



Regional Municipality of Waterloo

Budget Committee

Minutes

Wednesday, March 4, 2015

3:02 p.m.

Regional Council Chambers

150 Frederick Street, 2nd Floor, Kitchener

Present were: Chair S. Strickland, L. Armstrong, D. Craig, S. Foxton, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, K. Redman, J. Mitchell, J. Nowak, K. Seiling, S. Shantz*, B. Vrbanovic and W. Wettlaufer

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

None declared.

Opening Remarks

Chair Sean Strickland provided an overview of the consolidated agenda and the purpose for the meeting. He thanked staff for their efforts during the 2015 Budget Review process.

Budget Update

Craig Dyer, Chief Financial Officer, provided a presentation to the Committee; a copy is appended to the original minutes.

* S. Shantz joined the meeting at 3:06 p.m.

C. Dyer gave a summary of the base budget position as of February 11, 2015. He provided an overview of the items referred to Budget Committee, including the Children’s Services Provincial Subsidy, the Community Homelessness Prevention Initiative (CHPI), and the Rural Emergency Response Unit (RERU)/Ambulance. He also

noted the additional funding requests from Innisfree House, Haven House, the Fashion History Museum and the Sexual Assault Support Centre.

He highlighted the Budget Issue Papers and the related budget impact of \$1.577M (0.36% tax rate impact); he noted the Budget Issue Papers with no incremental levy impact. He gave an overview of the Budget Issue Papers with a levy impact, including the Waterloo Region Economic Development Corporation; the implementation of the Mobility Plus Business Plan; Paramedic Services upgrade of a RERU; Sunnyside Home Resident Care; Corporate IT Solutions Administration and Support and Capital Financing. He also gave an overview of updates to the User Fees and Charges; By-law Municipal Budget Regulations; general Budget Resolutions; and the Police Services and Library Services motions. He summarized the Budget Position as of March 4, 2015 and the 2015 tax impacts specific to area rating.

- a) COR-FSD-15-05, 2015 Budget Update was received for information.
- b) COR-TRY-15-17, 2015 Budget - Requests For Funding was received for information.
- c) PHE-IDS-15-04, Sexual Health Youth Strategy Funding was received for information.

Information Papers

- a) 2015 Region of Waterloo Library Budget was received for information.
- b) Fees and Charges By-law was received for information.
- c) Municipal Budget Regulations was received for information.
- d) Background Information Re: Fuel Price Strategy was received for information.
- e) Background Information Re: Cost of Waste Pick-Up was received for information.

Introduction of the Main Budget Motion

Moved by T. Galloway

Seconded by S. Foxton

That the Regional Municipality of Waterloo approve the 2015 Tax Supported Operating Budget with a property tax levy of \$303,251,994 (2.03%), excluding Police and Library Services and inclusive of the staff recommended Budget Issue Papers;

And That the Regional Municipality of Waterloo approve the 2015 Tax Supported Capital Budget and 2016-2024 Tax Supported Capital Forecast, excluding Police and Library Services.

Budget Amendments/Resolutions

Items Referred from the Community Services Committee

CSD-CHS-15-05, 2015 Provincial Funding for Children's Services

Moved by G. Lorentz

Seconded by K. Kiefer

That the Regional Municipality of Waterloo increase the 2015 Children's Services Operating Budget by \$313,040 in 100% Provincial funding, \$100,000 net regional tax levy reduction.

Carried, as amended

b) CSD-HOU-15-04, Community Homelessness Prevention Initiative Update

Moved by G. Lorentz

Seconded by K. Redman

That the Regional Municipality of Waterloo increase the 2015 Operating Budget for Housing Services by \$82,500 gross and \$0 net regional levy and increase 1.0 temporary full time equivalent for Housing Services as of April 1, 2015 to March 31, 2016 to support the final CHPI transition year, and refer this matter to Budget Committee for consideration as outlined in report CSD-HOU-15-04, dated February 24, 2015.

