/commercial documentation (e.g. Agreements, licences, etc.) and provision of legal advice related legal issues pertaining to the Project. It is recommended that this contract position be converted to the permanent Solicitor, Property position.

Implications of Not Approving

The implications of not approving this request are:

1. External counsel will need to be retained at a considerably higher expense than inhouse counsel resources in order to protect Regional interests.
2. Land acquisitions may not occur on a timely basis in order for capital projects to proceed on schedule.
3. Resolution of expropriation compensation claims may not occur on a timely basis, whereas it is in the Region's best interests to achieve such timely resolution so that property/business owners may receive settlement funds to mitigate their damages (e.g. timely relocation of a business) and in order to minimize the interest costs payable on compensation for expropriations.
4. Implementation of the Clean Water Act is a key action in the protection of the Region's sourcewater resources and legal assistance in this regard is integral to their protection.

Budget Requirements

OPERATING	2016	2017	2018	2019	Annualized
Expenditures					
Salary & Benefits Permanent	\$122	\$40			\$162
Office costs Permanent	10	3			13
Salary & Benefits Temporary	(122)	(40)			(162)
Office costs Temporary	(10)	(3)			(13)
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0
Revenues					
Recovery from Roads Capital Levy reserve			\$175		\$175
Recovery from LRT project			(175)		(175)
Total Operating Revenue	\$0	\$0	\$0	\$0	\$0
Net Regional Levy					
	\$0	\$0	\$0	\$0	\$0

STAFF REQUIREMENTS (FTE)	2016	2017	2018	2019
Permanent Staff				
Solicitor, Real Property	1.0			
Temporary Staff				
Solicitor, Rapid Transit	-1.0			
Total Staffing Impact				
	0.0	0.0	0.0	0.0

Performance Measures

It is noted that Legal Services Division cost of legal services delivery is well below the median (50th percentile) amongst Ontario municipalities participating in the Ontario Municipal Benchmarking Initiative (OMBI) and note in particular the following OMBI data:

- a) 2013 Total In-house Legal Cost per \$1,000 Municipal Operating and Capital Expenditures for the Region's Legal Services Division was \$1.55, compared with the OMBI median cost of \$2.36.
- b) 2013 Inhouse Legal Operating Cost per In-House Lawyer Hour for the Region's Legal Services Division was \$121.09, compared with the OMBI median cost of \$155.77.

The 2014 OMBI data is not yet available but is expected to be consistent with the 2013 (and prior year) results.

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Property Agents
Planning and Legislative Services - Legal Services
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Ensure Regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

It is proposed that two existing contract full-time positions of Property Agent, Roads and Property Agent, Rapid Transit, be converted to permanent full time positions, to be funded from the Capital Program, with no impact on the Regional levy. These positions have been filled on a contract basis, funded by the aforementioned programs, since late 2011/early 2012. The Property Agent, Roads contract position was required in response to a substantial increase in capital related real estate acquisition projects, an increase in demand that will continue into the foreseeable future. The Property Agent, Rapid Transit contract position was required in response to a substantial increase in real estate acquisition and expropriation activity in the context of Stage 1 Rapid Transit project (the “RT Project”). Recruiting and retaining experienced staff is critical to ensuring effective and timely real estate services to facilitate the many Regional capital works projects.

Justification/Rationale

Real Estate Services is responsible for the timely acquisition of land interests in order that Regional capital projects may be carried out in a timely and cost-effective manner. These services include: negotiation of acquisitions of real estate/property interests (e.g. fee simple, easements, leases, licences), land disposals/sales, valuations, appraisals, consulting (e.g. Input to the Environmental Assessment process), and the initiation and execution of the expropriation process including negotiation and settlement of compensation claims. Major clients include Transportation and Environmental Services, Facilities Management, Waste Management, Water Services and Grand River Transit. Assignments vary widely in scope and cost, however capital works real estate acquisition budgets for single projects have been known to reach the \$20 million dollar range.

Since 2008, there has been a substantial increase in the demand for Real Estate services, primarily emanating from the Roads Capital Program, and this demand is projected to continue to 2023, as illustrated in the table below:

Land Acquisition Requirements for Roads Capital Projects

Year	No. of Properties
2008	49
2009	74
2010	80
2011	188
2012	189
2013	128
2014	190
2015	193
2016	182 additional properties from 14 new projects
2017	161 additional properties from 17 new projects
2018/2019	100 additional properties from 5 new projects
2020	6 new projects (number of properties TBD)
2021	6 new projects (number of properties TBD)
2022	13 new projects (number of properties TBD)
2023	9 new projects (number of properties TBD)

There are approximately 180 land acquisitions required in connection with the RT Project. Expropriation proceedings have vested ownership and possession of these lands in the Region; however, work continues in connection with negotiation and settlement of compensation claims.

In addition to the Roads Capital program and the RT Project, Real Estate Services provides services pertaining to land disposals, acquisitions/disposals related to development applications/approvals, acquisitions for all other departments, as well as internal valuation, appraisal and consulting services.

Benefits of Permanent Staff and Alternatives

Permanent staff are only requested where there is reliable evidence to indicate an ongoing need for the positions on a permanent basis. Alternatives to hiring full-time permanent staff include: hiring staff on short term contracts or hiring external negotiation firms for specific projects. Both of these alternatives result in increased costs and inefficiencies. Permanent full time staff provides improved service to client groups and improved performance through knowledge of the Region's practices and procedures as well as establishing networks and relationships both internally and externally.

Reliance on temporary contract positions for long-term service delivery can result in consequences which could adversely affect the timing and cost of service and project delivery, to the extent that large, longer-term projects may have to be deferred, scaled-back or cancelled. Temporary contract positions can lead to cost inefficiencies as a result of knowledge loss and ongoing retraining of new staff.

In this regard, it is noted that over the course of the years 2011 – 2012, three temporary contract Property Agents were hired to undertake the increase in caseload brought on by the Rapid Transit, Weber Street and Franklin Boulevard projects. Two of the agents were hired specifically for the RT project. These contract staff positions were in addition to one existing permanent Property Agent. The property agent position is a specialty field, with practitioners requiring experience and knowledge spanning finance, appraisal, planning, real estate and expropriation law, and engineering. Experienced, seasoned practitioners have been becoming increasingly difficult to recruit.

Retaining an external negotiations firm has also been explored, and a cost comparison of internal staff versus external contract negotiations consultants was undertaken with conclusive results indicating that the cost of this external option was significantly more expensive than undertaking the negotiations 'in-house'. In addition to these increased direct costs, there are increased indirect costs associated with retainer of an external firm in order to carry out the competitive procurement process, set-up, networking with internal staff, instructions on Regional practices and procedures including reporting and approval requirements.

Implications of Not Approving

The implications of not approving permanent positions for the two current contract Property Agent positions are as follows:

1. The temporary contract positions will expire and there will be inadequate staff resources to fulfill the land acquisition requirements on a timely and cost-effective basis for major Regional infrastructure projects to proceed.
2. The above-mentioned staff resource loss will occur during a period of time when land acquisition workload for the Real Estate Section is projected to double by 2018/2019.
3. Internal demand for Property Agent services will either not be fulfilled or will be met at significantly greater cost by hiring external Property Agent consultants.

Budget Requirements

OPERATING	2016	2017	2018	2019	Annualized
Expenditures					
Salary & Benefits Permanent	\$136	\$44			\$180
Office Costs Permanent	10	4			14
Salary & Benefits Temporary	(136)	(44)			(180)
Office costs Temporary	(10)	(4)			(14)
Total Operating Expenditures	\$0	\$0	\$0	\$0	\$0
Revenues					
Recovery from Roads capital projects (one of two agents)			\$98		
Recovery from LRT project (one of two agents)			(98)		
Total Operating Revenue	\$0	\$0	\$0	\$0	\$0
Net Regional Levy	\$0	\$0	\$0	\$0	\$0

STAFF REQUIREMENTS (FTE)	2016	2017	2018	2019
Permanent Staff				
Property Agent	1.0			
Property Agent	1.0			
Temporary Staff				
Property Agent, Roads	-1.0			
Property Agent, RT	-1.0			
Total Staffing Impact	0.0	0.0	0.0	0.0

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Technologist, Water Efficiency
Transportation and Environmental Services – Water Services
Strategic Plan Focus Area 3 Environment and Sustainable Growth
Strategic Objective Protect the quality and quantity of our water resources.

Brief Description of Request

The Technologist, Water Efficiency, has been successfully working with the Commercial, Industrial and Institutional sectors since 2007 to achieve water savings, as mandated under the Water Efficiency Master Plan. The Technologist has been renewed under a temporary full time (TFT) contract, with funding for the position coming from the Capital Budget. The Water Efficiency Master Plan, 2015 – 2025 approved by Council in June 2014 recommended that the Technologist, Water Efficiency, become a permanent, full-time employee in 2015, and that the salary continue to be funded through the Water Capital Budget.

Justification/Rationale

Developing consultative relationships with the commercial, industrial and institutional (CII) sectors has been a growth area for the Water Efficiency Section since 2007. In 2007 the newly-branded “Water Efficient Technology” (WET) funding program was launched to achieve greater CII water savings.

