Regional Municipality of Waterloo

Budget Committee

Minutes

Wednesday, January 15, 2014
2:40 p.m.
Regional Council Chambers
150 Frederick Street, 2nd Floor, Kitchener

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

Opening Remarks

Chair Tom Galloway provided opening remarks to the Committee with regard to the items of business to be dealt with. He complimented staff on doing an extraordinary job in its base budget review and noted the numerous challenges for this year’s budget. He advised that the Committee Chairs have submitted a proposal for Budget Committee’s consideration under memorandum dated January 10, 2014; a copy is appended to the original minutes.

In response to a Committee member’s inquiry about an additional presentation from the Waterloo Regional Police Service, T. Galloway advised that Police Chief Torigian indicated his satisfaction with the Region’s 2014 allocation and hadn’t planned on making an additional presentation to the Budget Committee.

Mike Murray, Chief Administrative Officer, provided opening remarks to the Committee, thanking staff for their efforts in the budget process. He summarized the various challenges with this budget review. He noted that staff had identified approximately $2.5 million in budget reductions before bringing a draft Budget to the Committee in October 2013. These reductions improve efficiencies and have no impact on service levels. He emphasized the importance of not funding ongoing operating budget items from Regional reserves and recognizing that there are many unmet needs in the community.
M. Murray responded to a Committee question regarding the one-time funding for Discretionary Benefits in 2013.

**Budget Update**

F-14-005 Executive Summary – Budget 2014

Craig Dyer, Chief Financial Officer, provided introductory remarks to the 2014 budget and the review process to date. He gave a presentation to the Committee on the 2014 Budget, including:

- 2013 Average Property Tax Bill
- 2014 Budget Guideline
- Waterloo Regional Police Service Budget
- Regional Library Budget
- 2014-2023 Tax Supported Capital Program
- 2014 Property Tax Budget Base Budget
  - Base Budget Adjustments
  - 2014 Base Budget
- 2014 Property Tax Budget Issues
  - Budget Issues
  - Staff Recommended Budget Issues
  - Budget Position
  - Budget Position Including RTMP and New Issues
- 2014 Property Tax Budget
  - Budget Reduction Options
  - RTMP Funding
- Budget Information
  - Councillor Requests
  - Discretionary Benefits
  - Capital Levy Reserve Fund
  - User Fees and Charges
  - Municipal Budget Regulations
  - Items Referred to Budget Committee

The presentation is appended to the original minutes.

**Budget Resolutions**

**Councillors’ Proposals**

Committee members inquired about the staffing costs associated with the Police Budget. R. Deutschmann stated that he wanted to amend his motion to reflect adjusted percentages and to remove the 5th clause in the motion, “a reduction of policing services to the community”.

A recorded vote was requested.

1549102
Moved by R. Deutschmann
Seconded by J. Brewer

Whereas Regional Council approved a motion asking Police Services Board to not exceed a tax rate budget impact increase of 0.9 percent;

And whereas the Police Services Board budget provides for a decrease in salaries and benefits in the amount of $357,000.00, which will result in the loss of additional staff, as determined by Police Services Board;

And whereas the Police Services Board has previously approved the reduction of the equivalent of 8 officers through attrition and the elimination of 2 senior staff positions;

And whereas an increase in property assessment has resulted in a Police Services Board budget increase of 0.81 percent;

And whereas a 0.05 percent increase in the Police Services Board budget represents approximately $200,000.00;

Therefore be it resolved that Waterloo Regional Council hereby approves a Police Services Board increase of 0.86 percent.

Lost, as amended

Yeas: L. Armstrong, J. Brewer, T. Cowan, D. Craig, R. Deutschmann, C. Millar


**Police Budget Resolutions**

A recorded vote was requested.

Moved by K. Seiling
Seconded by B. Halloran

That the Regional Municipality of Waterloo approve the Waterloo Region Police Services 2014 Property Tax Operating Budget with a net levy of $140,905,327 (0.81%) and the Waterloo Regional Police Services 2014 Property Tax Capital Budget and 2015-2023 Capital Forecast as tabled at the January 8, 2014 Police Services Board Meeting.

Carried


Nays: J. Brewer, D. Craig, C. Millar
Committee members discussed the motion regarding a Master Plan for the Waterloo Regional Police Service, including the support from the Police Services Board, the intent for a multi-year staffing plan and the issue of Regional funding for the development of the plan, only if required.

Moved by R. Deutschmann

Seconded by S. Strickland

Whereas the Police Services Board is responsible for the administration and direction of police services in the Regional Municipality of Waterloo;

And whereas the Regional Municipality of Waterloo is responsible for the funding of police services;

And whereas the Police Services Board has added new officers but at the same time has reduced by attrition the equivalent of 8 officer positions and 2 senior management positions in 2013, with the prospect of further reductions in staffing in 2014, resulting in a reduction in police services;

And whereas it is anticipated that the police services budget for 2015 and 2016 will involve similar funding constraints and difficult decisions regarding police staffing levels;

And whereas the Regional Municipality of Waterloo is one of the lowest funders of police services for communities of similar or equivalent size;

And whereas the Declaration of Principles as outlined under the “Police Services Act” includes the following:

- Police services shall be provided throughout Ontario in accordance with the following principles:
  a) The need to ensure the safety and security of all persons and property in Ontario.