Carried

c) PHE-PSV-15-01, Backgrounder on Paramedic Services Budget Issue Paper

J. Nowak introduced the motion and provided comments.

Moved by J. Nowak

Seconded by S. Shantz

That the Regional Municipality of Waterloo take the following action with respect to the 2015 Budget for Paramedic Services:

1. Amend the twelve-hour ambulance Budget Issue Paper to approve the addition to the 2015 Operating Budget of one twelve hour ambulance and maintain the RERU as of July 1, 2015 resulting in a 2015 tax levy increase of \$427,000 and the addition of 6.0 full-time equivalents of staff resources; and
2. Approve the addition to the 2015 Capital Budget of one ambulance and necessary equipment at a cost of \$225,000, to be funded from the Capital Levy Reserve Fund.

Carried, unanimously

Councillors' Proposals

Waste Management

S. Shantz introduced the motion and provided comments.

Committee members discussed the proposed motion and expressed their concern for keeping the rural waste transfer stations open beyond March 31, 2015. The members stated that they would support an amended motion for one-time funding from the Waste Management Reserve Fund. A friendly amendment was offered to address the concerns.

Moved by S. Shantz

Seconded by S. Foxton

That the Regional Municipality of Waterloo take the following action with respect to the 2015 Operating Budget for Waste Management:

1. Approve the continued operation of the four (4) rural waste transfer stations at the existing every other Saturday operating schedule to the end of 2015 resulting in a 2015 tax levy increase of \$131,656 and the addition of 1.5 temporary full-time equivalents of staff resources with one-time funding from the Waste Management Reserve Fund; and
2. Amend the Fees and Charges by-law for the four (4) rural waste transfer stations to increase the minimum fee from \$2 to \$5 per visit (up to three bags/items), to delete the existing \$10 half-load fee and to maintain the \$15 vehicle flat rate fee for anything more than 3 bags/items and up to 200 kg/vehicle, effective July 1, 2015; and
3. Direct staff to continue to monitor site usage, cost/revenue implications, alternative operating scenarios (including private sector ownership and operations) and report back to Council in August 2015 to allow any action that Regional Council takes to be reflected in the 2016 budget process.

Carried, as amended

Grant Request – Haven House

D. Craig introduced the motion and offered an amendment to the amount and the funding source. He read a letter provided to him from Kim Decker, Cambridge YWCA, in support of Haven House.

The Super Bowl 2015: Domestic Violence Public Service Announcement video was shown, as requested by Councillor D. Craig in support of Women's Shelters.

Moved by D. Craig

Seconded by K. Redman

That Haven House be granted \$50,000 in one-time capital funding to be funded from the Capital Levy Reserve Fund.

Carried, unanimously, as amended

Grant Request – Fashion History Museum

D. Craig introduced the motion with an amendment regarding the funding source and that the funding be one-time only. The Committee discussed the current policy in place for funding arts and culture organizations. There were suggestions about the need to review the policy on grants for arts and culture and other organizations. The Committee agreed to support the request only as a one-time economic development measure.

Moved by D. Craig

Seconded by L. Armstrong

Whereas the Fashion History Museum has garnered an international reputation;

And whereas the establishment of cultural nodes have demonstrated economic benefits to surrounding communities;

And whereas, the Fashion History Museum is committed to be part of the expanding community dialogue in the historic part of Hespeler Cambridge,

Therefore be it resolved that the Region of Waterloo support the Fashion History Museum's request for \$45,000 one-time funding from the Capital Levy Reserve Fund to help support its first year start-up.

Carried, as amended

As a result of a suggestion made by H. Jowett, Cultural Planning staff were directed to investigate the opportunities for the Region to lease items from the Fashion Museum's inventory for public art use, for example in the aBRT transit stations in Cambridge, in the most cost-effective way. The Committee also agreed to the need for a review of a policy regarding funding of non-profit organizations in the Region.

