REGIONAL MUNICIPALITY OF WATERLOO
BUDGET COMMITTEE
MINUTES

Wednesday, January 19, 2011
3:10 p.m.
Council Chambers, 2nd Floor
150 Frederick Street, Kitchener


Members absent: S. Strickland

DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT

None declared.

OPENING REMARKS

Chair T. Galloway provided remarks as to the timing of the budget process owing to the election, and the business to be dealt with at this meeting. He thanked staff for the work done to date, noting the staff-initiated base budget review which has yielded savings in the base budget.

Mike Murray, Chief Administrative Officer, observed that the Region is starting the budgeting process in a strong financial position, with staff conducting a detailed review of the base budget which identified $2.4 million of sustainable reductions. He cited budget savings from similar reviews in previous years, and noted savings from provincial uploading which free up funds for municipalities to address significant needs, such as those related to the Regional Transportation Master Plan.

BUDGET UPDATE (L. Ryan)

F-11-003, Executive Summary – Budget 2011 was received for information.

Larry Ryan, Chief Financial Officer, provided a presentation on the 2011 Regional Budget, with details including:

- Total revenues and expenses in 2010 budget;
- Average property tax bill, and cost per household for Regional Services;
- Assessment growth;
- Water and wastewater rate history;
- Sources of funding for major Regional services;
- Capital budget program and funding sources;
- Forecast of debt outstanding through 2019;
- History of property tax impact vs. consumer price index;
- Overview of budgets for several Regional Services;
The Committee obtained clarification on the uploading of costs related to Ontario Disability Support Program, and the recent provincial announcement of increased funding for administration costs related to Ontario Works. The Committee requested data on the provincial grants for the past five years.

The Committee requested figures for comparable municipalities with respect to proportions of expenditures for major Regional services. M. Murray observed that good comparisons are difficult to obtain owing to the varying structures and services offered of even similar municipalities. L. Ryan noted a number of existing municipal benchmarking activities and affirmed both their utility and space for improvement. The Committee remarked on the difficulty of making valid comparisons with existing benchmarking data.

The Committee discussed budget figures related to transit, engineering and roads. It was suggested that the figures be broken out to show proportions of the engineering and roads budget that are transit-related expenditures.

The Committee confirmed that fines assessed by Regional police are included into the Region’s revenues for budget purposes. It was observed that the Police budget is historically around 30% of the Region’s total expenditures.

The Committee asked if a five-year projection of potential changes to the capital budget could be obtained. L. Ryan indicated that such a projection would be very difficult to prepare, given that the Region has experienced unusual growth in recent years and that regulations/circumstances could change significantly as they have in the past, citing the example of changed provincial regulations following the contamination of municipal water in Walkerton.

The Committee questioned what circumstances could trigger the loss of the Region’s Aaa credit rating. L. Ryan responded that approaching the provincially-prescribed debt limits for municipalities has yielded a credit rating alert, citing the example of the Region of York approaching its debt limit with a subsequent alert put on its credit rating. He affirmed that Moody’s Investors Services is comfortable with the planned level of debt service to total expenses.

The Committee requested the percentages of revenues used to service debt for comparable municipalities.

The Committee clarified with staff the impact of the consumer price index increases upon the Regional tax levy for 2011.

The Committee requested figures on revenues and cost recovery for Grand River Transit.

*R. Deutschmann entered the meeting at 4:10 p.m.

The Committee clarified with staff the expenditure increases related to fuel, waste collection, and the phasing in of the green bin program.
The Committee discussed the potential for reducing the number of stops made in delivering waste management services.

The Committee clarified with staff that the net budget for waste management is based on assessment and is levied across all area municipalities.

The Committee confirmed that the net budget for the Waterloo Region Museum and Doon Heritage Village will include debt charges in 2012.

The Committee clarified with Dr. Liana Nolan, Commissioner, Public Health/Medical Officer of Health, that support for 250 public access defibrillators is mainly training support for people where defibrillators are located, as well as a public education component.