And whereas the population of the Regional Municipality of Waterloo is projected to continue to grow;

And whereas it is in the best interests of the Regional Municipality of Waterloo to ensure that the community is provided with the optimal level of police services that best reflects the needs of the community;

And whereas it is in the best interests of the community that the Police Services Board be provided with a strategic framework to assist the Police Services Board in making decisions regarding the provision of police services based on local needs and circumstances;

Be it resolved that the Regional Municipality of Waterloo request that the Police Services Board undertake and prepare a comprehensive Master Police Services Plan.
and that the cost of such plan be funded by the Regional Municipality of Waterloo if necessary.

Carried

Library Budget Resolutions

Moved by T. Cowan

Seconded by L. Armstrong


Carried

Information Papers

C. Dyer summarized details about the Information Papers. The following items were received for information:

- 2014 Waterloo Regional Police Service Budget
- 2014 Library Budget
- Discretionary Benefits
- Responses to Councillor Requests
- Capital Levy Reserve Fund
- Fees & Charges By-Law
- Municipal Budget Regulations

C. Dyer responded to Committee questions regarding projects included in the Capital Forecast (2014-2018) with Capital Levy Reserve Fund (C.L.R.F.) funding, and the number of Full Time Equivalents (F.T.E.s) reduced overall per Appendix D of report F-14-005.

Declarations of Pecuniary Interest under “The Municipal Conflict of Interest Act”

R. Deutschmann declared a pecuniary interest with respect to any discussion during the meeting related to Light Rail Transit (L.R.T.) due to an indirect pecuniary interest since he and his spouse are shareholders of corporations that have an interest in a property at 10 Duke Street West, Kitchener.

T. Galloway invited D. Craig to bring forth his Notice of Motions. D. Craig stated that he supports R. Deutschmann’s motion on the Regional Transportation Master Plan (R.T.M.P.) and that his other motion regarding the L.R.T. project, as well as his recent motion regarding area rating for the L.R.T. can be dealt with at the end of this meeting.

The staff budget, including staff recommended budget issue papers, was brought forward. J. Wideman made introductory comments related to the various amendments
to the staff budget as offered by the Committee Chairs. The Committee debated various elements of the budget.

The Committee debated the merits of a reduction in the contribution levels to the R.T.M.P. Reserve Fund in 2014.

A recorded vote was requested.

Moved by J. Wideman
Seconded by S. Strickland

That the Regional Municipality of Waterloo approve an adjustment of $916,356 to the 2014 budget to reduce the contribution to the Regional Transportation Master Plan (R.T.M.P.) Reserve Fund by .25 % from 1.50% to 1.25% on the urban levy.

Carried


Nays: L. Armstrong, D. Craig, R. Deutschmann, B. Halloran, R. Kelterborn, C. Millar

Moved by J. Wideman
Seconded by J. Brewer

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to increase the Waste Management tipping fee revenue estimate by $850,000.

Carried

Douglas Bartholomew-Saunders, Commissioner, Social Services, responded to Committee questions regarding the impact of a reduced Regional contribution for child care on future allocations from the Provincial Utilization Grant and the impact on local child care wait lists.

A recorded vote was requested.

Moved by S. Strickland
Seconded by G. Lorentz

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to reduce the property tax levy funding for Children’s Services by $850,000.

Carried


Nays: D. Craig, J. Haalboom, B. Halloran, J. Mitchell

1549102
Moved by S. Strickland
Seconded by J. Mitchell

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to approve an additional $500,000 in base funding for Discretionary Benefits and an additional $500,000 to be funded one-time from the Tax Stabilization Reserve Fund.

A request was made to take the motion separately. The Committee debated the options for financial support of Discretionary Benefits.

Moved by S. Strickland
Seconded by J. Mitchell

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to approve one-time funding of $500,000 for Discretionary Benefits from the Tax Stabilization Reserve Fund.

Carried

Moved by S. Strickland
Seconded by J. Mitchell

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to approve additional permanent base funding of $500,000 for Discretionary Benefits.

Carried

Moved by S. Strickland
Seconded by L. Armstrong

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to provide operating funding for the Rural Emergency Response Unit (R.E.R.U.) in the amount of $190,000, capital funding from reserves in the amount of $137,000 and to add 2.5 F.T.E.s to the Emergency Medical Services staff complement, as set out in Appendix B of report F-14-005.

Carried

The Committee debated the merits of closing Rural Waste Transfer Stations, including the services provided, usage and the costs involved in providing the services.

Moved by J. Wideman
Seconded by T. Cowan

That the Regional Municipality of Waterloo approve the closure of the Rural Waste Transfer Stations, effective April 1, 2014, with the exception of the transfer station in Woolwich, which is to remain open on Thursdays and Saturdays only, and approve a
reduction to the 2014 budget of $125,000 for Rural Waste Transfer Station services as set out in item 16 of Appendix D of report F-14-005.