Other Councillor Resolutions

Committee Chairs' Budget Scenario

Sexual Health Youth Strategy Funding

G. Lorentz introduced the motion and T. Galloway provided an overview of the intended use for the increased funding in the Public Health program. Dr. Liana Nolan, Commissioner/Medical Officer of Health advised that the increased funding will be used for a purchase-of-service agreement with the Sexual Assault Support Centre and that future provincial cost-sharing opportunities will be investigated.

Moved by G. Lorentz

Seconded by T. Galloway

That the Regional Municipality of Waterloo approve an increase of \$50,000 in funding for Public Health's Sexual Health Youth Strategy, to support the funding request made by the Sexual Assault Support Centre, for counselling and public education programs.

Carried

Moved by T. Galloway

Seconded by D. Craig

That the Regional Municipality of Waterloo approve a capital grant request from Innisfree House of \$200,000, to be paid over the next two years, and funded from the Capital Levy Reserve Fund.

Carried

Moved by T. Galloway

Seconded by D. Jaworsky

That the Regional Municipality of Waterloo adjust the Fuel Budget Strategy from 25% levy reduction/75% capital financing to 45% levy reduction/55% capital financing for an additional net Operating Budget reduction of \$225,000.

Carried

Mike Murray, Chief Administrative Officer, provided comments about the current and forecasted balance of the Capital Levy Reserve Fund.

Moved by T. Galloway

Seconded by G. Lorentz

That the Regional Municipality of Waterloo approve a reduction in the proposed transfer from the Operating Budget to the Capital Levy Reserve Fund of \$100,000.

Carried

Other Proposals

D. Craig noted his concerns about ambulance response times, especially in the City of Cambridge and reiterated his request to have a staff report prepared in the future to address this matter.

W. Wettlaufer introduced a motion to reduce the proposed 2015 tax rate increase; he summarized his proposal for budget reductions.

Moved by W. Wettlaufer

That the Regional Municipality of Waterloo approve the 2015 Regional budget with a tax rate increase no greater than 2%.

The motion failed due to lack of a seconder.

S. Strickland summarized the approved budget amendments including those brought forward from Committee meetings, motions regarding funding to organizations, and other approved proposals by the Committee Chairs and other Councillors. He noted the impact on the proposed figures in the original main motion on the 2015 Tax Supported Operating Budget, excluding Police Services and Library Services.

A recorded vote was requested.

Moved by T. Galloway

Seconded by S. Foxton

That the Regional Municipality of Waterloo approve the 2015 Tax Supported Operating Budget with a property tax levy of \$303,094,994 (1.98%), excluding Police and Library Services and inclusive of the staff recommended Budget Issue Papers;

And That the Regional Municipality of Waterloo approve the 2015 Tax Supported Capital Budget and 2016-2024 Tax Supported Capital Forecast, excluding Police and Library Services.

Carried, as amended

Yeas: L. Armstrong, D. Craig, S. Foxton, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, K. Redman, J. Mitchell, J. Nowak, K. Seiling, S. Shantz, S. Strickland and B. Vrbanovic

Nays: W. Wettlaufer

Final 2015 Tax Supported Budget Resolutions

Regional Services Excluding Police and Library Services

Moved by L. Armstrong

Seconded by K. Kiefer

That the Regional Municipality of Waterloo repeal By-law Number 14-001 (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 the new and adjusted fees and charges listed on the March 4, 2015 Budget Committee Agenda, as amended.

Carried

Moved by S. Shantz

Seconded by J. Mitchell

That the Regional Municipality of Waterloo receive the Information Paper titled "Municipal Budget Regulations" included in the March 4, 2015 Budget Committee Agenda for information, as required by "Ontario Regulation 284/09".

Carried

Police Services Resolutions

Moved by G. Lorentz

Seconded by D. Jaworsky

That the Regional Municipality of Waterloo approve the Waterloo Region Police Services 2015 Tax Supported Operating Budget with a property tax levy of \$145,609,556 (0.58%) as recommended by the Police Services Board on March 4, 2015.