The WET Program employs best management practices for auditing both infrastructure and commercial processes to measure water consumption before and after conservation measures are put into place. In many cases, the Water Efficiency Technologist will conduct on-the-spot water use reviews, install data-logging equipment, and replace inefficient small fixtures. The Region will fund up to 50 per cent of the costs for larger water audits and consulting associated with water saving measures, and the Technologist plays a key role in establishing contracts, coordinating and policing them. The Technologist monitors, analyses and verifies the water savings and funding applications.

The WET program has completed many projects during the period 2007 to summer, 2014 including:

- 192 water use reviews,
- 26 large facility and district metered area (DMA) municipal leak detection audits.
- Strategic communications and Annual Water Efficiency Awards to top performers
- Research support for ion exchange and other water treatment technologies

The long term focus of the WET program is to encourage clients to act on recommendations for long-term water savings. A cumulative 2220 m³ per day of water savings has been achieved to date through the program, which is 1131m³ ahead of target. WET funding of \$403,002 has been awarded to 42 participating organizations.

Implications of Not Approving

The 2015 – 2025 Water Efficiency Master Plan, approved by Council on June 4, 2014, supports the commitment to continue with current CII programs as detailed above, and to add enhancements. The enhancements include the delivery of a restaurant water efficiency certification program, emphasis on cooling tower efficiencies, and the delivery of a targeted newsletter to CII customers. In addition to approving the Water Efficiency Master Plan (WEMP), Council approved the recommendation (Report E-14-061.1) to “convert one temporary full-time equivalent (FTE) position to permanent FTE, funded from the capital program, subject to the 2015 budget review process.”

To lose the Technologist, Water Efficiency, would mean a reduction in service level to CII customers, including local municipal partners, and a weakening of consultative relationships. Loss of the position may also mean that the following 2025 WEMP targets will not be met:

- A reduction of cumulative drinking water usage by 1,370 million litres per year
- Avoiding the release of a cumulative 7,700 tonnes of greenhouse gases
- Deferring a Great Lakes pipeline for drinking water supply indefinitely

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
1.0 FTE salary and benefits	\$94				
Total Operating Expenditure	\$0	\$0	\$0	\$0	\$0
Revenue					
User Rate Capital Program	\$94				
Total Operating Revenue	\$0	\$0	\$0	\$0	\$0
Net Regional Levy	\$0	\$0	\$0	\$0	\$0

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
Technologist, Water Efficiency	1.0			
Temporary Staff				
Technologist, Water Efficiency				
Total Staff Requirement	1.0	0.0	0.0	0.0

Performance Measures

	2014	2013	2012	2011
CII Water Use Reviews Completed	32	24	22	36
Full audits & infrastructure leakage projects	5	6	2	6
# of W.E.T. Funding Payments Issued	12	6	6	8
Target Water Savings, m ³ per day	1089	964	839	714
Cumulative Water Savings, m ³ per day	2220	1466	1241	1132

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Water Capital Program – Temporary Positions
Transportation and Environmental Services – Water Services
Strategic Plan Focus Area 3 Environment and Sustainable Growth
Strategic Objective: Protect the quality and quantity of our water resources.

Brief Description of Request

A temporary full time position is required (for four years) to support the Water Capital Budget. The position is needed to support the Cambridge Water Distribution Upgrades which will ultimately result in a different operating philosophy for the Cambridge water system.

Two summer students are also required to assist with the additional summer work load in the Water Distribution and the Hydrogeology and Source Water sections.

Justification/Rationale

In 2014, the Distribution and Supply Master Plan recommended capital changes to the water distribution system. This has resulted in the Cambridge Water Distribution Upgrades, a \$31 million initiative in Cambridge, which will ultimately result in a different operating philosophy. Many projects will be undertaken over the next 4 years that will require a high level of operational coordination and liaison between the project team, the City of Cambridge, and Water Services Operations. This position will be the critical link between all the concerned parties to ensure that there are uninterrupted operations throughout all phases of the project.

Summer is the period when the majority of the maintenance work is completed on the distribution system (i.e. fixing and repairing leaks, valves, service connections). A summer student position assists in completing this work load and helps to cover off regularly scheduled vacations.

The Hydrogeology and Source Water student will assist with the annual assessment of changes and trends in source water quality/quantity to support future years' sampling programs. They will also assist in compiling information to support internal measures of success, production of the group's annual report on these measures and progress reporting on the implementation of the source protection plan.

Implications of Not Approving

The additional support required for the capital project noted above is critical to the successful delivery of the project. Existing staff is not able to absorb these duties as they are already fully committed on other projects, daily operational responsibilities, or the projects require specialized skills (i.e. public relations) to support the projects.

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
1.66 FTE salary and benefits	\$144				
General Office, Communication Expenses	3				
One time Expenses	3	(3)			
Total Operating Expenditure	\$150	(\$3)	\$0	\$0	\$0
Revenue					
User Rate Revenue	\$150	(\$3)			
Total Operating Revenue	\$150	(\$3)	\$0	\$0	\$0
Net Regional Levy					
	\$0	\$0	\$0	\$0	\$0

Staff Requirements (FTE)	2016	2017	2018	2019
Temporary Staff				
Supervisor, Water Services	1.0			
Hydrogeology, and Source Water, Student	.33			
Water Distribution, Student	.33			
Total Staff Requirement	1.66	0.0	0.0	0.0

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Facilities Maintenance and Reliability Planning Engineer
Corporate Services – Facilities Management
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Ensure regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

This request is for the addition of one (1.0) permanent full time position required to implement best practice asset management processes to the Facilities maintenance program.

Justification/Rationale

A Facilities Maintenance & Reliability Engineer position is proposed that will be responsible for analyzing the condition and criticality (risk) of all building components and verifying or determining appropriate maintenance strategies to ensure that this risk is minimized. This position will be responsible for investigating equipment failure to determine the cause and inform future preventative maintenance activities and frequency, developing building and maintenance standards and optimizing processes to achieve operational efficiencies and reduced costs. A goal of this position is to identify and implement improvements that allow Facilities to deliver established service levels across an increased building portfolio without the need for future significant maintenance staff increases.

In 2011 a Program Review was completed specifically looking at Facilities Maintenance and Operations practices and processes. As a result of that review, the Facilities Management (FM) business model has changed from the management of only the larger, multi-program facilities to taking responsibility for the full life cycle management of the 800+ Region-owned buildings. FM services are now well defined, consistent across the portfolio of buildings with a clear funding model and program expectations documented in service level agreements. In order to take on this additional responsibility successfully, FM has made a number of organizational and process changes without increasing overall resources:

- FM now has staff dedicated to planning and implementation of asset management best practices related to facility condition, capital planning, project development, performance measurement and data quality.
- Facilities maintenance costs are now tracked in detail by building and the work management system will now hold detailed records of building component condition, maintenance history and lifecycle cost.
- Workflow and process efficiency improvements have resulted in the reversal of an upward trend in the cost to operate Regional office buildings despite an increasing overall number of work orders.

In order to further build on these improvements, this additional position is required to focus on the more granular equipment and building component reliability and operating and maintenance practices. This role will review and analyze the data to judge how well buildings are being maintained and to propose and implement further improvements to current practices and to identify further cost avoidance opportunities.

One of the key benefits of this position will be more formalized maintenance planning to better utilize available resources. Today, facilities maintenance work is assigned to the appropriate maintenance person or team by building as it arrives. It is the responsibility of staff to prioritize and plan their own work in consultation with their supervisor. This is being done inconsistently by many different people and without formal processes in place. With a growing backlog of maintenance work driven by the increased number of building systems managed by facilities, formalized maintenance planning process must be developed and work must be prioritized by asset risk and to ensure regulatory compliance.

Having detailed maintenance plans developed centrally and in advance of assigning it to staff will allow more time for productive “hands-on” maintenance work. Detailed maintenance plans can also ensure that maintenance is being performed consistently across all buildings and ensuring that both critical and non-critical assets are maintained appropriately.

Implications of Not Approving

Without this Maintenance Planning position, work will continue to be planned on an ad hoc basis by those also responsible for performing maintenance. This will reduce their capacity to perform maintenance and further staff will be required to meet the essential building maintenance needs. Maintenance planning will be done by several different people and could be done inconsistently, resulting in inconsistent service levels across Region owned buildings. With varying maintenance practices and schedules, it will be more difficult to ensure that safety and other regulatory requirements are met within buildings.

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Office costs	\$16	(\$8)			\$8
Salary & Benefits	68	67			135
Total Operating Expenditure	\$84	\$59	\$0	\$0	\$143
Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	\$0
Net Regional Levy					
	\$84	\$59	\$0	\$0	\$143

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
Maintenance & Reliability Planning Engineer	1.0			
Temporary Staff				
Total Staff Requirement	1.0	0.0	0.0	0.0

Performance Measures

	2011	2012	2013	2014
Maintenance cost (\$) per sq. foot (office bldgs.)	2.03	2.62	3.56	2.70
Completed maintenance work orders	29,132	29,020	27,061	33,205

Council Decision



THE REGIONAL MUNICIPALITY OF WATERLOO

2016 BUDGET – MAJOR BUDGET ISSUE

Provincial Offences Court - POA Prosecutions Clerk II
Planning, Development & Legislative Services - Legal Services
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Ensure Regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

Provincial Offences Act (POA) Prosecutions requires an extension of the contract of a temporary full time Clerk II. The current contract expires on February 5, 2016. It is recommended that the contract be extended to February 2017.