Carried

Moved by J. Wideman

Seconded by B. Halloran

That the Regional Municipality of Waterloo approve a total reduction of $133,392 to the 2014 budget to defer the $1 increase to Multi-Residential Waste Management Rebates in 2014, discontinue the Drywall Diversion Program, reverse the ban on the landfill of pallets, and discontinue the chipping of pallets as set out in items 17, 18 and 19 of Appendix D of report F-14-005.

Carried

A recorded vote was requested.

Moved by J. Wideman

Seconded by K. Seiling

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to defer the annual .3% of prior year levy increase of $1,254,369 in funding to the Roads Rehabilitation Reserve, as set out in item 14 in Appendix D of report F-14-005.

Carried


Nays: J. Brewer, T. Cowan, D. Craig, B. Halloran, R. Kelterborn, C. Millar, C. Zehr

A recorded vote was requested.

Moved by J. Wideman

Seconded by S. Strickland

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to reduce funding from the Transportation Base Capital Program for the Roads Rehabilitation Reserve by $1.0 million, as set out in item 15 in Appendix D of report F-14-005.

Carried

Yeas: L. Armstrong, T. Galloway, J. Haalboom, R. Kelterborn, G. Lorentz, C. Millar, K. Seiling, S. Strickland, J. Wideman

The Committee debated deferring the implementation of Grand River Transit Service Rationalizations. Rob Horne, Commissioner, Planning, Housing and Community Services, responded to a Committee question regarding the annual review of route usage.

Moved by J. Wideman

Seconded by S. Strickland

That the Regional Municipality of Waterloo approve an adjustment of $860,000 to the 2014 budget to eliminate Go Shuttle service and implement Grand River Transit Service Rationalizations, as set out in items 12 and 13 in Appendix D of report F-14-005.

Carried

Moved by S. Strickland

Seconded by G. Lorentz

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to reduce funding for Cultural Sites and Cultural Heritage by $115,000 and reduce staffing by 1 F.T.E., as set out in item 11 in Appendix D of report F-14-005.

Carried (J. Haalboom opposed)

Moved by S. Strickland

Seconded by G. Lorentz

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to add $50,000 to be funded from the Water Services budget for Residential Energy Efficiency Project (R.E.E.P.).

Carried

Moved by S. Strickland

Seconded by L. Armstrong

That the Regional Municipality of Waterloo approve an adjustment of $175,000 to the 2014 budget to eliminate the reserve provision for Regional Development Charges (R.D.C.) Grants, as set out in item 10 in Appendix D of report F-14-005.

Carried

Moved by S. Strickland

Seconded by L. Armstrong

That the Regional Municipality of Waterloo approve a reduction of $66,396 to the 2014 budget to discontinue the Rapid Risk Factor Surveillance System and to allocate

1549102
staffing costs to Community Homelessness Prevention Initiative (C.H.P.I.) 100% Provincial funding, as set out in items 20 and 23 in Appendix D of report F-14-005.

Carried

Moved by S. Strickland
Seconded by C. Zehr

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to reduce Sunnyside Home grounds maintenance by $10,000 and Food Services part-time wages by $10,000, as set out in items 28 and 29 in Appendix D of report F-14-005.

Carried

Moved by S. Strickland
Seconded by T. Cowan

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to eliminate $204,900 in funding for summer student coverage for Employment and Income Support, as set out in item 30 in Appendix D of report F-14-005.

Carried

Moved by J. Wideman
Seconded by B. Halloran

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to eliminate $25,000 in funding for the seasonal weed inspector position, as set out in item 1 in Appendix D of report F-14-005.

Carried

Moved by S. Strickland
Seconded by T. Cowan

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to eliminate $50,000 for the Community Sustainability Grant and eliminate $100,000 for the Corporate Sustainability Grant, as set out in items 2 and 3 in Appendix D of report F-14-005.

Carried

Moved by J. Wideman
Seconded by B. Halloran

1549102
That the Regional Municipality of Waterloo approve a reduction of $8,500 to the 2014 budget to close the Breslau Park’n’Ride, as set out in item 4 in Appendix D of report F-14-005.

Carried

Moved by J. Wideman

Seconded by L. Armstrong

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to eliminate $16,000 in funding for a Finance co-op student and $106,300 for one staff position, as set out in items 5 and 7 in Appendix D of report F-14-005.

Carried

S. Strickland noted that a report will come back to the next budget review cycle with information about future funding for the Public Art Reserve Fund.

Moved by S. Strickland

Seconded by J. Haalboom

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to eliminate the $65,000 contribution to the Public Art Reserve Fund, as set out in item 31 in Appendix D of report F-14-005.

Carried

Moved by S. Strickland

Seconded by T. Cowan

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to remove the annual per capita increase for the Waterloo Regional Heritage Foundation and the Region of Waterloo Arts Fund for a total reduction of $5,040 and to further reduce the annual allocation to the Waterloo Regional Heritage Foundation and the Region of Waterloo Arts Fund by 5% for an additional $18,370, as set out in items 34 and 35 in Appendix D of report F-14-005.

Carried

Moved by J. Wideman

Seconded by J. Brewer

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to eliminate $50,000 from the Operating Budget contingency, as set out in item 32 in Appendix D of report F-14-005.

