Regional Municipality of Waterloo

Budget Committee

Minutes

Wednesday, November 16, 2016
2:18 p.m.

Regional Council Chambers
150 Frederick Street, 2nd Floor, Kitchener


Members absent: J. Mitchell

Motion to Go Into Closed Session

Moved by G. Lorentz
Seconded by S. Foxton

That a closed meeting of the Budget Committee be held on Wednesday, November 16, 2016 at 2:06 p.m. in the Waterloo County Room in accordance with Section 239 of the Municipal Act, 2001, for the purposes of considering the following subject matters:

a) labour relations or employee negotiations

Carried

Motion to Reconvene into Open Session

Moved by L. Armstrong

2275283
Seconded by S. Foxton

That the meeting reconvene into Open Session at 2:18 p.m.

Carried

Opening Remarks

Vice Chair Karen Redman provided opening comments, noting that she would Chair the meeting in the absence of Sean Strickland, who was expected to join the meeting at a later time. She welcomed Rod Regier, the new Commissioner for the Planning, Development and Legislative Services department.

Declarations of Pecuniary Interest under the “Municipal Conflict Of Interest Act”

None declared.

Budget Update

COR-FSD-16-29, Executive Summary – 2017 Budget

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, provided a presentation to the Committee; a copy is appended to the original minutes. He referred to the 2017 Preliminary Budget Book and the 2017 Proposed Budget Issue Papers which have been prepared for this meeting and are available to the public on the Region’s website.

He summarized the requests received from the Committee during the October 19th meeting and provided the timelines for staff responses. He stated that the Municipal Property Assessment Corporation (MPAC) has notified the Region that final assessment figures have been delayed until November 28. Staff will bring back a comprehensive Information Paper dealing with assessment growth and analysis to the December meeting. He added that for the purpose of this meeting, staff have assumed net assessment growth of 1.1%.

He summarized the User Rate budgets that will be discussed today and noted the related information sources available.

Presentations

Water/Wastewater Budgets

Nancy Kodousek, Director, Water Services, delivered a presentation to the Committee; a copy is appended to the original minutes. She summarized the mandate of the Region’s Water Services division.
Her presentation highlighted the following:

- Water Supply System and the related Facilities
- Water Budget: Key Trends, Issues and Initiatives
- Historical Water Consumption Data
- Water Budget Operating Expenditures, including identified savings
- Historical Energy Consumption vs. Energy Costs
- Water Capital Budget – Infrastructure Replacement and Upgrades/Expansions
- Innovation Projects – Impact on Water Services
- Wastewater Treatment Facilities and Capacity
- Wastewater Budget: Key Trends, Issues and Initiatives
- Wastewater Budget Operating Expenditures, including identified savings
- Wastewater Treatment Data and Energy Consumption
- Environmental Enforcement and Laboratory Services Data
- Wastewater Capital Program Planned Improvements and Innovation Projects
- Wastewater Distribution and Collection Services
- Household Impact of Proposed 2017 User Rates - Wholesale and Retail

Staff noted a Committee request for information about water consumption per capita; this information will be prepared for the next Committee meeting.

In response to a Committee question regarding planning and funding reserves for a possible pipeline in the future, N. Kodousek stated that the Master Plan prepared in 2014/2015 confirmed ground water sustainability until 2050. As a result of this data, reserves have not been set aside for a pipeline and there are no plans to do so at this time.

C. Dyer summarized User Rate Budgets information, including:

- 2017 User Rate Budgets
- Proposed User Rate Increases
- Proposed Service Charges
- 2017-2026 Capital Budget for Water Supply – Funding and Financing Strategy
- 2017-2026 Capital Budget for Wastewater Treatment – Funding and Financing Strategy
- User Rates Reserves – Capital Reserves and Proposed Stabilization Reserves
- Timelines for Review, Approval and Implementation of 2017 User Rate Budgets

In response to a Committee question about the increase to the wastewater rate, C. Dyer advised that staff are anticipating a shortfall in the wastewater budget in 2016 and that this is the rationale for moving 1% from the proposed water supply rate onto the wastewater treatment rate. Staff were directed to provide information about a ten-year
analysis specific to reducing the projected water rate by a half percent and reducing the wastewater rate by a half percent and by one percent.

C. Dyer responded to a Committee question about the inclusion of the infrastructure funds anticipated from the federal government in the capital budget.