Justification/Rationale

The POA Court is responsible for the administration of justice in connection with *Federal Contraventions Act* and *Provincial Offences Act* matters. The POA Court deals with non- criminal charges. Most of these charges are laid pursuant to Provincial legislation such as the *Highway Traffic Act*, *Compulsory Automobile Insurance Act*, *Liquor Licence Act* and Regional by-laws, and are commonly referred to as “tickets.” The Legal Services Division is responsible for the prosecution of defendants in the Ontario Court of Justice and court administration is handled by the Council and Administrative Services Division.

Effective April 2012, the Province amended the *Provincial Offences Act* to provide for defendant access to justice in a more convenient manner. These legislative changes include that a request for an “early resolution” meeting with a prosecutor or a request for a trial may be made by mail. Previously, the defendant was required to attend in person at the Court administrative offices to file such a request. Moreover, these legislative changes now permit a defendant to “attend” early resolution meetings and court proceedings by telephone. Previously, the defendant was required to attend in person for early resolution meetings and court proceedings. Prior to this change, the vast majority of defendants would plead “guilty” out of court by simply signing the back of the ticket, making payment at the Court offices, and not involving POA Prosecutions or Administrative staff.

Since the above-described provincial amendments to the *Provincial Offences Act* have been implemented, there has been a substantial increase in the number of defendants requesting early resolution meetings and trials. Experience to date suggests this increase is attributable to these legislative amendments, providing for much greater convenience associated with exercising these legal rights. These changes have significantly impacted the Prosecution office. In order to maintain service levels, the

Temporary Clerk II position was added in September 2013. This increased the complement of administrative staff in the Prosecution office from two to three. The contract for the Temporary Clerk II position expires on February 5, 2016.

In 2012, the number of charges handled by Prosecutions staff was 10,816. In 2013 and 2014, the staff prosecuted 15,615 and 12,015 charges respectively. The Prosecutions staff is projected to prosecute approximately 15000 charges in 2015. Prior to 2013 (on average), the percentage of charges filed with the court and prosecuted was 16.5%. From 2013 to date, that percentage has increased to 23.8%. Based on the average number of charges filed per year, it is anticipated that the Prosecutions staff will prosecute over 15000 charges per annum on a go forward basis. This represents a 40% increase in the number of charges prosecuted when compared with the average number of charges prosecuted during the period 2004 to 2012. This volume cannot be effectively addressed by the current staff if the contract for the full-time temporary clerk II position is not extended.

Staff requests an extension of the temporary full time Clerk II position in order to meet the current prosecution workload. At the end of the contract, staff would assess the need for a permanent full-time position based on experience over 2016 and 2017. In particular, the Provincial government is considering moving part 1 offences (“tickets”) to an administrative penalty system, which would take those charges out of the Provincial Offences Court. This could impact the need for some or all of the Prosecutions staff.

Implications of Not Approving

The Region risks non-compliance in regard to its Memorandum of Understanding with the Province if the prosecutions staff is unable to handle this increase in volume. Pursuant to section 5.3.1 of the Memorandum of Understanding (“MOU”) between the Province and the Region of Waterloo and subsections 162(3) and 162(4) of the *Provincial Offences Act*, the Region of Waterloo is obligated to prosecute these charges efficiently and effectively within the standards set out therein, failing which the Region of Waterloo may be subject to the sanctions for the failure to meet those obligations. The Prosecutorial Standards which form part of the MOU include, but are not limited to: ensuring the timeliness of prosecutions; notifying prosecution witnesses of dates and times of hearings; and ensuring the provision of full and timely disclosure. Failing to comply with the terms above, would contravene the Provincial MOU. Further, if the tasks carried out by the Prosecutions Clerk II are not performed, there will be a significant negative impact on the timeliness of service provided to the public. Delay in

performing administrative tasks could lead to charges being dismissed or withdrawn. The experience in other jurisdictions has shown that dropped charges will result and this in turn will likely lead in an erosion of public trust and confidence in court services. Given the expected significant growth in our community, it is also anticipated that there will be a corresponding increase in the volume of charges handled by the (POA) prosecutions unit.

Resource Requirements

OPERATING	2016	2017	2018	2019	Annualized
Expenditures					
Salary & Benefits	\$63	(\$63)			\$0
Total Operating Expenditures	\$63	(\$63)	\$0	\$0	\$0
Revenues					
	\$0	\$0	\$0	\$0	\$0
Net Regional Levy	\$63	(\$63)	\$0	\$0	\$0

Staff Requirements (FTE)	2016	2017	2018	2019
Temporary Staff				
Prosecutions Clerk II	1.0	-1.0		
Total Staff Requirement	1.0	-1.0		

Performance Measures

Year	Volume of Charges
2009	10,084
2010	9,699
2011	11,499
2012	10,816
2013	15615
2014	12015
2015	15000

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Community-Wide Climate Adaptation Plan
Planning, Development and Legislative Services – Community Planning
Strategic Plan Focus Area 3 Environment and Sustainable Growth
Strategic Objective Improve the Region of Waterloo’s resilience to climate change and /or severe weather.

Brief Description of Request

The goal of this initiative is to develop a community-scale Climate Adaptation Plan with Area Municipalities to proactively manage local risks associated with changing climate conditions and extreme weather events and improve community resilience. Using a framework established for municipalities in Canada, this process involves the following major tasks:

- Establish local task force with multi-stakeholder representation
- Identify current and potential impacts based on localized climate modelling
- Assess local vulnerabilities and prioritize
- Determine proactive measures to address priority areas
- Develop implementation plan

This budget request is based on a two-year process with associated costs for program fees to the service provider of a climate adaptation planning framework and the use of graduate student interns from the University of Waterloo Masters in Climate Change program. The interns would assist the Region in coordinating the adaptation planning process as well as aid in monitoring progress from implementation of both the Corporate and Community greenhouse gas (GHG) action plans towards emissions reduction targets previously approved by Regional Council. The Cities of Cambridge, Kitchener and Waterloo are also proposing or have budget commitment in place to collaborate with the Region on developing the Community Climate Adaptation Plan.

Regional and Area Municipal staff have begun assessing options to develop a proactive climate adaptation strategy in a coordinated manner between upper and lower-tier municipal jurisdictions. This strategy would assess local vulnerabilities and identify measures to improve resilience of our community and minimize adverse social,

economic and environmental impacts from climate change and extreme weather. One option is to utilize the International Council of Local Environmental Initiatives (ICLEI) framework known as the Building Adaptive and Resilient Cities (BARC) program. The BARC program is being used by approximately 20 different municipalities across Canada (e.g. Calgary, Durham Region, Fredericton, Hamilton, Vancouver, Windsor) to develop a customized climate adaptation plan for their community.

Fees for the BARC program over the two-year period are approximately \$210,000 total for the Cities and Region combined (inclusive of applicable taxes). This includes a number of features such as research, facilitation services, a workshop focused on infrastructure impacts by Engineers Canada, identification of economic development issues and an adaptation risk-assessment tool that can be integrated with related corporate asset management and emergency frameworks. The Region of Waterloo's financial contribution to cover the BARC program fees would be approximately \$65,000 (31%) with the three local Cities covering the remaining 69% based on rates established by ICLEI according to population ranges of each municipal stakeholder. In addition, staffing requirements for the Region are estimated at up to an additional FTE over a two year period (0.5 FTE for climate adaptation and 0.5 for GHG mitigation) which could be fulfilled via the use of graduate student interns (estimated at approximately \$48,500/yr. x 2 years = \$97,000 including all staffing costs and equipment.) The staff/student work would be overseen by the existing Regional Sustainability Planner over the two-year period. Adding a contingency of \$10,000, the total budget request is \$172,000 (\$65,000 + \$97,000 + \$10,000).

Justification/Rationale

Staff from the Region and Cities of Cambridge, Kitchener and Waterloo met in the fall of 2014 to discuss recent extreme weather events in terms of the need to improve the mitigation of negative impacts to residents and businesses as well as infrastructure. Some of the recent events affecting this region included:

- Record cold winters during 2014 and 2015, causing a high number of water main breaks and extreme cold alerts
- Power outage from an ice storm over the Christmas holidays (December 2013)
- Fallen trees, property damage, power outages from two major wind and rain storms within an 8-day period in July 2013
- Flash flooding of Fairview Park Mall from a major rain storm in June 2013
- Major fruit crop damage from early warm weather in February and March followed by sudden flash freezes in April 2012

The Region's Hazard Identification and Risk Assessment ranks 6 of the 12 hazards identified as posing the highest levels of risk as being directly related to extreme weather. The community is well aware of this risk and communicated this concern during public consultation for the new Corporate Strategic Plan (2015 – 2018).

Consequently the draft plan includes the following objective – “Improve the Region of Waterloo’s resilience to climate change and/or severe weather.”

Development of a climate adaptation strategy is currently on the radar with the three Cities at different levels, ranging from approved commitment of resources to making budget requests for the upcoming 2016 process. The three Cities and the Region have currently engaged the University of Waterloo’s Interdisciplinary Centre for Climate Change (from existing budget) to conduct preliminary local climate data analysis and modelling to gain a better understanding of what is happening and what can be reasonably expected in the future with regard to changing climate conditions and extreme weather risk. This study is now complete and is scheduled to be presented to City Councils in November 2015 and Regional P&W Committee in December.