Moved by G. Lorentz

Seconded by S. Foxton

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That the Regional Municipality of Waterloo approve the Waterloo Regional Police Services 2015 Tax Supported Capital Budget and 2016-2024 Tax Supported Capital Forecast as recommended by the Police Services Board on March 4, 2015.

Moved by W. Wettlaufer

That the Regional Municipality of Waterloo reduce the Waterloo Region Police Services 2015 Tax Supported Operating Budget by \$455,000.

The motion failed due to lack of a seconder.

A recorded vote was requested on the original Police Services motions.

Yeas: L. Armstrong, D. Craig, S. Foxton, T. Galloway, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, K. Redman, J. Mitchell, J. Nowak, K. Seiling, S. Shantz, S. Strickland and B. Vrbanovic

Nays: W. Wettlaufer

The original motions were carried.

Library Resolutions

Moved by L. Armstrong

Seconded by S. Shantz

That the Regional Municipality of Waterloo approve the following with regard to the Region of Waterloo Library Budget, as described in Report P-LIB-15-03, dated February 3, 2015:

- a. the 2015 Library Operating Budget with a net levy of \$2,493,121 (0.02%); including \$76,000 for initiatives to be fully funded through contributions to operating from the Taylor Bequest (\$60,000) and the Ontario Library Capacity Fund (\$16,000);
- b. the 2015 Library Capital Budget; and
- c. the 2016 - 2024 Library Capital Forecast.

Carried

Moved by K. Redman

Seconded by S. Shantz

That the meeting adjourn at 5:02 p.m.

Carried

Committee Chair, S. Strickland

Committee Clerk, S. Natolochny

2015 Budget Update



Region of Waterloo

**Presentation to Budget Committee
March 4, 2015**



Budget Review Process

Jan. 21

Detailed budget review

Public input

Feb. 11

Detailed budget review, approve user rate budgets

GRCA, WRPS, Public input

Mar. 4

Final budget review and approve tax supported budget

Approve user fees and charges

Today's Agenda

- Budget Update presentation
- Budget deliberations
- Final 2015 Tax Supported Budget Resolutions for Approval
 - 2015 Regional Services Excluding Police and Library Services
 - 2015 Police Services Budget
 - 2015 Library Budget



Base Position as of February 11

Status of Preliminary Tax Supported Operating Position (excluding Police, Library & Budget Issues)	2015 Property Tax Levy (\$millions)	2015 Tax Rate % Impact	2015 FTE Impact
Regional Programs, January 21	\$302.177	1.77 %	
Waste Management revenues	(0.051)	(0.01)%	-
Planning revenues	(0.120)	(0.03)%	-
Fuel Budget Price Strategy	(0.261)	(0.06)%	-
CSD reports:			
Community Alzheimer's Program (funded by LHIN)	-	-	5.3 Perm
Invest in Affordable Housing (provincial funding)	-	-	1.0 Temp
Children's Services Provincial Wage Enhancement (provincial funding)	-	-	2.0 Temp
Base Position excluding Police, Library & Budget Issues, February 11	\$301.675	1.67 %	5.3 Perm 3.0 Temp

Items Referred to Budget Committee

Children's Services Provincial Subsidy

- CSD-CHS-15-05 (p. 47)
- Received \$413,040 in additional provincial subsidy
- CSC Recommendation:
 - increase operating budget by \$413,040 to reflect additional subsidy
 - No tax levy impact

Items Referred to Budget Committee

Children's Services Provincial Subsidy

- 2015 provincial approval = \$32.9 m
- 2015 regional funding = \$7.975 m (unchanged from the 2014 budget)
- a reduction in the regional contribution in 2015 would most likely lead to further utilization grant reductions in the future

Items Referred to Budget Committee

Community Homelessness Prevention Initiative

- CSD-HOU-15-04 (p. 52)
- Additional CHPI funding \$1.5m; significant system redesign efforts required.
- CSC Recommendation:
 - Addition of 1.0 temp FTE Apr. 1/15 to Mar. 31/16
 - No tax levy impact