The Committee inquired as to the sources of increased revenues from Provincial Offences courts. Kris Fletcher, Director, Council and Administrative Services/Regional Clerk, indicated that there has been an increase in revenue from red light cameras over the past two years, and other tickets/fines have neither grown nor declined. The Committee discussed the effect of proactive programs related to mitigating Provincial Offences.

The Committee noted that the proposed redeployment of police officers may yield an increase in ticket revenues, and observed that no ticket projections are made in the budget.

The Committee recessed at 4:28 p.m., and reconvened at 4:40 p.m.

The Committee confirmed that staff is examining options for long-term purchase of fuel, and that a fuel-price hedging policy will be brought forward for 2011.

The Committee ascertained that increases in costs related to waste management contracts are based on provisions within the contracts. Thomas Schmidt, Commissioner, Transportation and Environmental Services, provided details on the duration and renewability of said contracts.

The Committee asked for information on future needs for roads. L. Ryan responded that staff is preparing an information paper on the subject for the Committee’s next meeting, and suggested that the subject could be well-suited for a Budget presentation at an upcoming meeting of the Committee.

The Committee discussed the relationship between transit fare level and overall ridership on public transit. L. Ryan indicated that transit fares did not increase in 2010, and that an increase may be required in 2011. Rob Horne, Commissioner, Planning, Housing and Community Services, observed that the Region is at the lower end of fares for comparable transit operations, and that Regional staff would be sensitive to lower income riders when considering prospective changes.

The Committee confirmed that an analysis of gapping was not included in the base budget review, and L. Ryan indicated that the analysis is presently underway.

A member of the Committee observed that community housing has provided budget savings in recent years, and that a detailed review of the impacts should occur before seeking out more savings from that source.

The Committee asked if court security costs will be entirely uploaded to the province by 2018. L. Ryan indicated that the costs may not entirely be uploaded; Chair T. Galloway noted that the
province has put into place a cap for which the Region will receive a portion for costs, and that the new court facilities may require larger expenditures on court security, compared to the present. The Committee also observed that court time for police required to give evidence at trials is a Regional cost related to the court system.

The Committee discussed the effect of transferring the waste management budget to the property tax budget, and T. Schmidt emphasized that fees charged for industrial, commercial and institutional waste are based on market conditions.

The Committee obtained clarification from M. Murray that the Regional Transportation Master Plan calls for 1.25% of the budget each year for the next five years for transit expansion, with a greater percentage called for after that period.

A member of the Committee expressed interest at examining whether the Region could eliminate the waiting list for subsidized child care. Mike Schuster, Commissioner, Social Services, responded that an issue paper on the subject is being prepared.

The Committee confirmed that water demand and wastewater flows have been decreasing. L. Ryan noted that these decreases result in lower revenues, which causes upward pressure on user rates. T. Schmidt observed that water and wastewater costs are largely fixed but that staff was able to defer some expansion projects which results in reduced impact on user rates of the capital program.

*J. Brewer entered the meeting at 5:23 p.m.*

A member of the Committee indicated their desire to see information on dedicated transit lanes, as per the Regional Transportation Master Plan.

A member of the Committee expressed interest at examining whether more funding could be allocated to subsidized transit passes. M. Schuster responded that an issue paper on the subject is being prepared.

The Committee obtained clarification on who in the Region pays for the Grand River Conservation Authority, with L. Ryan indicating that anyone receiving water and wastewater services are contributing toward the Authority.

The Committee discussed the potential for increased wear and tear on the Joseph Schneider Haus with increased visitors. R. Horne responded that staff is looking at what the maximum traffic at the facility could be. Staff are aiming to eventually double student visitors, and will examine how to cycle more users through the site.

A member of the Committee expressed concerns about water/wastewater capacity and the ability to service industry in the Region, citing an example in the Hespeler area. They expressed interest in examining plans for future capacity and greenfield development. It was noted that such knowledge would be helpful if the Region could facilitate meetings with Canada’s Technology Triangle on international relations to increase trade and commerce.

The Committee confirmed that the Municipal Property Assessment Corporation determines its fees due from the Region based on a formula, and that the Region has no discretion over the payment of those fees. The Committee suggested that an appropriate method of communicating the Region’s concerns on the 2011 increase be determined.
The Committee observed that budget capacity accrued from the provincial uploading of costs related to social services is not reserved or dedicated for any particular purpose.