Carried

1549102
A recorded vote was requested.

Moved by J. Wideman

Seconded by S. Strickland

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to remove $875,000 from the transfer to the Hospital Capital Reserve Fund and reallocate $450,000 of this amount to the transfer to the Capital Levy Reserve Fund, for a net budget reduction of $425,000, as set out in item 36 in Appendix D of report F-14-005.

Carried


Nays: D. Craig, R. Deutschmann

A recorded vote was requested.

Moved by J. Wideman

Seconded by G. Lorentz

That the Regional Municipality of Waterloo approve an adjustment to the 2014 budget to reduce the Capital Levy Reserve Fund contribution by $250,000.

Lost – Tied Vote


Nays: J. Brewer, T. Cowan, D. Craig, R. Deutschmann, J. Haalboom, R. Kelterborn, C. Millar, C. Zehr

**General Budget Resolutions**

Property Tax Levy

A recorded vote was requested.

Moved by J. Brewer

Seconded by T. Cowan

That the Regional Municipality of Waterloo approve the 2014 Property Tax Operating Budget with a net levy of $292,292,713 (1.05 %), excluding Police Services, and the 2014 Property Tax Capital Budget and 2015-2023 Capital Forecast, excluding Police Services, reflecting budget issues presented to Budget Committee, as amended.

Carried

1549102

Nays: D. Craig

Grand River Transit

Moved by G. Lorentz
Seconded by J. Wideman

That the Regional Municipality of Waterloo approve a Grand River Transit fare increase of 7% effective July 1, 2014 as currently reflected in the 2014 base budget with specific fare increases to individual elements to be brought forward to Council for approval in spring of 2014.

Carried

Fees and Charges By-law

Moved by J. Brewer
Seconded by L. Armstrong

That the Regional Municipality of Waterloo repeal By-law Number 13-001 (as amended), being a By-law to Establish Fees and Charges for the Regional Municipality of Waterloo and that a new Fees and Charges By-law be passed including those fees and charges listed on the January 15, 2014 Budget Committee Agenda.

Carried

Municipal Budget Regulations

Moved by J. Wideman
Seconded by J. Mitchell

That the Regional Municipality of Waterloo receive the Information Paper titled “Municipal Budget Regulations” included in the January 15, 2014 Budget Committee Agenda for information, as required by “Ontario Regulation 284/09”.

Carried

Councillors’ Proposals (Continued)

T. Galloway advised D. Craig that his Notice of Motion matter related to area rating for the L.R.T. would require a motion of re-consideration of the motion passed at the June 15, 2011 Council meeting to allow discussion and he provided the requirements for a motion of re-consideration per the Region’s Procedural By-law. D. Craig challenged the Chair but the ruling remained.
Items Referred to Budget Committee

Hospital Capital Reserve Fund Resolution

Moved by C. Zehr

Seconded by T. Cowan

That the Regional Municipality of Waterloo take the following action with respect to the uncommitted balance in the Hospital Capital Reserve Fund:
   a) Transfer the balance of funds to the Capital Levy Reserve Fund.
      Carried

T. Galloway provided closing remarks.

Adjourn

Moved by J. Mitchell

Seconded by T. Cowan

That the meeting adjourn at 7:06 p.m.
      Carried

Committee Chair, T. Galloway

Committee Clerk, S. Natolochny
2014 Regional Budget

Region of Waterloo

January 15, 2014
Today's Agenda

• 2014 Police Services Budget
• 2014 Library Budget
• 2014 Tax Supported Operating Budget and 2014-2023 Capital Plan
  – Base, budget issues and reduction options
  – Information papers
2013 Average Property Tax Bill*

- Regional Services; $1,740; 51%
- Area Municipal Services; $1,061; 31%
- Education; $596; 18%

*Based on an average residential property having a market value of $281,000 for 2013.
2014 Budget Guideline

• June A&F Committee: Budget Guideline report
  – Establish a 2014 tax rate increase guideline for direct Regional Services in the range of 1.9%
  – Request the PSB to prepare its 2014 Operating Budget based on a tax rate increase guideline in the range of 0.9%
Police Services

- Dec. 2013: 2014 Police Budget presented to the Board (Dec. 4) and Budget Committee (Dec. 11)

- Jan. 8, 2014: PSB approved the 2014 Police Services Budget
  - Tax levy of $140,905,327 and 0.81% tax impact
  - Increase of 4.3% / $5.8 m over 2013 Budget
## 2014 Budget Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2013 Levy</strong></td>
<td><strong>$135,147,530</strong></td>
</tr>
<tr>
<td><strong>Budget as at December 11, 2013</strong></td>
<td><strong>$140,547,397</strong></td>
</tr>
<tr>
<td><strong>PSB Adjustments - January 8, 2014</strong></td>
<td><strong>$357,930</strong></td>
</tr>
<tr>
<td><strong>2014 Property Tax Levy</strong></td>
<td><strong>$140,905,327</strong></td>
</tr>
<tr>
<td><strong>Levy change - $</strong></td>
<td><strong>$5,757,797</strong></td>
</tr>
<tr>
<td><strong>Levy change - %</strong></td>
<td><strong>4.3%</strong></td>
</tr>
<tr>
<td><strong>Resulting tax rate increase</strong></td>
<td><strong>0.81%</strong></td>
</tr>
</tbody>
</table>
Police Services