**Tax Supported Budget**

C. Dyer provided a summary of the 2017 Property Tax Supported Budget, stating that the current base position is 2.3%, excluding the Waterloo Regional Police Service budget and proposed Budget Issue Papers.

He highlighted the following:

- 2017 Property Tax Budget Continuity Schedule
- 2017 Base Budget Staff Complement
- Base Budget Adjustments
- Regional Transportation Master Plan
- Capital Financing Principles – Strategy and Provision details for 2017

A Committee member requested a detailed list of the staff complement adjustments.

**2017 Employment & Income Support Budget**

Carolyn Schoenfeldt, Director, Employment & Income Support, delivered a presentation to the Committee in response to Committee questions at the October 19th meeting; a copy is appended to the original minutes.

She provided an overview of the Ontario Works (OW) Allowances and Benefits data for 2016 and 2017. She offered caseload data from January 2013 to September 2016, including provincial data, noting the impact of various factors. She provided details about the caseload profile, including provincial data. She stated that staff are undertaking a service redesign to improve client outcomes and looking to the province for initiatives to modernize services.

C. Dyer summarized the Ontario Works Allowances and Benefits in the 2017 budget and the status of the provincial uploading of the program.

**Paramedic Services**

Stephen Van Valkenburg, Chief, Paramedic Services, delivered a presentation to the Committee to clarify details provided to Council in the Paramedic Services Master Plan; a copy is appended to the original minutes.
He provided a revised estimate for Paramedic Services 2017 resource requirements, using a lower level of offload delay as an assumption for modeling purposes and the potential impact of system optimization on response times. He advised that the revised data reveals that 24 peak ambulances are required if the outcome sought is 35% unit utilization, resulting in a reduction of one ambulance in the original projected peak ambulance request.

He summarized the updated performance and quantified some of the potential impacts of system optimization on response times and noted the required resource additions to maintain a unit utilization rate of 35%. He stated that even with improved dispatch, additional resources will still be required to meet the growing call demands. He outlined the interrelationship between call demand, unit utilization and response time, providing several scenarios and potential outcomes, as well as the potential improvements from various interventions in the call continuum, noting that offload delays have a significant impact on unit utilization.

He showed the impact of using dispatch technology and the potential benefit to the Region. He shared the amended recommendation seeking 3 additional ambulance shifts, noting that this is one less ambulance shift and 5 fewer paramedics than initially proposed. He responded to Committee questions regarding initiatives to deal with non-urgent calls and the calculation used to reduce the number of ambulances being requested.

Dr. Liana Nolan, Commissioner, Public Health/Medical Officer of Health, responded to a Committee question about the recalculation of the number of vehicles.

S. Van Valkenburg responded to Committee questions regarding the Region’s participation in the provincial pilot program and the outcome of the program evaluation, as well as the potential impact of a new triage tool. A Committee member commented that if the Region were to pursue a new triage tool on its own, there will be reduced impetus from the provincial government to provide future funding.

Staff responded to Committee questions regarding options for a phased-in hiring process and staggered vehicle purchases. T. Galloway requested information about the impact of a staggered approach on the 2017 budget. This information will be provided at the next meeting.

* S. Strickland joined the meeting at 3:44 p.m.

C. Dyer provided an overview of the levels of property tax surplus and the allocation of the surplus during the period 2012 to 2015. In response to a Committee inquiry about supplementary taxes and write-offs, summary and impact information was provided and he noted that details will be included in an Information Paper regarding Assessment.
Growth in December. He referenced the preliminary 2017 budget for the Waterloo Regional Police Service (WRPS) and advised that their presentation to the Region is planned for December 14; the final WRPS budget is expected to be approved at a Police Services Board meeting on January 11, 2017.

**Budget Information Papers**

The following 2017 Budget Information Papers were received for information:

User Rate Budgets
- Water Supply
- Wastewater Treatment
- Water Distribution and Wastewater Collection

Tax Supported Budget
- 2017 Employment & Income Support Budget
- Paramedic Services Master Plan (2017-2027)
- Continuity and Allocation of Surplus
- Waterloo Regional Police Service

S. Strickland assumed the Chair.

* D. Jaworsky left the meeting at 4:00 p.m.

The Committee recessed at 4:00 p.m. and reconvened at 4:20 p.m.

* B. Vrbanovic left the meeting at 4:30 p.m. and returned at 4:56 p.m.