**ADJOURN**

MOVED by K. Seiling
SECONDED by J. Haalboom

THAT the meeting adjourn at 5:41 p.m.

CARRIED

**COMMITTEE CHAIR, T. Galloway**

**COMMITTEE CLERK, M. Grivicic**
2011 Regional Budget

Today's Agenda

- General Overview
  - High level
  - Overview of Services
- 2011 Base Budget Overview
- Questions / Discussion / Next Steps

2011 Regional Budget
2010 Average Property Tax Bill*

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>$542</td>
<td>18.4%</td>
</tr>
<tr>
<td>Area Municipal</td>
<td>$931</td>
<td>31.5%</td>
</tr>
<tr>
<td>Regional Services</td>
<td>$1,477</td>
<td>50.1%</td>
</tr>
</tbody>
</table>

*Base on an average residential property having a market value of $225,000
2011 Regional Budget
2010 Capital Budget/ Program Fundings ($million)

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>2010</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reserve Funds (Taxation)</td>
<td>541</td>
<td>18.70%</td>
</tr>
<tr>
<td>Debentures</td>
<td>754</td>
<td>26.10%</td>
</tr>
<tr>
<td>Development Charges</td>
<td>1,016</td>
<td>35.10%</td>
</tr>
<tr>
<td>Grants</td>
<td>77</td>
<td>2.70%</td>
</tr>
<tr>
<td>Water and Wastewater</td>
<td>503</td>
<td>17.40%</td>
</tr>
<tr>
<td><strong>10 year total</strong></td>
<td><strong>2,891</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Comparison of Capital Programs ($Millions)

<table>
<thead>
<tr>
<th>Program</th>
<th>2010</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit</td>
<td>$276</td>
<td>$163</td>
</tr>
<tr>
<td>Roads</td>
<td>911</td>
<td>601</td>
</tr>
<tr>
<td>Water</td>
<td>487</td>
<td>199</td>
</tr>
<tr>
<td>Wastewater</td>
<td>718</td>
<td>211</td>
</tr>
<tr>
<td>Other</td>
<td>499</td>
<td>268</td>
</tr>
<tr>
<td><strong>10 Year Total</strong></td>
<td><strong>2,891</strong></td>
<td><strong>1,442</strong></td>
</tr>
</tbody>
</table>

Regional Municipality of Waterloo
2010 Forecast of Debt Outstanding

2011 Regional Budget
Cumulative Property Tax Impact Versus CPI History
Overview of Regional Services

2011 Regional Budget
GRT Service

- GRT fleet consists of:
  - 218 conventional buses
  - 28 specialized transit buses (Mobility Plus)
- 4 Major GRT Facilities:
  - 2 maintenance & storage buildings
  - 2 passenger terminals

2011 Regional Budget
GRT Service

- Conventional fleet operates:
  - 67 fixed routes
  - 550,000 revenue service hours
- 8.7% conventional ridership growth in 2010 to 18 million riders annually
- MobilityPlus has 3,000 active registrants

<table>
<thead>
<tr>
<th>Total Budget</th>
<th>Revenue</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$80 million</td>
<td>$33.9 million</td>
<td>$181.16</td>
</tr>
</tbody>
</table>

2011 Regional Budget
Transportation Service

- Regional road design, operation & maintenance
- Programs for road rehabilitation, traffic signals, storm sewers, railway crossing, illumination, facilities, sidewalks, traffic beacons and signage including:
  - 1681 lane km of road
  - 157 bridges & culverts
  - 25 km (approx) of road rehabilitation annually (resurfacing & reconstruction)

<table>
<thead>
<tr>
<th>Net Budget</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$45 million</td>
<td>$178</td>
</tr>
</tbody>
</table>
2011 Regional Budget
Airport

- The Region of Waterloo International Airport (YKF) is a full service facility which supports commercial, corporate and general aviation.
- Air Terminal Building is designed to accommodate domestic and international arrivals and departures
- 105,500 passengers for 2010
- $58 million Annual Economic Impact (2008 Wilfrid Laurier Study)