• Council’s obligation under the *Police Services Act* is to establish an overall budget for the Board

• Council does not have the authority to approve or disapprove specific items

• Information paper on p. 19 of Agenda

• Police budget resolution on p. 63 of Agenda
Dec. 3, 2013: Library Committee approved the 2014 Budget for Waterloo Regional Library Services

Tax levy of $2,385,336 - 2.15% increase over 2013 Budget

Information paper on p. 31

Library budget resolution on p. 64
2014 - 2023
Capital Program

Region of Waterloo
2014-2023 Tax Supported Capital Program

- $2.5b investment over 10 years, approx. 1/3 relates to Transportation infrastructure

- Includes:
  - RTMP implementation
  - Roads and bridges
  - Improvements and upgrades at Waste Management sites and Housing locations
  - Vehicles, equipment and facilities
2014-2023 Tax Supported Capital Program

- Financed through a combination of tax levy, reserves, RDCs and debentures

- Regional Development Charges
  - Capital plan financing based on current RDC By-law
  - new RDC bylaw to be in effect by Aug. 1, 2014
  - Capital plan financing may need to be adjusted based on RDC rates and policies
2014 Property Tax Budget
Base Budget

Region of Waterloo
Base Budget Adjustments

• Current base budget tax impact of 2.50% reflects:
  – Approved library budget
  – MPAC costs: $88,780 less than estimated
  – Employment Services funding (no levy impact, 3.0 FTEs)
2014 Base Budget

Base budget including RTMP represents a 2.50% tax rate increase (down from 3.01% presented on November 20)

<table>
<thead>
<tr>
<th>All $ figures in 000's</th>
<th>Property tax levy</th>
<th>Tax rate impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Budget as of Nov. 20/13</td>
<td>$299,240</td>
<td>3.01%</td>
</tr>
<tr>
<td>IC&amp;I tipping fee revenue</td>
<td>($370)</td>
<td>(0.09%)</td>
</tr>
<tr>
<td>Child care provincial funding</td>
<td>($343)</td>
<td>(0.08%)</td>
</tr>
<tr>
<td>Impact of updated assessment growth</td>
<td>--</td>
<td>(0.32%)</td>
</tr>
<tr>
<td>Library Services</td>
<td>$3</td>
<td>0.00%</td>
</tr>
<tr>
<td>MPAC assessment delivery charges</td>
<td>($89)</td>
<td>(0.02%)</td>
</tr>
<tr>
<td><strong>Revised Base Budget</strong></td>
<td><strong>$298,441</strong></td>
<td><strong>2.50%</strong></td>
</tr>
</tbody>
</table>

Excludes Budget issues and Police Services
2014 Property Tax Budget
Budget Issues

Region of Waterloo
Budget Issue criteria for 2014:

- new or amended legislation and regulations;
- a significant health and safety issue;
- long term financial sustainability;
- increasing demand for service; or
- in-year request from Council on a specific issue.
Budget Issues

- Staff recommended funding: $0.6m or 0.14% tax levy impact
- Some recommended issues have no tax levy impact as they are funded from RTMP Reserve Fund, Provincial Funding, or additional third party fees and charges
<table>
<thead>
<tr>
<th>Item</th>
<th>$ '000s</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation of GRT Mobility Plus Business Plan</td>
<td>38</td>
</tr>
<tr>
<td>Excellence in Patient Care Expectations &amp; Certification Requirements</td>
<td>81</td>
</tr>
<tr>
<td>Sunnyside Home Staffing Levels</td>
<td>182</td>
</tr>
<tr>
<td>Capital Financing</td>
<td>300</td>
</tr>
<tr>
<td>Total Tax Levy Impact</td>
<td>601</td>
</tr>
<tr>
<td>Implementation of RTMP (funded from RTMP reserve)</td>
<td>792</td>
</tr>
<tr>
<td>Home Child Care Service Enhancement</td>
<td>-</td>
</tr>
<tr>
<td>Early Learning Program Administration</td>
<td>-</td>
</tr>
<tr>
<td>Temporary Court Administration Clerk &amp; POA Prosecutions Clerk II</td>
<td>-</td>
</tr>
<tr>
<td>Service First Call Centre</td>
<td>-</td>
</tr>
</tbody>
</table>
## Budget Position

<table>
<thead>
<tr>
<th></th>
<th>Nov. 20</th>
<th>Dec. 11</th>
<th>Jan. 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Budget</td>
<td>3.01%</td>
<td>2.52%</td>
<td>2.50%</td>
</tr>
<tr>
<td>Recommended Budget Issue Papers</td>
<td>0.14%</td>
<td>0.14%</td>
<td>0.14%</td>
</tr>
<tr>
<td><strong>Tax rate impact for direct Regional Programs</strong></td>
<td><strong>3.15%</strong></td>
<td><strong>2.66%</strong></td>
<td><strong>2.64%</strong></td>
</tr>
</tbody>
</table>

Excludes Police Services
Budget Position Including RTMP and New Issues

• The 2.64% budget position does not include Waterloo Regional Police Services Budget impact

• A 2.64% increase adds approx. $16 for every $100,000 of residential property assessment, or approx. $46 for an average residential property assessed at $281,000
2014 Property Tax Budget
Budget Reduction Options
Region of Waterloo
Budget Reduction Options

• Staff commitment to submit a budget to Council that would meet the Council-approved guideline

• Targets established for each department

• Reduction options identified
  - Base budget changes
  - Options with service level impacts
Budget Reduction Options

• General principles:
  - minimize the overall impact of the budget and service reductions on the community, and
  - on the capacity of the organization to continue to provide our programs and services.