Implications of Not Approving

- Increased liability, health and safety risks
- Premature infrastructure damage and failure and associated increases in maintenance and repair costs
- The Region not taking a proactive leadership role on this issue and coordinating with the Cities who are already starting to take action

Budget Requirements

OPERATING (One time)	2016	2017	2018	2019	Total
Expenditures					
T-FTE salary (Student Planner wage + all employer costs)	\$37	\$45	\$15		\$97
ICLEI BARC Program Fee	38	27			65
Contingency	5	5			10
Total Operating Expenditures	\$80	\$77	\$15	\$0	\$172
Revenues					
					0
Net Regional Levy	\$80	\$77	\$15	\$0	\$172

STAFF REQUIREMENTS (FTE)	2016	2017	2018	2019
Permanent Staff				
Temporary Staff				
Student Planner*	1.0		-1.0	
Total Staffing Impact				
	1.0	0	-1.0	0

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Corporate Privacy Program
Planning, Development and Legislative Services – Council & Administrative Services
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Provide excellent citizen-centered services. Ensure regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

The Information Management and Archives program is requesting \$125,000 in one-time operating funding to support the development of a Corporate Privacy Program. This will include but be not limited to policy development, an on-line training and education program, audit and risk management tools.

Justification/Rationale

Over the last 2 years, there have been a number of legislative and program changes affecting Information Management and Archives (IM&A) and ultimately the Corporation. There has also been an increased awareness and emphasis on privacy within and outside of the organization. Because of these changes, a consultant conducted a risk assessment to identify gaps and opportunities for the IM&A program. The consultant identified deficiencies with respect to corporate wide staff education and training (including education for Councillors) in both information access and privacy principles. One of the key activities currently underway is the development of an Information Management and Archives Master Plan. This plan will assist staff in planning and implementing the activities required for the next 5 years. The development of a corporate privacy program will be an important component of the plan. It will prepare the Region with the necessary tools to avoid serious privacy breaches that can be very costly to contain and could have significant impacts on the reputation of the Region.

Bill 8 was passed by the Province in December of 2014. Prior to Bill 8, only an organization could be held liable for offences under the *Municipal Freedom of Information and Protection of Privacy Act* (MFIPPA). The amendments in Bill 8 expand this liability to include any individual who handles records regulated by MFIPPA. Individuals who are responsible for managing records can be found personally liable for offences related to the willful concealment, alteration or destruction of corporate

records. Bill 8 also allows for the prosecution of such offences to be initiated up to 2 years after the offence has been discovered and carries a maximum fine of \$5,000 for an offence by an individual. Therefore it is essential that all staff and Council are aware and fully understand their responsibilities with respect to information access and privacy.

Public Health and Emergency Services are in the process of developing a Privacy Program for the protection of personal health information specific to that department. Approximately 3 years ago, Public Health and Emergency Services developed an online module to train staff with respect to their responsibilities for the *Personal Health Information Protection Act* (PHIPA). This has proven to be a beneficial tool. Nothing exists, however, for the rest of the Corporation. In order to improve staff accountability and understanding of information and privacy needs, a full program needs to be developed. A sound privacy management program requires all members of the organization to be aware of, and be ready to act on privacy obligations. Up-to-date training and education requirements for all employees, tailored to specific needs, are key to compliance. Information Management and Archives would like to develop several online tools for information management responsibilities and those under MFIPPA (and in some cases PHIPA) customized for program areas including but not limited to Employment and Income Support, Housing Services and Seniors' Services. To do this, a consultant is required to assist in the development of online modules and to assist in the development of key components of a privacy program. These include:

- a) A Personal Information Inventory
- b) Policy development
- c) Risk assessment tools
- d) Training and education
- e) Audit management
- f) Vendor management
- g) Breach and incident management response protocols

It is vital that the Region take steps to develop and strengthen their privacy management programs to support staff, increase awareness, minimize risks, and achieve full legislative compliance.

Implications of Not Approving

The following can be expected to be an outcome if not approved:

- Loss of public trust and confidence;

- Significant resource costs in order to contain, identify and notify affected individuals impacted by a privacy breach; and
- Individual employees and the corporation may suffer penalties as a result of breaches

Budget Requirements

OPERATING (One time)	2016	2017	2018	2019	Total
Expenditures					
Development of on-line training tools and promotional materials	\$75	\$50	\$25		\$150
Total Operating Expenditures	\$75	\$50	\$25	\$0	\$150
Revenues					
Total Operating Revenue	\$0	\$0	\$0	\$0	\$0
Net Regional Levy					
	\$75	\$50	\$25	\$0	\$150

Performance Measures

Prior to 2014, IM&A was primarily focused on responding to access requests and internal advisory services; therefore performance measures are limited to only what is required by the Information and Privacy Commissioner of Ontario on an annual basis and this is specific to freedom of information requests. Since IM&A has assumed the access and privacy portfolio, the responsibilities have expanded to include conducting Privacy Impact Assessments (PIAs) on all new or significantly changed software and process implementations and implementing a privacy breach protocol to respond to confidentiality/privacy breaches, incidents and complaints. New performance measures are being baselined for all 2015 activities.

	2012	2013	2014	2015 To present
Freedom of Information Requests*	41	33	30	36
Privacy Impact Assessments	1	1	4	6
Formal Privacy Complaints**	N/A	N/A	1	2

* The amount of formal freedom of information requests that the Region receives is fairly low; however the complexity and the time associated with fulfilling the request is increasing.

** Formal requests are received by the Information and Privacy Commissioner of Ontario (IPC) from members of the public and are directed to the Region for investigation. Other formal requests may be received directly from the public to the Region.

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Quality and Risk Management Coordinator
Community Services – Seniors’ Services
Strategic Plan Focus Area 4 Healthy, Safe and Inclusive Communities
Strategic Objective Promote and support healthy living and prevent disease and injury.

Brief Description of Request

The public reporting of Quality Indicators is now a Ministry of Health and Long Term Care (MOHLTC) legislative requirement for all long term care homes in Ontario. Seniors’ Services is seeking to create a dedicated full-time (35 hrs. per week) role for a **Quality and Risk Management Coordinator**. The Quality and Risk Management Coordinator would drive the legislatively mandated quality program at Sunnyside Home.

Justification/Rationale

Quality and risk management is a growing challenge in Seniors’ Services and the long term care sector as a whole. Risks are increasing as residents and clients become more medically complex and rates of dementia increase in the long term care population. At Sunnyside, the number of residents presenting with complex medical needs has increased almost 9% in a 1 year period (2013-2014) and it is anticipated that this trend will continue.

Sunnyside residents also demonstrated almost 4% more “*responsive behaviours*” than the provincial average in 2014. “*Responsive Behaviours*” can include: wandering, verbal and physical abuse, socially disruptive behavior and resistance to care. More than 41% of Sunnyside’s residents demonstrated at least one of these behaviours in any seven day period.

Quality reporting on resident care is now a provincially legislated requirement and quality data is reported publicly both provincially through Health Quality Ontario (HQO) and nationally through the Canadian Institute for Health Information (CIHI). This data is posted on the public websites for both organizations and updated regularly. Long term care homes are compared against LHIN, provincial and national averages in a number of key quality areas. The MOHLTC requires Sunnyside to set quality targets for improvement in a number of key areas which currently include: falls, restraints, pressure ulcers, continence and the use of anti-psychotics.

Sunnyside is reporting its quality data as per legislative requirements and there are a number of high risk areas where significant quality improvements are required to meet provincial averages. Sunnyside reports quarterly on progress in meeting quality targets.

Currently, Sunnyside has a Resident Care Coordinator (RCC) who addresses quality as a component of her role as a long term care manager in addition to other duties which include managing staff. By creating a dedicated Continuous Quality and Risk Management Coordinator position, quality issues can be more effectively addressed to reduce risk and drive the improvements necessary for Sunnyside to meet or exceed provincial averages for publicly reported data.

The addition of a Quality and Risk Management Coordinator position would also provide the benefit of allowing the existing three RCCs to re-allocate management duties. Currently, the management/staff oversight ratio for RCCs is 1 manager to 80 staff. This could be reduced to a more manageable ratio of 1 manager to 50 staff thus improving management oversight. This would also allow Seniors' Services to have the ability to extend RCC hours to evenings and weekends to ensure greater management oversight of and support to staff and residents during evenings and weekends.

Implications of Not Approving

If this position is not approved, the quality program will continue to be administered and directed by existing members of the management team who also have a number of other duties and are already over-burdened with oversight of high numbers of staff. As a result, Sunnyside has an increased risk of not being able to meet and sustain its targets for quality improvement or meet its ultimate goal of meeting or exceeding provincial averages in a number of key quality areas.

As the residents at Sunnyside continue to become more medically complex, it will become increasingly more difficult to ensure that Sunnyside stays on track to meet or exceed quality goals and continue to provide excellent care to its residents. As quality data is publicly reported, there is also a risk of a loss of reputation for Sunnyside as a leader in long term care delivery.