2011 Regional Budget
Airport

- Regular Scheduled Air Service is available with: Bearskin Airlines to Ottawa, and WestJet to Calgary with connections to Vancouver, Edmonton and other Canadian cities.
- Seasonal Charter Air Service is available with Sunwing Airlines to Punta Cana

<table>
<thead>
<tr>
<th>Net Budget</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$6.6 million</td>
<td>$25.93</td>
</tr>
</tbody>
</table>

2011 Regional Budget
Waste Management

- Collection contractors make over 2 million stops per month to collect garbage, green bin, recyclables, yard waste and large items
- 51% of waste was diverted from landfill through various diversion programs
- Total tonnage to landfill for 2010 was 216,000 tonnes, of which 42% was residential waste
- Collected over $690,000 in methane gas royalties from landfill sites

2011 Regional Budget
Waste Management

- Generates $4 million in sales of recyclable material (2011 budget)
- Waterloo landfill site expected useful life - 20 to 25 years

<table>
<thead>
<tr>
<th>Net Budget</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$24.5 million</td>
<td>$96.48</td>
</tr>
</tbody>
</table>
### 2011 Regional Budget Wastewater

- 13 wastewater treatment plants
- 6 sewage pumping stations
- Facilities operated on behalf of the Region by the Ontario Clean Water Agency
- Treat raw sewage generated from the cities and townships
- Treated 60,882,316 m³ of raw sewage in 2010
- Generated and disposed of 513,955 m³ of biosolids in 2010

  Average Household Cost: $147.92

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### 2011 Regional Budget Water

- Water Sources and Treatment
  - 1 surface water source and treatment plant
  - 116 wells
  - 16 iron and manganese removal groundwater treatment plants
- 36 water storage reservoirs
- 38 pumping stations

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### 2011 Regional Budget Water

- Trunk Watermains
  - 220 km of trunk Regional watermains
  - 75 km of trunk Dual watermains (50% Region & 50% Local Municipalities)
- 2010 water production 55,131,526 m³

  Average Household Cost: $165.37

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### 2011 Regional Budget Planning

- New Regional Official Plan
- Development Approval
- Regional Transportation Master Plan
- Regional Growth Management Strategy Implementation
- Transit Planning – business plan, routes, technology
- Planning information and analysis / forecasting

Recipient of ReNew Award as one of the best places to invest in Canada

<table>
<thead>
<tr>
<th>Net Budget</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5.3 million</td>
<td>$21</td>
</tr>
</tbody>
</table>
2011 Regional Budget

Housing

- Designated Service Manager for Community Housing by Province
- Regionally-owned housing -2,722 units
- Oversight for 54 Non-Profits / Co-operatives 4,522 units
- Creation of new affordable rental & homeownership housing -1896 units & at least 153 more units planned by end of 2013
- Waitlist for 3,000+ units

<table>
<thead>
<tr>
<th>Net Budget</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$32 million</td>
<td>$126</td>
</tr>
</tbody>
</table>

2011 Regional Budget

Heritage Sites

- 3 Heritage Sites
  - Annual Visitors
  1. Waterloo Region Museum (2011) /Doon 47,800
  2. Joseph Schneider Haus 19,000
  3. McDougall Cottage 4,000
- Museum attendance is expected to double within 5 years

<table>
<thead>
<tr>
<th>Net Budget</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$7.1 million</td>
<td>$28.08</td>
</tr>
</tbody>
</table>

2011 Regional Budget

Sunnyside Home Seniors’ Services

- 251 long term care beds (permanent residents)
- 19 Convalescent / Respite beds
- 30 Supportive Housing apartments (2010)
- Sunnyside Affordable Housing 32 units (2004)*
- 800+ Community Clients (Homemaking & Nursing Services, Alzheimer Program, Care Giver Support etc.)
- Volunteers 250

<table>
<thead>
<tr>
<th>Total Budget</th>
<th>Region Share</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$27 million</td>
<td>$7.5 million</td>
<td>$29.64</td>
</tr>
</tbody>
</table>