C. Dyer provided an overview of the proposed Budget Issues Papers, noting a budget impact of $5.4 million on the tax levy for a 1.13% tax rate impact. He advised that the Corporate Leadership Team prioritized the Budget Issue Papers from a staff perspective based on prescribed criteria.

R. Regier responded to Committee questions regarding the proposal to increase the frequency of the Workplace Count survey, clarifying that this survey is more comprehensive than those conducted by Statistics Canada or other local organizations and includes all workplaces in the Region.

S. Shantz advised that Woolwich Council is finalizing the motion to express its support for the proposed transit services expansion of Route 21 to Woolwich.

Douglas Bartholomew-Saunders, Commissioner, Community Services, and C. Dyer responded to a member’s questions regarding the details about the staffing costs to add nine (9) infant care spaces at the Elmira Childcare Centre, noting that the care includes
providing services during the centre’s hours of operation, being the staffing equivalent to 4.5 FTEs plus operating costs. D. Bartholomew-Saunders also responded to a Committee question regarding the addition of Personal Support Workers at Sunnyside Home.

Staff responded to Committee questions regarding the staffing cost for the IT Programmer position and the potential relocation of Employment and Income Support staff.

In response to a Committee question regarding administration options for the TravelWise program, Thomas Schmidt, Commissioner, Transportation and Environmental Services, advised that staff will prepare information for the next meeting.

C. Dyer responded to Committee questions regarding funding frequency and criteria for the federal and provincial gas tax programs; he advised that information about the provincial funding criteria will be prepared for Committee to determine if this might be a source for the TravelWise program.

A Committee member requested a listing of the TravelWise members.

C. Dyer presented the Committee with details about the Region’s Ten Year Capital Investment Plan, noting that one-half of the $2 billion investment is for roads rehabilitation; highlights include:

- Planned Expenditures for the 2017-2026 Capital Plan
- Capital Plan Funding and Financing Options
- Historical and Projected Data for Debt Outstanding (2012-2021)
- Comparator Data - Debt per Capita, Reserves per Capita

He stated that information about reserves and reserve funds will come back to the Committee at the next meeting. He summarized Capital Program Key Messages and advised that staff would like Council to consider the future introduction of a Regional Infrastructure Levy with more information coming back to Regional Council in 2017.

C. Dyer responded to a Committee question regarding the options available if projects come in under budget and he agreed to bring back information about the reserve and reserve fund balances per capita in other Regions including development charges.

K. Seiling noted that the information about debt per capita is slightly misleading as presented given that the Region has to finance projects upfront and some of the noted comparator regional municipalities don’t have a regional transit system.

In response to a Committee question about the Region’s credit rating and spending thresholds, C. Dyer advised that Moody’s provides a credit rating on an annual basis 2275283
and the Region is expecting a rating update before the year end; the Region is anticipates receiving a triple-A rating. He stated that the provincial government establishes a debt servicing cost limit at 25% of own source revenues, excluding development charges; the Region is currently at 9-10%. He added that the Region hasn’t set a threshold but staff continues to monitor and plans to bring back a reserve and reserve fund policy in 2017.

C. Dyer responded to Committee questions about capital projects for the LRT in Cambridge, the impact of LEED building standards and federal green initiatives funding.

C. Dyer outlined the recent trending of the Government of Canada 10 year bond yieldand suggested that this might be a sign of higher interest rates in the future. He summarized the User Rate Budgets, the Tax Supported Budget, noting an approximate tax rate impact of 4.3%, including WRPS and Budget Issue Papers, and assuming 1.1% net assessment growth.

He noted the items that staff will be monitoring throughout the budget review process and the budget schedule, as well as the planned agenda items for the next meeting on December 14th. He summarized the public engagement efforts for this budget cycle.

**Next Meeting** – December 14, 2016

**Adjourn**

Moved by S. Foxton

Seconded by K. Kiefer

That the meeting adjourn at 5:30 p.m.