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Staffing	\$61	\$61			\$122
Training, Computer, Supplies, Blackberry, Travel	3				3
Workstation, Computer & Office Construction	32	(32)			0
Total Operating Expenditure	\$96	\$29	\$0	\$0	\$125
Revenue					
Total Operating Revenue	\$0	\$0	\$0	\$0	\$0
Net Regional Levy	\$96	\$29	\$0	\$0	\$125

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
Coordinator, Quality & Risk Management	1.0			
Total Staff Requirement	1.0	0.0	0.0	0.0

Performance Measures

Average Case Mix Index (CMI): Historical Overview

Average CMI Jun. 30/14	Average CMI Sept. 30/14	Average CMI Dec. 31/14	Average CMI March 31/15	Average CMI June 30/15	Average CMI Sept. 30/15
1.0683	1.0788	1.0776	1.1115	1.0925	1.1054

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

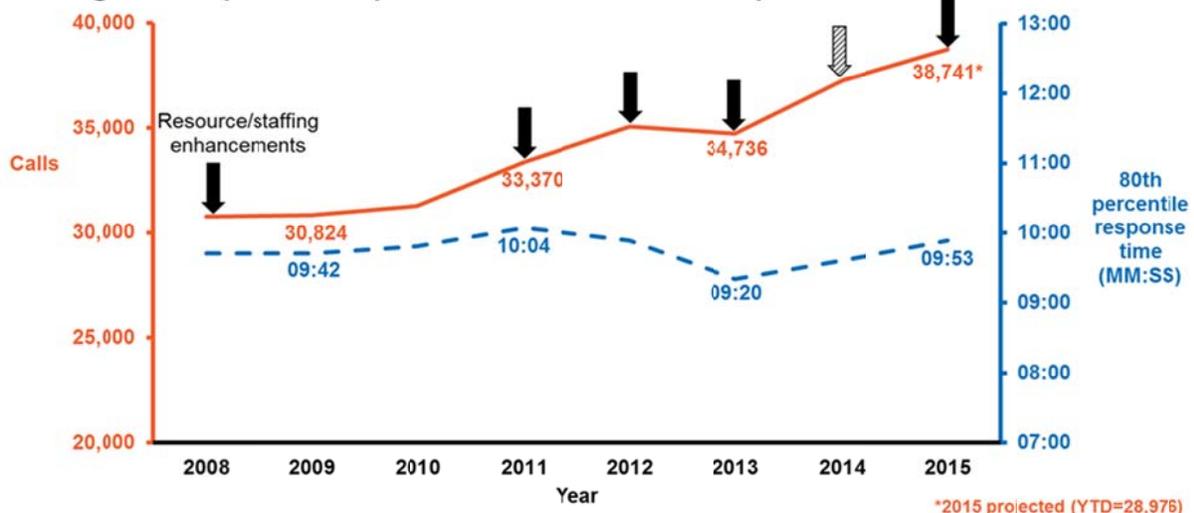
One - 24 Hour Ambulance
Public Health and Emergency Services – Paramedic Services
Strategic Plan Focus Area 4 Healthy, Safe and Inclusive Communities
Strategic Objective Promote and support healthy living and prevent disease and injury

Brief Description of Request

The current EMS Master Plan calls for the addition of 2 – 24 hour ambulances to current base staffing and vehicle fleet complement in 2016. However, given that this a significant request and with a Master Plan Review Update under way, it is proposed that in 2016 one (1) 24 hour ambulance be added to the base staffing and fleet complement. The balance of the request can be confirmed or altered in future years based on the Master Plan review results. The Master Plan review is anticipated to be complete by the end of 2016, in time for next year’s budget process.

Over time, as call volumes increase, response time slows down. When resources are added, response times improve. Black arrows in the graph below show when additional 12 hour ambulance shifts have been added as part of past budget processes. The grey arrow corresponds to the addition of a Rural Emergency Response Unit. All resources are added in July of the year of the budget approval, so it is too soon for the impact of the 2015 budget addition to be reflected in the response time trend line.

Call volume has increased 26% since 2008, while response times have increased 2%. Adding staff improved response times and offsets impact of call volume increases.



The enhancements over the last decade have all resulted in ambulance shift additions during day time hours. The day time was chosen in order to maximize the impact of the resources on reducing response times and enhancing capacity, since call volumes are greater during the day. However, as our community has grown, our overnight staffing (which currently drops to 8 ambulances from a day time high of 19) has not increased to keep pace with this growth. This significantly reduces the service's surge capacity at night, and increases the risk of code yellows and reds in the night, as well as the day. That is why, this year, the enhancement request is a 24 hour enhancement request, not just a 12 hour day time enhancement request.

The additional staffing (10.5 FTE's, including 8.0 regular and 2.0 FTE relief and .5 FTE support staff) and the related vehicles (3 ambulances) will alleviate some pressures on current capacity around the clock.

An additional ambulance vehicle is required for every twelve hour enhancement shift, with associated one-time capital equipment costs related to patient care equipment, as well as reserve contributions and vehicle operating costs; an additional ambulance is required to allow for appropriate maintenance of the fleet. The addition of one (1) 24 hour ambulance will, at minimum, stabilize response times but hopefully improve Region wide response times; the enhancement would be implemented July 1st, 2016.

The addition of these resources will assist the Region of Waterloo Paramedic Services in delivering:

- Quality of care
- The right care at the right place and the right time
- Resourcing levels to meet peak demand in a reasonable time

Justification/Rationale

From 2013 to 2014, Paramedic Services experienced a 7.3% increase in call volume; the upward trending in call volume has continued into 2015, showing nearly a 10% increase in the first quarter of 2015 compared to 2014. If this pace of growth continues, a 10% increase in call volume year over year is projected by year end. This growth in call volume is not unexpected due to the ongoing aging and growth in the population of the Region. The significant increase in the number of seniors is expected to continue for many years because of the ageing of the baby boom generation. There is also an increase in calls per 1,000 population that exceeds what is expected based on population growth alone (PHE-PSV-15-08). This may signal a change in the behaviour of the population and how it uses Paramedic Services.

Paramedic Services continues to work closely with the hospitals on offload delay. However, there is an increase in offload delays despite on-going initiatives which have worked well in the past; the increase to offload times is nearly 50% higher in Q1 of 2015 as compared to Q1 in 2014. Along with the call volume increase, the increases in offload delays have a corresponding negative impact on Code Reds (no vehicles available within the Region to respond) and Code Yellows (less than 3 vehicles within the Region available to respond).

As indicated in the most recent Performance Report presented at Community Services Committee (PHE-PSV-15- 08) , the service's unit utilization has increased above the accepted industry standards for unit utilization (40), at times reaching 60 points during the day.

When there are no ambulances immediately available in the Region, outside services enter our Region to respond to calls. The ability to meet peak surges for service demand from within the Region, as best as is reasonably possible, is one of the goals of the EMS Master Plan Review. This issue has become more important over time as it becomes clearer that the resource decisions we make, and our neighbouring municipalities make, impact on one another. The data below demonstrates that **3,177** calls in Waterloo Region were serviced by outside municipalities, when Region of Waterloo resources were not available, as part of the seamless provincial service. Region of Waterloo staff responded to **1,079** calls in other municipalities, when their resources were not available. At this time there are more instances of other services assisting Waterloo Region.

Dispatched Calls in 2014 *

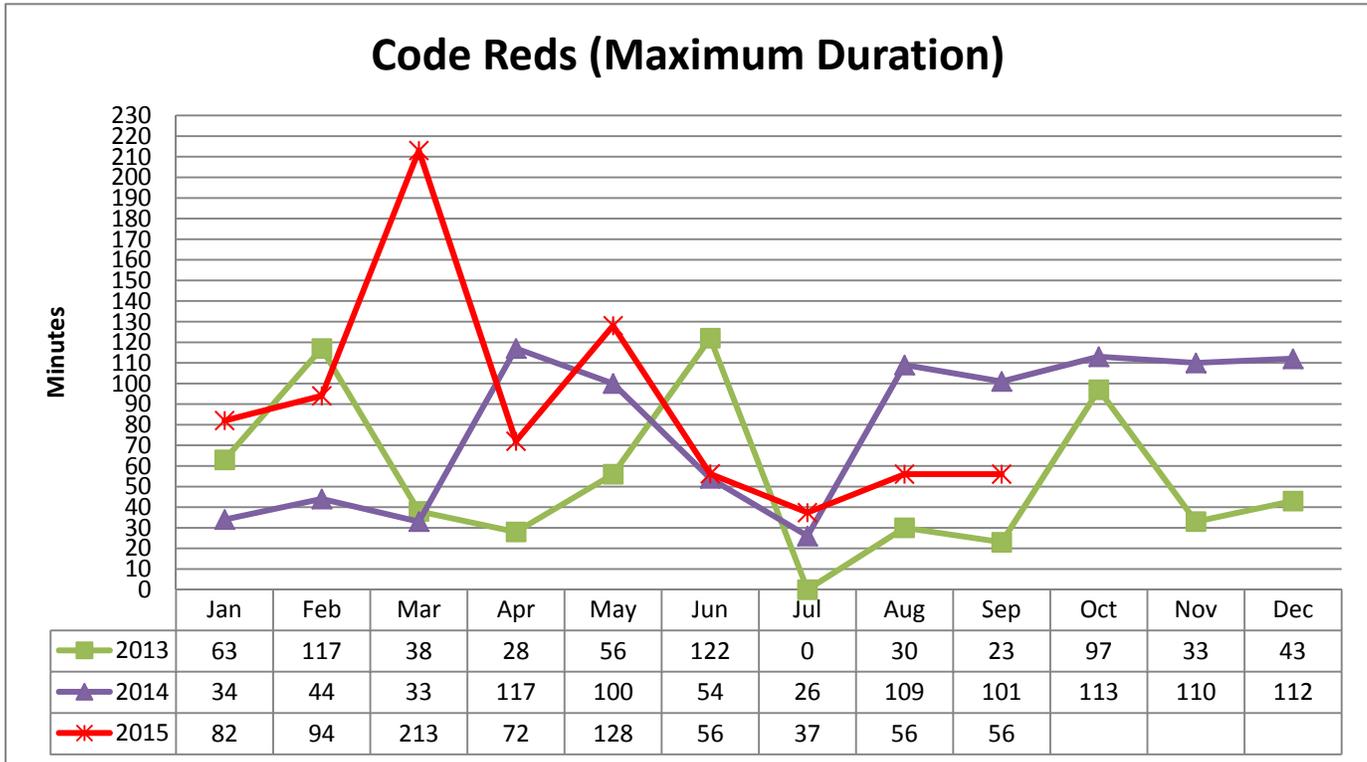
Total Calls responded to by Region of Waterloo Paramedic Services in any region	95,776
Total Calls responded to by any paramedic service in Waterloo Region	97,874
Total Calls responded to by Region of Waterloo Paramedic Services in Waterloo Region	94,697