*costs included in Housing budget

2011 Regional Budget

Employment & Income Support

- Ontario Works:
  - 8,426 cases (Nov.)
  - 10,661 children & dependants
- 9,900 active plans for financial independence
- 6,800 are directly involved in employment related programs
- 4,800 visits to Employment Resource Centre
- 2,300 participants in intensive programming

<table>
<thead>
<tr>
<th>Total Budget</th>
<th>Region Share</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$88.1 million</td>
<td>$23.4 million</td>
<td>$92</td>
</tr>
</tbody>
</table>
### 2011 Regional Budget

**Children’s Services Department**

- Fee Subsidy $14.7 million, 2,700 subsidy eligible children each month
- Home Child Care Program $2.4 million, 1,400 children, 430 caregivers
- Directly Operated Children’s Centres $4.6 million, 220 children
- Special Need Agencies $3.8 million, 7 agencies
- Wage Subsidies $8.7 million, $6,000 salary top up –about 1,400 staff

<table>
<thead>
<tr>
<th>Total Budget</th>
<th>Region Share</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$36.9 million</td>
<td>$8.2 million</td>
<td>$32</td>
</tr>
</tbody>
</table>

### 2011 Regional Budget

**Emergency Medical Services**

- In 2009 –approximately 35,000 patient carrying requests
- 90% of calls (code 4) reached within 11 minutes 45 seconds or less (2009)
- 24 vehicles operated from 9 stations
- Supports 250 Public Access Defibrillators in public facilities

<table>
<thead>
<tr>
<th>Total Budget</th>
<th>Region Share</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$18.3 million</td>
<td>$9.1 million</td>
<td>$36.53</td>
</tr>
</tbody>
</table>

### 2011 Regional Budget

**Public Health Department**

- Major programs include: Chronic Disease, Injury Prevention, Family Health, Infectious Diseases, Environmental Health Programs

**Sample of Activities**

**Health Protection**
- 2,345 routine inspections of food premises
- 2,787 confirmed infectious disease reports
- 2,105 tobacco inspections of vendors, workplaces and public places
- Majority of programs are 75% provincially funded
- Some programs 100% funded

<table>
<thead>
<tr>
<th>Total Budget</th>
<th>Region Share</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$33 million</td>
<td>$6.8 million</td>
<td>$27</td>
</tr>
</tbody>
</table>

**Health Promotion**
- 3,782 calls to Health Children Info Line
- 1,258 attendees at prenatal health fairs
- 18,561 calls to Vaccine Preventable Diseases Info Line

**Prevention**
- 2,902 people reached for cancer screening
- 21,057 children screened for dental care

<table>
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<th>Region Share</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$33 million</td>
<td>$6.8 million</td>
<td>$27</td>
</tr>
</tbody>
</table>
2011 Regional Budget
Provincial Offences

**Administrative side of POA:**
- processing of tickets, scheduling of courts, coordination with police officers, receipt of payment for fines

**Prosecutions:**
- schedule through Legal the prosecutors, hiring and training of prosecutors, and administers the legal aspects of POA charges

### 2010 ticket numbers:

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>WRPS</td>
<td>50,906</td>
</tr>
<tr>
<td>OPP</td>
<td>6,804</td>
</tr>
<tr>
<td>Part III</td>
<td>4,238</td>
</tr>
<tr>
<td>Red Light Camera</td>
<td>7,074</td>
</tr>
<tr>
<td>Other</td>
<td>926</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>69,948</strong></td>
</tr>
</tbody>
</table>

### 2011 Regional Budget
Administration Departments

- Chief Administrator Office (CAO)
- Finance
- Human Resources
- Corporate Resources:
  - Council & Admin. Services
  - Legal
  - Information Technology
  - Facilities

<table>
<thead>
<tr>
<th>Net Budget</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$23 million</td>
<td>$91</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Budget</th>
<th>Avg. Household</th>
</tr>
</thead>
<tbody>
<tr>
<td>$-4.5 million</td>
<td>$-17.53</td>
</tr>
</tbody>
</table>