• Finding a balance between these often competing objectives is a challenge
Budget Reduction Options

• 2014 base budget already incorporates:
  • $2.5 million in 2014 administrative reductions
  • $21 million of cumulative base budget reductions between 2005 and 2013
  • The cumulative impact of efficiency measures implemented through 13 Program Reviews undertaken since 2007
# Budget Reductions

<table>
<thead>
<tr>
<th>Department</th>
<th>Departmental Base Budget Adjustments</th>
<th>Potential Service-level Adjustments</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEMBERS OF COUNCIL &amp; OFFICE OF THE CHAIR</td>
<td>49,977</td>
<td>-</td>
</tr>
<tr>
<td>CAO</td>
<td>38,357</td>
<td>-</td>
</tr>
<tr>
<td>CORPORATE RESOURCES</td>
<td>430,578</td>
<td>183,500</td>
</tr>
<tr>
<td>FINANCE</td>
<td>44,628</td>
<td>137,700</td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>58,326</td>
<td>37,700</td>
</tr>
<tr>
<td>PLANNING &amp; COMMUNITY SERVICES (incl. Library)</td>
<td>402,241</td>
<td>290,000</td>
</tr>
<tr>
<td>GRAND RIVER TRANSIT</td>
<td>211,000</td>
<td>860,000</td>
</tr>
<tr>
<td>TRANSPORTATION</td>
<td>-</td>
<td>2,254,369</td>
</tr>
<tr>
<td>AIRPORT</td>
<td>74,566</td>
<td>-</td>
</tr>
<tr>
<td>WASTE MANAGEMENT</td>
<td>274,507</td>
<td>441,642</td>
</tr>
<tr>
<td>PUBLIC HEALTH</td>
<td>181,990</td>
<td>111,810</td>
</tr>
<tr>
<td>CRIME PREVENTION COUNCIL</td>
<td>12,689</td>
<td>8,729</td>
</tr>
<tr>
<td>SOCIAL SERVICES</td>
<td>198,454</td>
<td>276,296</td>
</tr>
<tr>
<td>CORPORATE FINANCIAL</td>
<td>480,000</td>
<td>624,645</td>
</tr>
<tr>
<td>NET LEVY IMPACT</td>
<td>2,457,313</td>
<td>5,226,391</td>
</tr>
</tbody>
</table>
RTMP Funding

• Approved strategy: 1.5% increase to the urban tax rate each year for 7 years - two years have been approved (2012 and 2013)

• Alternate 2014 funding options for RTMP were presented in December

• A reduced 2014 RTMP reserve contribution will result in additional increases in the 2018-2020 timeframe
Budget Reduction Options

- Require $3.1m to achieve the budget guideline, taking into account revised base budget, recommended budget issues and updated assessment growth.

<table>
<thead>
<tr>
<th></th>
<th>Nov. 20</th>
<th>Dec. 11</th>
<th>Jan. 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total budget reduction options</td>
<td>$5.5 m</td>
<td>$5.2 m</td>
<td>$5.2 m</td>
</tr>
<tr>
<td>Reductions required to achieve 1.9% guideline</td>
<td>$5.3 m</td>
<td>$3.2 m</td>
<td>$3.1 m</td>
</tr>
<tr>
<td>Amount of options in excess of requirements</td>
<td>$0.2 m</td>
<td>$2.0 m</td>
<td>$2.1 m</td>
</tr>
</tbody>
</table>
Budget Information
Councillor Requests

- Rural transfer stations
- Assessment growth breakdown
- Fee revenue
- Planning fees
- EMS cost recovery fee
- Subsidized transit passes/fares
## Budget Information
### Discretionary Benefits

<table>
<thead>
<tr>
<th></th>
<th>2012 Budget</th>
<th>2013 Budget</th>
<th>2014 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>$5,923,339</td>
<td>$4,467,200</td>
<td>$3,467,200</td>
</tr>
<tr>
<td>Less: provincial grants</td>
<td>$4,904,525</td>
<td>$2,116,858</td>
<td>$2,185,939</td>
</tr>
<tr>
<td>Regional funding</td>
<td>$1,018,814</td>
<td>$2,350,342</td>
<td>$1,281,261</td>
</tr>
<tr>
<td>-Tax levy</td>
<td>$689,210</td>
<td>$1,240,542</td>
<td>$1,189,724</td>
</tr>
<tr>
<td>-TSRF*</td>
<td>$329,604</td>
<td>$734,800</td>
<td>$91,537</td>
</tr>
<tr>
<td>-CLRF</td>
<td>$375,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*includes both specific approval in 2013 and provincial uploading strategy appropriations
• 2013 expenditures
  – 2013 Budget $4.5 m
  – Approx. $0.4 m in expenditures relating to Energy Assistance and Last Month’s Rent funded by CHPI
  – Allowed for the use of 100% Provincial funds rather than 100% Regional funding
• 2013 expenditures
  – Balance of expenditures was $171,000 underspent
  – Under spending results in reduced transfers from the CLRF and TSRF
• Current balance of CLRF is fully committed
• 2014 budget provision = $890k
• $11 m in surplus diverted to TSRF from 2010 to 2012
• $0 surplus transferred to CLRF in 2012, and $0 expected in 2013
• In many cases the CLRF is a preferable source of financing:
  – avoids long term borrowing costs
  – some capital projects can not be debt financed or are not well suited for debt financing