** According to Ministry of Health and Long Term Care, Emergency Health Services Branch ADRS data*

Implications of Not Approving

Resource enhancements (staff and vehicles) are required in 2016 to maintain and improve emergency response times in comparison to Regional Council approved response time targets (as required by the Ambulance Act of Ontario). The need for resource enhancements in Paramedic Services in 2016 is consistent with assumptions and recommendations of the EMS Master Plan; the addition of one 24 hour ambulance at this time (as opposed to the Master Plan recommendation of two 24 hour ambulances in 2016) will partially address the ongoing and increasing pressures on the service.

It is important to note that Paramedic Services encounters many periods of Code Red, with one documented instance of being in Code Red for 213 minutes. (See chart below). When these episodic events are occurring, other EMS services in the neighbouring municipalities often complete requests for service, over and above our maximum compliment.



Not approving will impact the overall Region-wide response times in comparison with a scenario where some resources are added, because call volume growth will not have been offset by any additional resources. The Region’s ability to meet the targets approved by Council in the Response Time Performance Plan will also be affected. Not approving would also negatively impact our ability to reduce Code Red and Yellows within the Region and ultimately the Paramedic Services’ ability to service calls in an efficient and timely manner.

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditures					
Staffing	\$689	\$689			\$1,378
Medical Supplies, Uniforms, Fuel, Linens, Reserve Contributions	194	51			245
Total Operating Expenditure	\$883	\$740	\$0	\$0	\$1,623
Revenue					
Ministry of Health – 50/50 Cost Sharing		442	370		812
Contribution from Tax Stabilization Reserve Fund *	442	(72)	(370)		0
Total Operating Revenue	\$442	\$370	\$0	\$0	\$812
Net Regional Levy					
	\$441	\$370	\$0	\$0	\$811

* Funding from the Ministry of Health and Long Term Care under the Ambulance Act is provided one year after the expansion has been implemented by the Region. It is proposed that the Tax Stabilization Reserve Fund be used to bridge the time between when the resources are added and when provincial funding is received.

Capital (\$000s)	2016	2017	2018	2019	Total
Expenditure					
Ambulances (3) Fully Equipped	\$629				\$629
Total Capital Expenditure	\$629	\$0	\$0	\$0	\$629
Sources of Financing					
Equipment Reserve (see note)	\$566				\$566
Capital Levy Reserve Fund	63				63
Total Capital Financing	\$629	\$0	\$0	\$0	\$629

Note: Additional ambulances are eligible for 90% funding from development charges. There is not sufficient capacity in the Paramedic Services Development Charge Reserve Fund to fund the 90% share in 2016. It is proposed that the development charge portion of the acquisition be funded from the Equipment Reserve (which has

sufficient funds), and that the Equipment Reserve be repaid by development charge collections over the next 5 years plus interest.

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
Paramedic, Primary Care	5.0			
Paramedic, Advanced Care	5.0			
Support Staff	.5			
Total Staff Requirement	10.5	0.0	0.0	0.0

Performance Measures

	2010	2011	2012	2013	2014	2015 Jan-June
Region-wide Dispatched Calls: Code 1-4	31,281	33,911	35,067	34,659	37,274	19,288
All Township Dispatched Calls: Code 1-4	2,961	3,538	3,000	2,950	3,307	1,718
Region-wide Emergency Response Time (80 th Percentile) [Minutes: Seconds] Change to 80 th percentile data -	09:48	10:04	09:53	09:20	09:36	09:58 YTD
Township Emergency Response Time (80 th Percentile) [Minutes: Seconds] Change to 80 th percentile data	15:16	15:41	15:22	14:49	14:43	15:07 YTD
Number of days lost to Offload Delay	*	*	198.6	78.2	103.7	93.1
Average Number of Instances per Month where an ambulance is not immediately available (i.e. Code Red)	11.2	12.8	11.5	9.3	15.8	32.5
Code Yellow (average monthly percent of time)	*	*	*	6.0	9.3	15.4 YTD
Code Red (average monthly percent of time)	*	*	*	0.3	0.5	1.62 YTD

* Not available (not accurately tracked at that time)

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Implementation of GRT Mobility<i>Plus</i> Business Plan
Transportation & Environmental Services - Grand River Transit
Strategic Plan Focus Area 2 Sustainable Transportation
Strategic Objective Create a public transportation network that is integrated, accessible, affordable and sustainable.

Brief Description of Request

In 2011, Council approved a 5-year Business Plan for Specialized Transit Services (Mobility*PLUS* and Kiwanis Transit) with a focus on consolidating the gains made during the previous plan, building more management capacity, and improving service quality. The plan recommended urban service expansion in 2013 (one bus) and again in 2015 (one bus) to facilitate an additional 12,000 annual trips by increasing the number of service hours of Mobility*PLUS* vehicles. The 2013 expansion was deferred until 2014 and resulted in an increased funding for Taxi*SCRIP* rather than expanding Mobility*PLUS* service hours.

During the 2015 budget process, service expansion was approved for Mobility*PLUS* (one bus) which went into service in September 2015 resulting in an annualized increase of 6,000 in-house trips. Resource requirements, including an expansion vehicle and service hours to accommodate an additional 6,000 annual trips in 2016 are included in this budget issue paper. Proposed service expansion in the rural service area achieved with the addition of one bus along with an increase in contracted service in North Dumfries will add over 9,000 trips annually.

Justification/Rationale

In October 2011, Council approved the current 5-Year Business Plan (2012–2016) for Specialized Transit Services provided in the Region of Waterloo. The focus of this Business Plan was on continuing service growth made during previous years, building more management capacity, and improving service quality including:

- Reinforcing the administrative and technical resources of Mobility*PLUS* and Kiwanis Transit, which were strained by the dramatic expansion of service mentioned above.
- complying with the new Accessibility for Ontarians with Disabilities Act regulations (dealt with in a separate issue paper – 2014),

- achieving modest service expansion, commensurate with expected demand growth
- pursuing improvements in the quality and consistency of contracted taxi services

In order to achieve these goals, the Business Plan proposed various service improvements including:

- an additional 12,000 MobilityPLUS in-house trips (requiring one additional vehicle in each of 2013 and 2015) for the Urban Service Area (the three cities),
- an additional 2,600 Kiwanis Transit in-house trips (using existing vehicles) for the Rural Service Area (the four townships),
- an additional MobilityPLUS supervisor to improve on-road monitoring to 7 days per week,
- MobilityPLUS registrants to be further encouraged to ride the GRT Conventional Transit Services through the Travel Training program and continued Low-Floor Bus training and promotion.

Urban (MobilityPLUS) Service Improvements:

Since 2011, unfulfilled requests for service have increased to over 2,500 per year in 2014, largely due to capping contract taxi rides to meet operating budget limitations. Some funding was approved in 2014 to accommodate additional TaxiSCRIP trips.

To address this situation, it was proposed that an additional vehicle be added to the MobilityPLUS fleet in both 2015 and 2016 to provide additional capacity for an estimated 6,000 annual passengers in each year. An additional expansion vehicle was approved in the 2015 budget and went into service in September of 2015. Resource requirements supporting the proposed 2016 service expansion are included in this budget issue paper.

To address the future needs of Specialized Transit Service riders, a new 5-Year Plan needs to be developed, the funding for which is included in this budget issue paper.