2011 Base Budget
Region of Waterloo
**Definition:**
The funding required to deliver the Council approved service levels.

### 2011 Regional Budget

**2011 Base Budget**

<table>
<thead>
<tr>
<th>Regional Programs</th>
<th>Tax Rate</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 Regional Base Increase</td>
<td>4.13%</td>
<td></td>
</tr>
<tr>
<td>Assessment Growth</td>
<td>(1.49%)</td>
<td></td>
</tr>
</tbody>
</table>

**Opening Increase Prior to Regional New Issues & Police** 2.64%

### 2011 Regional Budget

**Tax Levy Continuity Schedule ($000)**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Net General Levy</td>
<td>$367,624</td>
</tr>
<tr>
<td>Base Adjustments:</td>
<td></td>
</tr>
<tr>
<td>COLA &amp; Other Compensation</td>
<td>4,319</td>
</tr>
<tr>
<td>Debt Costs</td>
<td>2,843</td>
</tr>
<tr>
<td>Benefits</td>
<td>2,147</td>
</tr>
<tr>
<td>Waste Management</td>
<td>1,573</td>
</tr>
<tr>
<td>LT Funding Strategy -Roads</td>
<td>1,103</td>
</tr>
<tr>
<td>Inflation</td>
<td></td>
</tr>
<tr>
<td>Investment Income decrease</td>
<td>500</td>
</tr>
<tr>
<td>Fuel</td>
<td>427</td>
</tr>
<tr>
<td>Annualization of 2010 Expansion in 2011</td>
<td>378</td>
</tr>
<tr>
<td>Child Care Rate Increase</td>
<td>268</td>
</tr>
<tr>
<td>Assessment Agency (MPAC)</td>
<td>253</td>
</tr>
<tr>
<td>GRT Fuel Volume Adjustment</td>
<td>170</td>
</tr>
<tr>
<td>Transportation</td>
<td>159</td>
</tr>
<tr>
<td>Other Base Adjustments</td>
<td>176</td>
</tr>
<tr>
<td><strong>Subtotal Region</strong></td>
<td><strong>15,166</strong></td>
</tr>
</tbody>
</table>

| Opening Base Budget | 4.13% |
| Less: Assessment Growth | 1.49% |
| Preliminary Base Budget Position | 2.64% |

- Final roll received in December
- Current assessment growth is 2.15%
- Highest level since 2007
- Strong rebound coming out of recession
- Assessment growth is shared between Regional Programs (1.49%) & Police Services (0.66%)
In response to the opening base budget position Corporate Leadership Team (CLT) initiated a base budget review.

Recent reviews yielded permanent savings of $13.8 million since 2005 (excluding 2011).

Significant proportion of fixed expenditures in base budget.

Limited opportunity for further savings.

Focus for this round of budget review on budget to actual history.

All program staff received detailed budget to actual history from 2007.

Special budget meetings were scheduled for all program areas and included CAO, CFO, Commissioners, Finance staff and program staff.

Added a capital base budget review in 2011 which yielded some deferrals & reductions – benefit to operating budget in 2012 & beyond.

$2.4 million (App. B) in sustainable savings

Some of the focus areas of past budgets have been adjusted:

- Housing ($336,000)
- POA revenues increase ($693,000)
- Transit Revenues increase ($400,000)

No impact on service levels.

Additional permanent savings can only be achieved through service reductions.
### 2011 Regional Budget
#### Previous Budget Commitments
- Budget Committee approvals during the previous term of Council
- Impacts phased in over a number of years
- Green Bin's final year of phase-in fall of 2010, annualization of new service results in 0.42% tax rate increase
- History Museum opened in 2010, annualization of operating cost and debt charges results in a 0.45% tax rate increase

#### Other Budget Reductions
- 2 additional base reductions require Budget Committee direction
- Staff are recommending a fare increase for 2011, fares not increased in 2010
- Typically fares approved in budget, report back to Planning and Works with details for implementation on July 1st
- Impact $450,000 for 2011