Carried

**Committee Chair**, S. Strickland

**Committee Clerk**, S. Natolochny
2017 Regional Budget
Region of Waterloo
Presentation to Budget Committee
November 16, 2016
2017 Regional Budget
Objectives of today's meeting

- 2017 User Rate Budgets
- 2017 Tax Supported Operating Budget and 2017-2026 Capital Program
- 2017 Budget Issue Papers
- Information Papers
- Respond to Councillor requests
- Public Input
• Links to Regional website

  - Preliminary budget book:

  - Budget Issue Papers:

  - Committee agenda (staff report and information papers):
# October 19

## Requests for Information

<table>
<thead>
<tr>
<th>Request</th>
<th>Format (Agenda pkg page no.)</th>
<th>Meeting Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Categorization of base budget reductions</td>
<td>Table in 2017 Budget - Executive Summary report (pg 23)</td>
<td>November 16</td>
</tr>
<tr>
<td>2017 base budget continuity</td>
<td>Appendix A to 2017 Budget – Executive Summary report (pg 20)</td>
<td>November 16</td>
</tr>
<tr>
<td>History of tax supported surplus allocation, supplementary taxes and tax write-offs</td>
<td>Information paper (pg 68)</td>
<td>November 16</td>
</tr>
<tr>
<td>OW: caseload composition, comparison to workforce in general, impact of refugee settlement (Month 13)</td>
<td>Information paper (pg 46) and presentation</td>
<td>November 16</td>
</tr>
<tr>
<td>Assessment growth background and analysis</td>
<td>Future Information paper</td>
<td>December 14</td>
</tr>
<tr>
<td>Reserve &amp; Reserve Fund projections</td>
<td>Future Information paper</td>
<td>December 14</td>
</tr>
</tbody>
</table>
User Rate Budgets

Water Supply

Wastewater Treatment

Water Distribution

Wastewater Collection
1. Budget Book
   - Water Supply (pg. 148)
   - Wastewater Treatment (pg. 156)
   - Retail Water Distribution & Wastewater Collection (pg. 165)

2. Information papers on Budget Committee Agenda
   - Water Supply (pg. 27)
   - Wastewater Treatment (pg. 35)
   - Retail Water Distribution & Wastewater Collection (pg. 42)

3. Budget issue papers (Section 4, pg. 10)
2017 User Rate Budget

Water Services

Working together to provide clean drinking water and effective wastewater treatment
## 2017 User Rate Budgets ($ m)

<table>
<thead>
<tr>
<th>Service</th>
<th>Operating expenditure (net of non-rate revenue)</th>
<th>Plus debt servicing</th>
<th>Plus capital reserve contribution</th>
<th>Equals Rate Revenue Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water supply</td>
<td>$32.1</td>
<td>$2.6</td>
<td>$20.8</td>
<td>$55.5</td>
</tr>
<tr>
<td>Wastewater Treatment</td>
<td>$26.2</td>
<td>$13.8</td>
<td>$28.3</td>
<td>$68.3</td>
</tr>
<tr>
<td>Waster Distribution</td>
<td>$1.8</td>
<td>-</td>
<td>$0.5</td>
<td>$2.3</td>
</tr>
<tr>
<td>Wastewater collection</td>
<td>$0.9</td>
<td>-</td>
<td>$0.3</td>
<td>$1.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$61.0</strong></td>
<td><strong>$16.4</strong></td>
<td><strong>$49.9</strong></td>
<td><strong>$127.3</strong></td>
</tr>
</tbody>
</table>
## Proposed User Rate Increases

<table>
<thead>
<tr>
<th>Service</th>
<th>2016 approved user rate increase</th>
<th>Projected 2017 user rate increase from 2016 forecast</th>
<th>Proposed 2017 user rate increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water supply</td>
<td>2.9%</td>
<td>2.9%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Wastewater treatment</td>
<td>6.9%</td>
<td>6.9%</td>
<td>7.9%</td>
</tr>
<tr>
<td>Water distribution</td>
<td>8.9%</td>
<td>8.9%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Wastewater collection</td>
<td>5.9%</td>
<td>5.9%</td>
<td>5.9%</td>
</tr>
</tbody>
</table>
## Proposed Service Charges

<table>
<thead>
<tr>
<th></th>
<th>2016 approved service charge</th>
<th>Projected 2017 monthly service charge from 2016 forecast</th>
<th>Proposed 2017 monthly service charge</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Water distribution</strong></td>
<td>$8.00</td>
<td>$9.00</td>
<td>$9.00</td>
</tr>
<tr>
<td><strong>Wastewater collection</strong></td>
<td>$6.00</td>
<td>$7.00</td>
<td>$7.00</td>
</tr>
</tbody>
</table>
2017-2026 Capital Budget
Water Supply