Rural Service Improvements:

Kiwanis Transit (KT) has been operating since 2011 with a fleet of 6 buses (5 buses maximum are in service, with one backup bus). During this time KT has experienced an increase in demand for service due, in part, to an increase in day program requests for registrants. In order to meet this increased demand, when riders cannot be accommodated on KT buses, taxis are the only alternative service. In 2015, KT will be over budget approximately 24% with non-dedicated service (taxis). The cost of non-dedicated versus dedicated (KT bus) is significantly more expensive per ride. Current costs are as follows:

2015 Dedicated service (service provided by buses) net cost \$27.72 per trip

2015 Non-dedicated service (taxi service) net cost \$35.46

Scheduled trips in the rural service area often involve greater distances than trips in the urban service area. This results in a much higher cost per trip for non-dedicated service. In order to meet increased demand and provide flexibility in scheduling longer trip requests with dedicated service (KT buses) an expansion vehicle is required in 2016. In addition, unaccommodated trip requests in the rural service area have increased significantly in the last couple of years and this trend is expected to continue without an additional vehicle. Proposed service expansion in the rural service area achieved with the addition of one bus along with an increase in contracted service in North Dumfries will add over 9,000 trips annually.

Implications of Not Approving

Service quality improvements would not be achieved and unfulfilled trip requests would continue at high levels.

Budget Requirements

Urban Service Area

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Salaries and Benefits	\$35	\$68			\$103
Other Operating Costs	\$21	\$40			\$61
New 5-Year Business Plan (one time cost)	\$45	(\$45)			\$0
Total Operating Expenditure	\$101	\$63	\$0	\$0	\$164
Revenue					
Fares	\$4	\$10			\$14
Total Operating Revenue	\$4	\$10	\$0	\$0	\$14
Net Regional Levy					
	\$97	\$53	\$0	\$0	\$150

Rural Service Area

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Net Contract Service Cost (Kiwanis Transit)	\$42	\$84			\$126
Other Operating Costs	\$12	\$23			\$35
Total Operating Expenditure	\$54	\$107	\$0	\$0	\$161
Revenue					
Contract Taxi	\$1	\$1			\$2
Total Operating Revenue	\$1	\$1	\$0	\$0	\$2
Net Regional Levy					
	\$53	\$106	\$0	\$0	\$159

Capital (\$000s)	2016	2017	2018	2019	Total
Expenditure					
MobilityPLUS Vehicle (Urban)	\$120				\$120
MobilityPLUS Vehicle (Rural)	\$100				\$100
Total Capital Expenditure	\$220	\$0	\$0	\$0	\$220
Sources of Financing					
GRT Capital Reserve Fund	\$220				\$220
Total Capital Financing	\$220	\$0	\$0	\$0	\$220

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
Specialized Transit Vehicle Operators	1.3			
Total Staff Requirement	1.3	0.0	0.0	0.0

Performance Measures

	2011	2012	2013	2014
MobilityPLUS Ridership (van, taxi, TaxiSCRIP)	276,223	272,252	278,196	277,496
MobilityPLUS Revenue-Vehicle Hours	59,290	58,755	57,031	57,919
Unaccommodated Requests	2,576	3,197	3,584	2,568

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Conestoga College U-Pass Transit Service Implementation
Transportation and Environmental Services – Grand River Transit
Strategic Plan Focus Area 2 Sustainable Transportation
Strategic Objective Create a public transportation network that is integrated, accessible, affordable and sustainable.

Brief Description of Request

In March of this year, staff informed Council (PW Report TES-TRS-15-06) of the intent to reinitiate discussions with Conestoga College student representatives on the potential implementation of a U-Pass program in September 2016, subject to Council budget approval. Conestoga College student representatives have indicated strong support for a U-Pass program and are prepared to pay a higher fee than the existing University of Waterloo (UW) and Wilfrid Laurier University (WLU) U-Pass fee acknowledging that the peripheral location of the main Conestoga College and Cambridge Campuses requires proportionately more service than campuses in an urban location. The Conestoga College U-Pass would be priced at approximately \$120 per semester which is approximately \$35 higher than the 2016 price of \$85.20 per semester for the UW and WLU U-Pass

The proposed service improvements to existing routes required for the Conestoga College U-Pass include increased peak period frequency of service, additional evening and weekend service, and additional express trips to the Doon and Cambridge campuses. These service improvements will require approximately 14,000 annual service hours and 9 additional buses.

If this service is approved in January 2016 the estimated delivery time for the nine (9) expansion buses is December 2016. To operate this service between September and December 2016, some buses retired in 2015 are being kept and will be activated into regular service along with dedicating a few of the spare reserve buses to meet expected service needs. However, should ridership be greater than forecasted there may not be enough spare buses available to meet a significant ridership demand in September.

Justification/Rationale

The U-Pass program for Conestoga College students would provide all students affordable and convenient access to transit services. Greater student transit use reduces campus parking demand and traffic congestion, and supports the goals of the Regional Transportation Master Plan.

Based on student location information provided by Conestoga College, a service plan was developed to meet the projected increased student ridership demand.

Implementation of the service plan will require an estimated 14,000 annual service hours and 9 additional buses as set out in the following table.

Route	Service Proposal	Hours (est)	Annual Cost	Peak Buses
10	Increase frequency from 30 to 15 minutes during peak periods during Fall-Winter schedule	2,025	\$184,090	1
110	Increase frequency from 30 to 15 minutes during the PM peak period during Fall-Winter schedule to match existing 15 min AM peak period service	722	\$65,632	1
16	Increase frequency from 30 to 15 minutes during peak periods during Fall-Winter schedule	1,937	\$176,086	2
61	Increase frequency from 30 to 15 minutes during peak periods during Fall-Winter schedule	2,061	\$187,292	2
116	Increase frequency from 30 to 20 minutes during peak periods during Fall-Winter schedule	370	\$33,616	1
111	Increase frequency from 40-45 to 20 minutes during peak periods during Fall-Winter schedule	1,198	\$108,853	1
16	Add evening service on a 30 minute frequency until approx. 10:30pm year-round	1,984	\$180,293	0
61	Add evening service on a 30 minute frequency until approx. 10:30pm year-round	2,210	\$200,898	0
10	Increase frequency from 60 to 30 minutes during morning and evening periods Saturday year-round	382	\$34,684	0
61	Add Saturday service on a 60 minute frequency between 10am and 6pm year-round	534	\$48,557	0

Route	Service Proposal	Hours (est)	Annual Cost	Peak Buses
10	Increase frequency from 60 to 30 minutes during base period Sunday year-round	581	\$52,805	0
	Total	14,004	\$1,272,808	8 (+1 spare)

Implications of Not Approving

Without Council approval, the Conestoga College U-Pass program will not be implemented in 2016. Phasing in the service for the Conestoga College U-Pass Program was reviewed and considered inadequate since i) many Conestoga College students live at home when going to school and therefore have a very dispersed travel pattern requiring improvements to many routes and ii) student travel demand is very concentrated during the peak hours when most classes start and end so required peak service cannot be staged without experiencing significant overcrowding and potentially having to leave passengers waiting at a bus stop. This could result in a loss of confidence in the transit system and cancellation of the U-Pass program by Conestoga College students.

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Staffing Costs	\$311	\$621	(\$67)		\$865
Fuel	74	146			220
Other Operating Costs	75	47			122
One-time Maintenance Costs	55	(55)			0
Debt Service Costs		528			528
Recovery Debt Service (RDC)		(98)			(98)
Total Operating Expenditure	\$515	\$1,189	(\$67)	\$0	\$1,637
Revenue					
U-Pass fee revenue	\$176	\$353			\$529
Total Operating Revenue	\$176	\$353	\$0	\$0	\$529
Net Regional Levy	\$339	\$836	(\$67)	\$0	\$1,108

Capital (\$000s)	2016	2017	2018	2019	Total
Expenditure					
Buses (9)	\$4,500				\$4,500
Total Capital Expenditure	\$4,500	\$0	\$0	\$0	\$4,500
Sources of Financing					
Debentures (Levy + RDC)	\$4,500				\$4,500
Total Capital Financing	\$4,500	\$0	\$0	\$0	\$4,500

Staff Requirements (FTE)	2016	2017	2018	2019
Permanent Staff				
Transit Operators	9.0			
Maintenance Staff	1.5			
Temporary Staff				
Admin. Support (temporary)	1.0	(1.0)		
Total Staff Requirement	11.5	(1.0)	0.0	0.0

Performance Measures

	2011	2012	2013	2014
Revenue Service Hours per Capita (service area)	1.33	1.42	1.47	1.54
Ridership per Capita (service area)	39.4	42.1	43.5	49.7
Annual Service Hours	605,000	624,018	640,620	669,408
Annual Ridership (millions)	19.7	21.3	22.0	21.6

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Transit Service to Family & Children’s Services on Hanson Avenue
Transportation and Environmental Services – Grand River Transit
Strategic Plan Focus Area 2 Sustainable Transportation
Strategic Objective 2.1 Create a public transportation network that is integrated, accessible, affordable and sustainable.

Brief Description of Request

At the Planning and Works Committee of September 15, 2015, “it was requested that an issue paper come forward during this year’s budget regarding providing some sort of transit service to [Family and Children’s Services and surrounding area] whether it be BusPLUS or another bus service”. This was in response to Report TES-TRP-15-20 Pedestrian Access Improvements for the Hanson/Hayward Industrial and Alpine Village Area, Kitchener, Class Environmental Assessment – Project Update.