### 2011 Regional Budget
#### Other Budget Reductions
- OW Upload savings equal $250,000 in 2011 2010 budget adjusted for upload savings
- However, budget far lower than projected actual expenditure. Eventually by 2013 all 100% funded by Province. Shortfall funded by Tax Stabilization Reserve Fund
- If both adjustments approved by Committee then tax rate further reduced by 0.20%

#### Upload Savings
- Total saving for 2011 ODSP equals $10.1 million
- Savings generated primarily for upload of 50% of 2010 Regional cost of ODSP caseload
- Budget savings applied to the 2011 base budget
2011 Regional Budget
Provincial Upload

• Provincial plan to upload 3 programs
• Ontario Disability Support Program (ODSP) 2008 to 2011 ($22.8 million)
• Ontario Works (OW) Caseload 2010 to 2018 ($12.2 million) – back end loaded
• Court Security -2012 to 2018 (3.5 million)
• Only dealing with savings for 2011
• More information on upload in budget package

2011 Regional Budget
Ontario Works (OW) Administration

• In January 2011 the Province announced changes to the cost sharing of OW admin
• The Province will now pay for additional costs of admin
• The initial estimated benefit for the Region is $1.7 million for 2011

2011 Regional Budget
Ontario Works (OW) Administration

• More details to follow from the Province in next few weeks and staff will recalculate this benefit
• Savings have been allocated to the base budget
• Total upload saving and changes to cost of admin. generates a 3.21% tax rate reduction

2011 Regional Budget
Base Budget Position

<table>
<thead>
<tr>
<th>2011 Tax Rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Base Budget Position</td>
</tr>
<tr>
<td>Add: Increased Costs for Approved Commitments</td>
</tr>
<tr>
<td>Green Bin</td>
</tr>
<tr>
<td>History Museum</td>
</tr>
<tr>
<td>Opening Base Budget Position</td>
</tr>
<tr>
<td>Less: Base Budget Adjustments</td>
</tr>
<tr>
<td>Less: Other Base Adjustments</td>
</tr>
<tr>
<td>Less: 2011 Upload Savings</td>
</tr>
<tr>
<td>Potential Base Budget Position - Direct Regional Programs</td>
</tr>
</tbody>
</table>
### 2011 Regional Budget
**Long Term Roads Funding Strategy**

- Long Term Roads Funding policy allocates 0.3% of new funding to the base annually, $1.1 million in 2011
- Funds required to reduce roads infrastructure deficit
- Information paper to be included in next budget package

### 2011 Regional Budget
**Ontario Works (OW)**

- OW Caseload had increased significantly in 2008 & 2009
- OW caseload fairly constant in 2010
- Tax Stabilization Reserve Fund (TSRF) funded over expenditure for 2009 & 2010
- TSRF sufficient to fund OW over expenditures for 2011/2012
- Continue to monitor scenarios for 2011 will be provided for next meeting

### 2011 Regional Budget
**Fuel Inflation**

- Fuel prices very volatile – hard to establish budget
- Budget Committee established fuel price at 84 cents / litre in 2010 Budget
- Region paying 95 cents / litre in January
- Staff have increased the budgeted price for fuel to 88 cents / litre from 84 cents
- Fuel Prices will be monitored and reported to Committee in February & March

### 2011 Regional Budget
**Waste Management**

- In 2010 this program was considered a user rate program
- Always partially funded by user rates (tipping fees and recycling revenues) and property taxes (waste collection)
- For 2011 transferred to the property tax budget
2011 Regional Budget
Waste Management

- No longer a self-sustaining user rate program - more like Transit
- Reason for transfer, combination of more property tax reliance for program expenditures (green bin) and less revenues from recycling and ICI tonnage at the landfill site
- Impact on 2011 budget similar to prior years

2011 Regional Budget
Continued Fine Tuning on 2011 Base Budget

- OW caseload to be monitored throughout budget process
- Fuel prices will be monitored in order to finalize 2011 budget
- Changes to funding for administration of OW caseload to be addressed at future budget Committee Meeting