• Currently the CLRF finances only a small fraction of the capital plan
Budget Information
Capital Levy Reserve Fund

2013-2022 Tax Supported Capital Plan
Relative Sources of Funding
Upper Tier Comparative*

*Source: respective 2013-2022 budget documents

Note: debenture proceeds financed through development charges have been added to the development charges category
Budget Information
Capital Levy Reserve Fund

Tax Discretionary Reserves as a % of Taxation
Five Year Trend
Upper Tier Comparative*

*Source: BMA Municipal Study - 2013
Staff recommendations:

– Increase the current transfer by an additional $300k (budget issue paper)

– Reallocate $450k from the budgeted transfer to the Hospital Capital Reserve to the CLRF

– Transfer the uncommitted balance of the Hospital Capital Reserve Fund ($1.18m)

Additional tax levy funding of the capital program required in future years
## Capital Levy Reserve Fund Budget Requests

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Proposed Increase</th>
<th>Council Approval</th>
<th>Total Contribution from Operating Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>$1,000,000</td>
<td>$250,000</td>
<td>$250,000</td>
</tr>
<tr>
<td>2008</td>
<td>$750,000</td>
<td>$0</td>
<td>$250,000</td>
</tr>
<tr>
<td>2009</td>
<td>$750,000</td>
<td>$0</td>
<td>$250,000</td>
</tr>
<tr>
<td>2010</td>
<td>$750,000</td>
<td>$190,000</td>
<td>$440,000</td>
</tr>
<tr>
<td>2011</td>
<td>$390,000</td>
<td>$100,000</td>
<td>$540,000</td>
</tr>
<tr>
<td>2012</td>
<td>$365,000</td>
<td>$100,000</td>
<td>$640,000</td>
</tr>
<tr>
<td>2013</td>
<td>$380,000</td>
<td>$250,000</td>
<td>$890,000</td>
</tr>
<tr>
<td>2014</td>
<td>$750,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Proposed changes to the Fees & Charges by-law include:

– Jan. 15, 2014: new planning fees, increases in fees charged for facility use at Sunnyside Home and adjustments to Waterloo Region International Airport fees
– Feb. 1, 2014: Increases in child care daily rates
– Apr. 1, 2014: EMS event coverage fee increase
– Jul. 1, 2014: GRT fare increases
• Regulation 284/09 under the *Municipal Act* allows municipalities to exclude certain items from the budget, and requires a report to be submitted prior to budget adoption.

• Resolution to receive this report is included in the General Budget resolutions included in this Agenda (page 60).
## Items referred to Budget Committee

<table>
<thead>
<tr>
<th>Description</th>
<th>Staff Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CSC:</strong> Consultant's recommendations regarding EMS service review ($81,000)</td>
<td>Recommended Budget Issue Paper</td>
</tr>
<tr>
<td><strong>A&amp;F:</strong> 2014 operating budget provision for Hospital capital projects ($875,000)</td>
<td>Reallocate $450,000 to CLRF transfer and $425,000 to Levy</td>
</tr>
<tr>
<td><strong>Council:</strong> Hospital capital reserve balance ($1,180,000)</td>
<td>Transfer balance to CLRF – see. p. 66</td>
</tr>
<tr>
<td><strong>CSC:</strong> Allocation of Child Care Provincial subsidy ($2,630,609)</td>
<td>Allocate $2,286,887 to Service; $344,722* to Levy</td>
</tr>
<tr>
<td><strong>Public Input:</strong> Fusion Centre request for funding ($73,250 for six months of 2014)</td>
<td>No recommendation</td>
</tr>
</tbody>
</table>

*approved in principle by CSC and included in base budget
2014 Budget
Property Tax Summary

Region of Waterloo
2014 Budget status

• Tax impact of direct Regional Services
  – Base Budget plus recommended budget issue papers: 2.64%

• Other Budget issue papers in Appendix B

• Budget reduction options in Appendix D
2004 - 2013 Region and Police Budget Increases

Historical Levy Increases

<table>
<thead>
<tr>
<th>Year</th>
<th>WRPS</th>
<th>Region</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>10.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>2005</td>
<td>10.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>2006</td>
<td>10.00%</td>
<td>6.00%</td>
</tr>
<tr>
<td>2007</td>
<td>6.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>2008</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>2009</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>2010</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>2011</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>2012</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
<tr>
<td>2013</td>
<td>4.00%</td>
<td>4.00%</td>
</tr>
</tbody>
</table>
2014 Tax Impacts