10 Year Total = $434.1 M

- Infrastructure Replacement $187.2
- Upgrades, Expansion & New Facilities $126.4
- Watermains $66.7
- Planning & Studies $53.7
Capital Program Financing

- Significant capital investments underway, but...benefitting growth occurs over an extended period of time, and hence so will the RDC collections

- Given relatively low capital and RDC reserve balances, staff have prepared an updated financing strategy
2017 - 2026 Capital Program Financing
Water Supply ($434.1 m)

- $250 million in reserves
- $150 million in debt
- $300 million in grants

- User rates
- RDC
- Recoveries
  - Subsidies
  - Grants
2017-2026 Capital Budget
Wastewater Treatment

10 Year Total = $599.1 M

- Biosolids $82.1
- Planning & Studies $11.7
- Infrastructure Replacement $90.5
- Upgrades, Expansion & New Facilities $414.8
2017 - 2026 Capital Program Financing
Wastewater Treatment ($599.1 m)

User rates

RDC

Recoveries Subsidies Grants

$0
$50
$100
$150
$200
$250
$300
$350

$ millions

debt
reserves
debt
reserves
grants
User Rates Reserves

**Capital Reserves**
- focus solely on providing a dedicated funding source that supports the capital program

**New Stabilization Reserves**
- funding any in-year operating shortfalls or receiving any year end surpluses without negatively impacting capital financing
- Mitigate one-time expenditures to avoid unduly impacting user rates budgets
2017 User Rate Budgets
Next Steps

Nov 16
User rate budget review

Dec 14
Approval of user rate budgets and rates

March 1
New rates come into effect
2017 Property Tax Supported Budget

Operating
- Budget Issue Papers
- Budget Information Papers

Capital
- Overview of major projects
- Capital financing plan
2017 Regional Base Budget

• Current base position = 2.3%

• Excludes WRPS budget and Budget Issue Papers

• Adds approximately $43 to the average tax bill

• Continuity in Appendix A (pg. 20)
## 2017 Base Budget Staff Complement

<table>
<thead>
<tr>
<th>Description</th>
<th>Permanent</th>
<th>Temporary</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016 Final Budget Book</td>
<td>2,807.4</td>
<td>109.6</td>
<td>2,917.0</td>
</tr>
<tr>
<td>Restatements/corrections</td>
<td>1.0</td>
<td>-0.6</td>
<td>0.4</td>
</tr>
<tr>
<td>2016 Council-approved additions (for 2016)</td>
<td>1.0</td>
<td>7.3</td>
<td>8.3</td>
</tr>
<tr>
<td><strong>2016 restated complement</strong></td>
<td><strong>2,809.4</strong></td>
<td><strong>116.3</strong></td>
<td><strong>2,925.7</strong></td>
</tr>
<tr>
<td>2016 Council-approved additions (for 2017)</td>
<td>3.0</td>
<td>6.3</td>
<td>9.3</td>
</tr>
<tr>
<td><strong>2017 complement, starting point</strong></td>
<td><strong>2,812.4</strong></td>
<td><strong>122.6</strong></td>
<td><strong>2,935.0</strong></td>
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<tr>
<td>Temporary contract expirations</td>
<td></td>
<td>-2.0</td>
<td>-2.0</td>
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<tr>
<td>Base budget reductions</td>
<td>-7.6</td>
<td>-0.7</td>
<td>-8.3</td>
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<tr>
<td><strong>2017 base budget complement</strong></td>
<td><strong>2,804.8</strong></td>
<td><strong>119.9</strong></td>
<td><strong>2,924.7</strong></td>
</tr>
<tr>
<td><strong>2017 complement change</strong></td>
<td>-7.6</td>
<td>-2.7</td>
<td>-10.3</td>
</tr>
</tbody>
</table>
Base Budget Adjustments

- Ongoing effort to seek efficiencies and cost savings without impacting service levels