2011 Regional Budget
New Budget Issues

- Budget Issues are service expansion requests
- Staff have developed a recommended list for new issues totalling 0.54%
- New budget issues required for critical/essential expansions including:
  - Community Sustainability Fund
  - EMS Master Plan - maintain response times
  - Christopher Children’s Centre
  - MobilityPLUS
- All details provided on February 2nd

2011 Regional Budget
Regional Transportation Master Plan

- Waterloo Region one of the fastest growing communities in Ontario
- In response to forecasted growth the Regional Transportation Master Plan (RTMP) was approved in June 2010
- The plan called for an annual contribution of 1.25% (each year) to providing funding for Transit expansion
2011 Regional Budget

Regional Transportation Master Plan

- A Reserve Fund is proposed to facilitate funding this program
- Initially funds will be provided to expand transit services and possibly could be utilized for Rapid Transit (RT)
- A process for RT will be initiated shortly with a decision on RT to be made in June

2011 Regional Budget

2011 Tax Rate Increase

<table>
<thead>
<tr>
<th>Description</th>
<th>2011 Tax Rate Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preliminary Base Budget Position</td>
<td>2.64%</td>
</tr>
<tr>
<td>Add: Increased Costs for approved Commitments</td>
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<tr>
<td>Green Bin</td>
<td>0.42%</td>
</tr>
<tr>
<td>History Museum</td>
<td>0.45%</td>
</tr>
<tr>
<td>Opening Base Budget Position</td>
<td>3.51%</td>
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<tr>
<td>Less: Base Budget Adjustments</td>
<td></td>
</tr>
<tr>
<td>Other Base Adjustments</td>
<td>0.66%</td>
</tr>
<tr>
<td>2011 Upload Savings</td>
<td>0.20%</td>
</tr>
<tr>
<td>Potential Base Budget Position -Direct Regional Programs</td>
<td>-0.56%</td>
</tr>
<tr>
<td>Regional Transportation Master Plan (RTMP)</td>
<td>1.25%</td>
</tr>
<tr>
<td>New Issues -Essential/Critical Service Enhancements</td>
<td>0.54%</td>
</tr>
<tr>
<td>Potential Tax Rate Regional Programs (excl. Police)</td>
<td>1.23%</td>
</tr>
</tbody>
</table>

Water & Wastewater Rates

- Staff are proposing rate increase of 6.9% for Water (W) and 7.9% for Wastewater (WW) for 2011
- Originally planned W 6.9% and WW 9.9% for 2011
- Rate increase for W and WW were 9.9% and 14.9% for the 3 years prior to 2010
- Increase required to fund capital program for WW and for Water –usage declining

Region 1.23%
Police ??
Final Tax Rate ???

2011 Regional Budget

2011 Regional Budget

2011 Regional Budget

2011 Regional Budget

2011 Regional Budget
2011 Regional Budget

Next Steps

• Program budget book to be distributed prior to February 2\textsuperscript{nd}
• Property Tax budget presentations & User Rates planned for February 2\textsuperscript{nd}
• Issue papers will be circulated prior to Budget meeting February 2\textsuperscript{nd}
• Police and GRCA to attend February 23\textsuperscript{rd}

2011 Regional Budget

2011 Regional Budget Schedule

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 19th</td>
<td>Budget Overview Session - 2011 Base Budget Overview</td>
<td>3:00 - 6:00 pm</td>
</tr>
<tr>
<td>February 2nd</td>
<td>Detailed Budget Review - Day One - Review Base Budget</td>
<td>12:00 - 5:00 pm</td>
</tr>
<tr>
<td></td>
<td>Public Input - Budget Delegations</td>
<td>6:00 pm</td>
</tr>
<tr>
<td>February 23rd</td>
<td>Detailed Budget Review - Day Two - Associated Agencies (Police &amp; GRCA)</td>
<td>12:00 - 5:00 pm</td>
</tr>
<tr>
<td></td>
<td>- Develop preliminary final position 2011 - Approval of user rates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public Input - Budget Delegations</td>
<td>6:00 pm</td>
</tr>
<tr>
<td>March 23rd</td>
<td>Final Budget Approval</td>
<td>3:00 - 6:00 pm</td>
</tr>
</tbody>
</table>