Items Referred to Budget Committee

Rural Emergency Response Unit/Ambulance

- Budget issue paper proposal: upgrade RERU to 12 hour ambulance per Master Plan
- PHE-PSV-15-01 (p. 65)
 - Background information and alternate service options
 - Received for information



Funding Requests

Description	Ongoing/ Operating	One time/ Capital
COR-TRY-15-17 (p. 13):		
Innisfree House		\$250,000
Haven House		\$50,000 \$329,000 (RDC)
Fashion History Museum	\$45,000	
PHE-IDS-15-04 (p. 22):		
Sexual Assault Support Centre	\$50,000	

Budget Issue Papers

- Section 4 of Budget binder
- Service expansion/enhancement requests
- Budget Issue Papers provide details of the request, including costs/revenues, staffing requirements and implications of not approving

Budget Issue Papers

- Budget impact: \$1.577 m or 0.36% tax rate impact
- Some recommended issues have no tax levy impact as they are funded from reserves, capital projects, offsetting expenditure reductions, or offsetting revenue increases



Budget Issue Papers with No Incremental Levy Impact

Description	Page #	Funding source
Facilities Project Management positions	5	Capital projects
Implementation of Regional Transportation Master Plan (RTMP) – Grand River Transit (GRT) service expansion	9	RTMP reserve fund, funded through 1.5% urban levy increase
Paramedic Services Master Plan Review – one time funding for consultant	19	CLRF
Homemakers and Nurses Services Coordinator	26	Subsidy and offsetting expenditures
Mobile Solutions Support	33	IT reserve
Graphic Designer position	40	Internal recoveries
Provincial Offences Court (POC) position	44	POA revenues



Recommended Budget Issue Papers – Levy Impact

	<u>\$ '000s</u>
Start-up and Transition Funding for Waterloo Region Economic Development Corporation (WREDC)	216
Implementation of Mobility Plus Business Plan	90
Paramedic Services Upgrade a RERU to an Ambulance and Crew	265
Sunnyside Home Resident Care	187
Corporate IT Solutions Administration and Support	69
Capital Financing	<u>750</u>
Total Tax Levy Impact	1,577



Budget Issue Papers

Waterloo Region Economic Development Corporation (p. 1)

- 2015 property tax levy impact = \$216k; 2016 annualization = \$216k; 2015 FTE impact = 0
- Coordinated approach to economic development in Region; contribution from seven area municipalities
- WREDC will replace CCT to provide a broader range of business support
- Approved by Economic Development Committee and Council subject to budget approval



Budget Issue Papers

Implementation of Mobility Plus Business Plan (p. 15)

- 2015 property tax levy impact = \$90k; 2016 annualization = \$176k; 2015 FTE impact = 2.3 Perm
- Unfulfilled requests for specialized transit service increasing
- No action taken on BIPs proposed in 2013; additional funding approved in 2014 for TaxiSCRIP program to mitigate service level impacts



Budget Issue Papers

Paramedic Services Upgrade a RERU to a 12 hour Ambulance and Crew (p. 22)

- 2015 property tax levy impact = \$265k; 2016 annualization = \$219k; 2015 FTE impact = 3.5 Perm
- Addresses growing call volumes and service
- Additional information in report PHE-PSV-15-01, including option to keep the RERU (2015 incremental cost of \$162k, total cost of \$427k and 6.0FTE)



Budget Issue Papers

Sunnyside Home Resident Care (p. 29)

- 2015 property tax levy impact = \$187k; 2016 annualization = \$187k; 2015 FTE impact = 5.3 Perm
- Staff resources required to increased nursing and personal care per resident
- Mitigate risk of resident and staff injury



Budget Issue Papers

Corporate IT Solutions Administration and Support (p. 37)

- 2015 property tax levy impact = \$69k; 2016 annualization = \$44k; 2015 FTE impact = 1.0 Temp
- Steady growth in adoption of technology to support more efficient modes of operation
- Additional resources needed to carry out increasing number of implementations and provide ongoing corporate support