<table>
<thead>
<tr>
<th>Base Budget Review Reductions ($millions)</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td>Tax levy</td>
<td>$1.9</td>
<td>$2.5</td>
<td>$1.9</td>
<td>$1.3</td>
<td>$2.9</td>
<td>$10.5</td>
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<tr>
<td>User rates</td>
<td>1.2</td>
<td>1.3</td>
<td>0.5</td>
<td>0.9</td>
<td>0.8</td>
<td>$4.7</td>
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<tr>
<td>Total</td>
<td>$3.1</td>
<td>$3.8</td>
<td>$2.4</td>
<td>$2.2</td>
<td>$3.7</td>
<td>$15.2</td>
</tr>
</tbody>
</table>
• 1.5% urban levy increase required annually for the next 2 years, followed by 0.75% in 2019
• Required to cover all operating and capital financing costs relating to ION and aBRT, and costs related to GRT service level expansion
• Provincial upload offset
• RDC revenue provides opportunity to recalculate 2018 and 2019 increases
Capital Financing

- Both transfers to capital and debt servicing
- Significant investment in capital assets
  - Renewal, refurbishment and replacement
  - Expansion related to growth
- Working towards full bus replacement from reserves
- Building lifecycle provision
# 2017 Capital Financing

<table>
<thead>
<tr>
<th>Provision</th>
<th>2017 increment ($m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt servicing costs</td>
<td>0.7</td>
</tr>
<tr>
<td>Repurpose transit debt servicing</td>
<td>0.3</td>
</tr>
<tr>
<td>Repurpose airport debt servicing</td>
<td>0.3</td>
</tr>
<tr>
<td>Facility lifecycle provision</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Information Papers

1. 2017 Employment & Income Support Budget (pg. 46)
2. Paramedic Services Master Plan 2017-2027 (pg. 58)
3. Continuity and Allocation of Regional Tax Supported Surpluses (pg. 68)
4. Preliminary 2017 Police Services Budget (pg. 71)
Information Papers

2017 Employment & Income Support Budget
## Ontario Works Allowances & Benefits

### Ontario Works Allowances

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Monthly Caseload *</td>
<td>8,700</td>
<td>9,135</td>
<td>435</td>
</tr>
<tr>
<td>Cost per Case</td>
<td>$669.14</td>
<td>$656.90</td>
<td>($12.24)</td>
</tr>
<tr>
<td>Net Expenditures</td>
<td>$69,858,000</td>
<td>$72,788,000</td>
<td>$2,930,000</td>
</tr>
<tr>
<td>Mandatory Benefits</td>
<td>2,135,000</td>
<td>2,625,000</td>
<td>490,000</td>
</tr>
<tr>
<td>Discretionary Benefits</td>
<td>4,467,000</td>
<td>4,656,000</td>
<td>189,000</td>
</tr>
<tr>
<td>Transitional Child Benefit</td>
<td>1,500,000</td>
<td>1,500,000</td>
<td>0</td>
</tr>
<tr>
<td>Benefits to Non Recipients</td>
<td>200,000</td>
<td>200,000</td>
<td>0</td>
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<tr>
<td>Transportation Allowance</td>
<td>828,000</td>
<td>828,000</td>
<td>0</td>
</tr>
<tr>
<td>Energy Assistance Programs</td>
<td>412,000</td>
<td>412,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$79,400,000</td>
<td>$83,009,000</td>
<td>$3,609,000</td>
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</tbody>
</table>

*Caseload based on provincial report
### Regional Tax Supported Surpluses

#### Year 2012
- **Property Tax Surplus**: $3,811
- **Surplus Allocated to:**
  - Tax Stabilization Reserve Fund: $2,711
  - Working Funds Reserve: -
  - Roads Rehabilitation Reserve Fund: $500
  - Capital Levy Reserve Fund: -
  - Following Year's Tax Supported Operating Budget: $600

#### Year 2013
- **Property Tax Surplus**: $1,861
- **Surplus Allocated to:**
  - Tax Stabilization Reserve Fund: $1,861
  - Working Funds Reserve: -
  - Roads Rehabilitation Reserve Fund: -
  - Capital Levy Reserve Fund: -
  - Following Year's Tax Supported Operating Budget: -

#### Year 2014
- **Property Tax Surplus**: $3,012
- **Surplus Allocated to:**
  - Tax Stabilization Reserve Fund: $3,012
  - Working Funds Reserve: -
  - Roads Rehabilitation Reserve Fund: -
  - Capital Levy Reserve Fund: -
  - Following Year's Tax Supported Operating Budget: -