Representatives of the Family and Children’s Services and the Family Centre facilities on Hanson Avenue have historically requested transit service be provided closer to their facilities for their clients and employees. With relatively low ridership projected, staff recommends using the BusPLUS service which is typically used to develop ridership in a new service area. GRT’s BusPLUS service is operated using the services of a contractor with a smaller 19-passenger bus, compared to the conventional 40’ GRT bus. The bus will operate for approximately 12 hours per day (8 a.m. to 8 p.m.) on weekdays, and service will be provided every 15-30 minutes, depending on the final route length. The route will be anchored out of the Forest Glen Transit Terminal as this is the closest terminal at which to provide connections to other bus routes.

The route will require approximately 3,000 hours of service per year at an estimated cost of \$178,000. Annual ridership revenue is estimated at \$22,000 resulting in a net annual operating cost of \$156,000. If approved, the service will be implemented in September 2016. In order to implement this service, a new accessible vehicle will need to be purchased by the current contractor for the BusPLUS service, Hendry Coachlines.

Justification/Rationale

A proposed BusPlus service could build ridership from institutional and industrial uses in the isolated Hanson/Hayward area and the new residential area south of Blockline. It is anticipated that with the start of LRT service in late 2017 routes would travel on Homer Watson Boulevard and Blockline Road to connect to the Courtland and Blockline LRT station and Mill Street LRT station. The proposed BusPlus service would accordingly be reviewed at that the time.

Implications of Not Approving

If this route is not implemented, Family and Children's Services and the Family Centre would continue to have a long walk (725 metres to 845 metres) to transit service. GRT's standard is to have "at least 95 percent of residents, places of work and public facilities in the Urban Service Area within 450 metres of routes."

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
BusPLUS Contract Costs	\$60	\$118			\$178
Total Operating Expenditure	\$60	\$118	\$0	\$0	\$178
Revenue					
Ridership Revenue	\$8	\$14			\$22
Total Operating Revenue	\$8	\$14	\$0	\$0	\$22
Net Regional Levy	\$52	\$104	\$0	\$0	\$156

Performance Measures

	2011	2012	2013	2014
Revenue Service Hours per Capita (service area)	1.33	1.42	1.47	1.54
Ridership per Capita (service area)	39.4	42.1	43.5	49.7
Annual Service Hours	605,000	624,018	640,620	669,408
Annual Ridership (millions)	19.7	21.3	22.0	21.6

Council Decision



The Regional Municipality of Waterloo

2016 Budget – Major Budget Issue

Capital Program Financing
Corporate Financial
Strategic Plan Focus Area 5 Responsive and Engaging Government Services
Strategic Objective Ensure regional programs and services are efficient, effective and provide value for money.

Brief Description of Request

An increase in the annual Capital Levy Reserve Fund contribution is required to provide a source of financing for non debenturable capital projects, to provide stable funding for aging infrastructure; to avoid fluctuations in the operating budget and property tax levy, to reduce overall reliance on debt financing and to reduce future debt servicing costs.

Justification/Rationale

The Region has two primary sources of funding for property tax-supported capital projects: pay-as-you-go financing through a capital levy and debenture financing.

With capital levy financing, an annual provision is included in the operating budget and transferred to a reserve fund to be used to finance capital projects. Pay-as-you-go financing is well suited to the replacement of capital assets and aging infrastructure, and avoids long term borrowing and debt servicing costs. In addition, capital budgets often include projects which cannot be debentured or for which debenture financing is undesirable. A Capital Levy Reserve Fund (CLRF) contribution is also an effective means of avoiding fluctuations in the tax levy. In the absence of capital levy funding, some expenditures would have to be included on a one time basis in the operating budget resulting in year to year fluctuations in the tax levy.

With debenture financing, the Region issues debt to finance all or part of the costs of a capital project. This type of financing is typically utilized for significant capital investments and for new capital projects where no capital levy financing has been accumulated. Debt financing has the advantage of charging the cost of a project over the life of the asset to consumers in the tax base which is, in theory, increasing over time. This spreads the cost of municipal infrastructure over a larger base of taxpayers. The disadvantage of debenture financing is the cost to service the debt. For example, total interest paid on \$1.0 million of debenture financing at 3.0% for ten years would be \$172,000 a 17% premium versus the use of a capital levy.

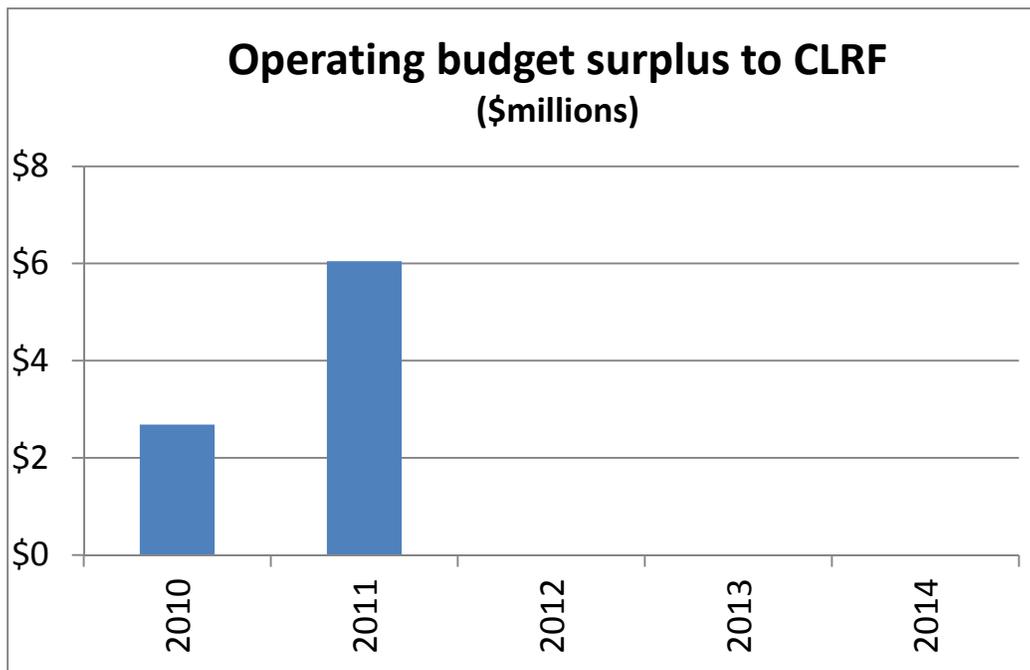
The Region's tax supported operating budget includes a transfer to the Capital Levy Reserve Fund. Increased transfers from the operating budget have been requested each year since 2007 and the requested and approved amounts are summarized in the table below.

Operating Budget Contributions to Capital Levy Reserve Fund (\$000's)

Budget Year	Proposed Increase	Council Approval	Total Contribution from Operating Budget
2007	\$1,000	\$250	\$250
2008	\$750	\$0	\$250
2009	\$750	\$0	\$250
2010	\$750	\$190	\$440
2011	\$390	\$100	\$540
2012	\$365	\$100	\$640
2013	\$380	\$250	\$890
2014	\$750	\$750	\$1,640
2015	\$750	\$650	\$ 2,290

Capital Levy Request

For a number of years, the operating budget surplus was the main source of funding for the Capital Levy Reserve Fund. However, several years of operating budget reductions across all departments have had the impact of reducing the Region's surplus. In addition, since 2010, the surplus has been used in part to replenish the Tax Stabilization Reserve Fund (TSRF), which is being used to fund additional Ontario Works caseload expenditures. As a result, the surplus amount transferred to the CLRF has declined in recent years.



The current annual CLRF contribution is not sufficient to fund a reasonable portion of the Region’s capital plan. It is recommended that the annual capital levy reserve fund contribution be increased by \$750,000 in 2016. This would provide some additional flexibility to fund smaller capital projects, make progress towards funding capital projects which can not be debentured and lessen the reliance on debt financing.

An increase in the annual Capital Levy Reserve Fund contribution has the following benefits:

1. Avoids tax levy fluctuations resulting from capital initiatives
2. Provides funding for projects that can not be debenture financed or where debt financing is not desirable
3. Reduces the reliance on debenture financing as a source of funding for aging infrastructure
4. Reduces or eliminates the impact of debt servicing on future budgets (cost avoidance)
5. Reduces the level of total Regional debt outstanding
6. Protects the Region’s Aaa Credit Rating

Implications of Not Approving

If the additional capital levy funding is not approved, the Region will be without a sufficient, stable funding source for projects that can not be debenture financed and for aging infrastructure, resulting in increased use of debenture financing. This would in turn raise the Region’s debt levels and future debt servicing costs.

Budget Requirements

Operating (\$000s)	2016	2017	2018	2019	Annualized
Expenditure					
Capital Levy Reserve Fund Contribution	\$ 750				\$ 750
Total Operating Expenditure	\$ 750	\$ 0	\$ 0	\$ 0	\$ 750
Revenue					
Net Regional Levy	\$ 750	\$ 0	\$ 0	\$ 0	\$ 750

Performance Measures

Percentage of tax supported capital expenditures * funded by:	2011	2013	2013	2014	2015
Debentures	69%	77%	71%	67%	53%
Tax Levy and Other Reserves (excluding Development Charges)	12%	14%	15%	21%	28%
Capital Levy Reserve Fund	1%	2%	1%	4%	5%

* All levy areas except Police, Roads, Rapid Transit

Council Decision