• Tax impact differs across municipalities within the Region

• Area-rated services:
  – Conventional GRT service
  – Mobility Plus service
  – RTMP
  – Regional Library
## 2014 Tax Impacts

<table>
<thead>
<tr>
<th>Service</th>
<th>Cambridge</th>
<th>Kitchener</th>
<th>Waterloo</th>
<th>N. Dumfries</th>
<th>Wellesley</th>
<th>Wilmot</th>
<th>Woolwich</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional GRT route to Elmira</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Conventional GRT service</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban GRT Mobility service</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rapid Transit</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural GRT Mobility service</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Library Services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>All other Regional Services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Police Services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
## 2014 Tax Impacts

<table>
<thead>
<tr>
<th>Service</th>
<th>Cambridge</th>
<th>Kitchener</th>
<th>Waterloo</th>
<th>N. Dumfries</th>
<th>Wellesley</th>
<th>Wilmot</th>
<th>Woolwich</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional GRT route to Elmira</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td>✓</td>
</tr>
<tr>
<td>Conventional GRT service</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban GRT Mobility service</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rapid Transit</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural GRT Mobility service</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Library Services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All other Regional Services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Police Services</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Tax impact is uniform across the three Cities
- Tax impact is uniform across these three Townships

<table>
<thead>
<tr>
<th>Current 2014 Tax Impact</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3.55%</td>
<td>2.12%</td>
<td>2.02%</td>
</tr>
</tbody>
</table>
2014 Budget Resolutions

• Fees and Charges (page 65)
• General Budget (page 65)
• Items referred to Budget Committee (page 66)
MEMORANDUM

To: Regional Budget Committee
From: Standing Committee Chairs
Subject: 2014 Budget Scenario
Date: January 10, 2014

As previously indicated the Chairs of the Standing Committees and the Regional Chair have met to put together a possible 2014 Budget Scenario for your consideration in order to facilitate discussion at our final Budget meeting. Various items no doubt will be debated and other ideas presented. This is most welcome.

Proposed Scenario

Staff Budget (January 15, 2014) 2.64%

Proposed Scenario reductions
Reduce RTMP contribution by .25% .22%
Increase waste management estimate 850,000 .20
Reduce 100% Children’s Services contribution 850,000 .20 (from new Children’s Services money)
Reduce new CRF contribution 250,000 .06 **Committee Chairs not unanimous

Appendix E reductions
<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Seasonal weed Inspector</td>
<td>25,000</td>
</tr>
<tr>
<td>2</td>
<td>Community Sustainability Grant</td>
<td>50,000</td>
</tr>
<tr>
<td>3</td>
<td>Corporate Sustainability Grant</td>
<td>100,000</td>
</tr>
<tr>
<td>4</td>
<td>Ride’n’Park</td>
<td>8,500</td>
</tr>
<tr>
<td>5</td>
<td>Finance Co-op student</td>
<td>16,000</td>
</tr>
<tr>
<td>7</td>
<td>Finance position</td>
<td>106,300</td>
</tr>
<tr>
<td>10</td>
<td>RDC Grants</td>
<td>175,000</td>
</tr>
<tr>
<td>11</td>
<td>Cultural sites staffing</td>
<td>115,000</td>
</tr>
<tr>
<td>12</td>
<td>GO Shuttle</td>
<td>29,000</td>
</tr>
<tr>
<td>13</td>
<td>GRT Service Rationalizations</td>
<td>831,000</td>
</tr>
<tr>
<td>14</td>
<td>Roads Rehab Reserve</td>
<td>1,254,369</td>
</tr>
<tr>
<td>15</td>
<td>Reduce Roads Rehab Reserve</td>
<td>1,000,000</td>
</tr>
</tbody>
</table>
16 Close Rural Transfer Stations 308,250
17 Multi residential rebate 46,592
18 Drywall Diversion 67,500
19 Ban on Pallets 19,300
20 RRFSS 45,000
23 CHPI staffing costs 21,396
28 Grounds Maintenance 10,000
29 Food Services wages 10,000
30 Student coverage 204,900
31 Public Art Reserve Fund 65,000
32 Operating Contingency 50,000
34 Per capita grant 5,040
35 5% reduction WRHF, WRAF 18,370
36 Hospital Reserve Fund 425,000

Total Appendix E 5,006,517 1.18%

Total Scenario reductions (1.86%)

Proposed Scenario Add Ins
RERU 190,000 .05%
Waste Transfer (Woolwich) Saturday .03
Discretionary Benefits 500,000 .12 (400,000 Food Security, 100,000 Other)
REEP 50,000 .00 (from Water Utility)

Total Scenario Add Ins .20%

Police (WRPSB January 8, 2014) .81%

TAX RATE 1.79%

Appendix E items not being recommended for reduction
Item 6 summer students 15,400
8 Corporate Recognition 20,000
9 Employee Training 17,700
21 Public Health dental hours 66,810
22 WRCPC staffing 8,729
24 Grants for Social Development Research 30,000
25, 26, 27 Children’s Services 243,000 (new funding as per Dec.11)
33 Arts and Culture Organization grants 61,235

cc/ Mike Murray, CAO
Craig Dyer, CFO
Council Services