#### Year 2015
- **Property Tax Surplus**: $7,176
- **Surplus Allocated to:**
  - Tax Stabilization Reserve Fund: $4,878
  - Working Funds Reserve: $600
  - Roads Rehabilitation Reserve Fund: $500
  - Capital Levy Reserve Fund: $1,198
  - Following Year's Tax Supported Operating Budget: -
### Summary of In-Year Property Tax Transactions (Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Supplementary Tax Revenue</strong></td>
<td>$9,072</td>
<td>$11,605</td>
<td>$11,171</td>
<td>$9,155</td>
</tr>
<tr>
<td><strong>Less:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax Write-offs</td>
<td>4,267</td>
<td>4,574</td>
<td>4,311</td>
<td>3,505</td>
</tr>
<tr>
<td>Vacancy Rebates</td>
<td>1,605</td>
<td>1,782</td>
<td>1,495</td>
<td>1,474</td>
</tr>
<tr>
<td>Charity Rebates</td>
<td>221</td>
<td>214</td>
<td>196</td>
<td>267</td>
</tr>
<tr>
<td><strong>Net Impact</strong></td>
<td>2,979</td>
<td>5,034</td>
<td>5,169</td>
<td>3,908</td>
</tr>
<tr>
<td>Annual Net Budget Provision</td>
<td>1,900</td>
<td>1,900</td>
<td>1,900</td>
<td>1,900</td>
</tr>
<tr>
<td><strong>Contribution to Surplus</strong></td>
<td>$1,079</td>
<td>$3,134</td>
<td>$3,269</td>
<td>$2,008</td>
</tr>
</tbody>
</table>
### Impact of Supplementary Taxes/Write-offs on Tax Support Surplus (Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Supported Surplus</td>
<td>$3,811</td>
<td>$1,861</td>
<td>$3,012</td>
<td>$7,176</td>
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<tr>
<td>Less: Surplus due to property tax transactions</td>
<td>1,079</td>
<td>3,134</td>
<td>3,269</td>
<td>2,008</td>
</tr>
<tr>
<td>Program operating surplus/(deficit)</td>
<td>$2,732</td>
<td>($1,273)</td>
<td>($257)</td>
<td>$5,167</td>
</tr>
</tbody>
</table>
## Waterloo Region Police Service

### Budget Summary ($m)

<table>
<thead>
<tr>
<th></th>
<th>2016 Approved</th>
<th>2017 Preliminary</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>$165.5</td>
<td>$171.5</td>
<td>$5.9</td>
<td>3.58%</td>
</tr>
<tr>
<td>Revenue</td>
<td>14.8</td>
<td>15.1</td>
<td>0.3</td>
<td>1.84%</td>
</tr>
<tr>
<td>Property Tax Requirement</td>
<td>$150.7</td>
<td>$156.4</td>
<td>$5.6</td>
<td>3.75%</td>
</tr>
<tr>
<td>Tax Rate Impact</td>
<td>0.58%</td>
<td>0.84%</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>
Preliminary budget presented to the PSB on November 2

PSB meets again on December 7

Presentation to Budget Committee on December 14

PSB approval of budget on January 11/17
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
Summary provided in Budget Report Appendix E (pgs. 24 & 25 of Agenda)

Budget impact: $5.4 m or 1.13% tax rate impact

Some requests have no tax levy impact as they are funded from reserves, capital projects, offsetting expenditure reductions, or offsetting revenue increases

Presented in staff recommended priority sequence
Budget Issue Papers - criteria

- compliance with a legislative or regulatory requirement
- addresses a significant health and safety issue
- promotes long term financial sustainability
- supports one of the Region’s core businesses
- promotes the Region’s Strategic Plan in a direct way
- a clear direction from Council on a specific issue
Proposed Budget Issue Papers
No Levy Impact

- Add 1 permanent Maintenance Reliability Planning Supervisor
- Add 1 permanent Financial Systems Technical resource
- Convert 2 positions from temporary to permanent in Human Resources
- Add 2 temporary positions in Water Services
- Add temporary resources to Children's Centres
- Add 1 temporary Family Centre Coordinator
- Expand services offered at 235 King Street location to include Ontario Works direct services
Paramedic Services

- Master Plan implementation (pg. 21)
  - Addition of 3 twelve hour ambulances
  - 15 paramedics; 7 supervisors/support staff
  - Purchase of ambulances funded from Capital Levy Reserve Fund
  - Use of TSRF to phase-in tax impacts