Budget Issue Papers

Capital Financing (p. 48)

- 2015 property tax levy impact = \$750k
- Provide a source of funding for projects that can not be debentured or where debt financing is not desirable
- Reduce overall reliance on debt financing and avoid future debt servicing costs
- Avoids tax levy fluctuations resulting from capital initiatives



Region of Waterloo

Budget Issue Papers

Capital Financing

Operating Budget Contributions to Capital Levy Reserve Fund

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

*proposed



Region of Waterloo

Budget Position March 4

Status of Preliminary Tax Supported Operating Position (excluding Police and Library)	2015 Property Tax Levy (\$millions)	2015 Tax Rate % Impact
Regional Programs, February 11	\$301.675	1.67 %
Regional Budget Issues	1.577	0.36 %
Budget Position excluding Police and Library	\$303.252	2.03 %

Budget Information

User Fees and Charges

Proposed changes to the Fees & Charges by-law include:

- Mar. 5, 2015: new planning fees, adjustments to Waterloo Region International Airport fees, and many others
- Apr. 1, 2015: Seniors' Services program and facility rental fees
- Jul. 1, 2015: Child care fees, Waste Management fees, and GRT fares

Budget Information

Municipal Budget Regulation

- 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 (p. 86)

2015 Budget Resolutions

- Page 86
- Approve:
 - 2015 Tax Supported Operating Budget
 - 2015-2024 Capital Budget and Forecast
 - User Fees and Charges By-law
- Receive:
 - Municipal Budget Regulation

Police Services

- Jan 7, 2015: Police Budget presented to the Board
- Feb. 4, 2015: Board approved the budget in principle
 - Tax levy of \$145,609,556 and 0.58% tax impact
 - Increase of 3.3% / \$4.7 m over 2015 Budget
- Feb. 11, 2015: 2015 Police Budget presented to Budget Committee
- Mar. 4, 2015: Board approved 2015 budget

Police Services

- Council's obligation under the "Police Services Act" is to establish an overall budget for the Board
- Police budget resolutions on p. 87 of Agenda

Regional Library

- Feb. 3, 2015: Library Committee approved the 2015 Budget for Waterloo Regional Library Services
- Tax levy of \$2,493,121 – 4.5% levy increase over 2014 Budget;
- Information paper on p. 26
- Library budget resolutions on p. 88



Budget Position March 4

Status of Preliminary Tax Supported Operating Position (including Budget Issues, Police and Library)	2015 Property Tax Levy (\$millions)	2015 Tax Rate % Impact
Regional Programs, February 11	\$301.675	1.67 %
Regional Budget Issues	1.577	0.36 %
Budget Position excluding Police Budget and Library Committee adjustments	\$303.252	2.03 %
Add: Library (area rated)	2.493	0.02 %
Add: Police Services property tax levy	145.610	0.58 %
Staff Recommended Budget Position, March 4	\$451.355	2.63 %



2015 Tax Impacts

Service	Net cost of service levied to municipalities denoted with ✓						
	Cambridge	Kitchener	Waterloo	N. Dumfries	Wellesley	Wilmot	Woolwich
Conventional GRT route to Elmira							✓
Conventional GRT service	✓	✓	✓				
Urban GRT Mobility Plus service	✓	✓	✓				
Rapid Transit	✓	✓	✓				
Rural GRT Mobility Plus service				✓	✓	✓	✓
All other Regional Services	✓	✓	✓	✓	✓	✓	✓
Police Services	✓	✓	✓	✓	✓	✓	✓
Library Services				✓	✓	✓	✓

Today's process

1. Move main budget motion, inclusive of recommended Budget Issue Papers
2. Items referred from Community Services Committee
3. Councillors' motions listed on agenda
4. Other motions from Councillors
5. Approve Budget resolutions on page 86, as amended
6. Approve Police and Library resolutions