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>On-going Budget Impacts ($thousands)</td>
<td>$815</td>
<td>$759</td>
<td>$1,574</td>
</tr>
</tbody>
</table>
Paramedic Services

- Construction of North Fleet Centre (pg. 28)
  - $18 million capital cost over three years
  - funded by development charges ($3.1m) & property tax levy ($14.9m)
  - financed entirely through 20 year debentures

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$0</td>
<td>$92</td>
<td>$766</td>
<td>$55</td>
<td>$913</td>
</tr>
</tbody>
</table>
Seniors' Services

- Additional PSW's for Sunnyside Home (pg. 32)
  - Prevention of critical incidents
  - Addition of 2.4 FTEs

### On-Going Budget Impacts ($thousands)

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$126</td>
<td>$38</td>
<td>$164</td>
</tr>
</tbody>
</table>
Transit Services

- GRT Business Plan – First priority bundle (pg. 36)
  - includes frequency improvements on several overcrowded routes.

<table>
<thead>
<tr>
<th>On-Going Budget Impacts ($thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>$797</td>
</tr>
</tbody>
</table>
Capital Levy Reserve Fund (CLRF)

• Recommendation to increase the CLRF contribution in 2017 (pg. 47)
  • Minimize debt financing for projects in a variety of program areas with limited or no capital reserves
  • Incremental levy impact $750,000
Waste Management Debt Reduction Strategy

- Recommendation to repurpose collection contract savings (pg. 52)
  - WM capital program almost entirely reliant on debenture financing.
  - $18m in debt avoidance over 10 years results in estimated interest savings of $3.1m

| On-Going Budget Impacts ($'000s) |
|-----------------|-----------------|-----------------|-----------------|
| 2017            | 2018            | 2019            | Annualized      |
| $601            | $1,076          | $87             | $1,764          |
Community Planning

• Conduct a workplace count every two years instead of every five years (pg. 55)
  • Improve reliability of information and monitor sector trends
  • Incremental levy impact = $58,000
Children's Services

- Add nine infant care spaces to Elmira Childcare Centre (pg. 59)
- Phase-in of service expansion

| On-Going Budget Impacts ($thousands) |
|----------------|----------------|----------------|
| 2017 | 2018 | Annualized |
| $400 | $12  | $412        |
Information Technology Services

• Add 1 permanent programmer to address increasing workload volumes as identified in 2015 (pg. 62)
• Increase in adoption of new technologies requires support

<table>
<thead>
<tr>
<th>On-Going Budget Impacts ($thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>$87</td>
</tr>
</tbody>
</table>
Transit Services

- GRT Business Plan – second priority bundle (pg. 36)
  - increased frequency on two interconnected routes (201 & 202 iXpress)

<table>
<thead>
<tr>
<th>On-Going Budget Impacts ($thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>------</td>
</tr>
<tr>
<td>$725</td>
</tr>
</tbody>
</table>
Museum

- Improve quality of temporary exhibits at the Museum (pg. 65)
  - ensure exhibits are compelling and interactive enough to meet visitor/revenue targets
- Incremental levy impact = $135,000
Transit Services

- GRT Business Plan – third priority bundle (pg. 36)
- new 205 iXpress route travelling along Ottawa Street corridor

<table>
<thead>
<tr>
<th>Year</th>
<th>2017</th>
<th>2018</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$490</td>
<td>$958</td>
<td>$1,448</td>
</tr>
</tbody>
</table>
Seniors' Services

- Social Work resources at Sunnyside Home (pg. 68)
  - increased in resident turnover and acuity places higher demand on admissions resources
  - Incremental levy impact = $41,000
Transit Services

- Replace federal funding for Eco-mobility TravelWise program with property tax levy (pg. 72)
  - 2012-2016 funded by one-time federal grant, property tax levy, membership fees
  - Federal grant fully utilized in 2016
  - Incremental levy impact = $77,000
Public Art

• Reinstate funding for public art (pg. 76)
  • Funding discontinued in 2014
  • Commission one substantial piece of artwork per year

<table>
<thead>
<tr>
<th>On-Going Budget Impacts ($thousands)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
</tr>
<tr>
<td>$50</td>
</tr>
</tbody>
</table>
Transit Services

- Expansion of route 21 to Woolwich (pg. 80)
- Requested by the township of Woolwich
- Budget impacts would be area-rated as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Township Service Area Allocation</td>
<td>$25</td>
<td>$48</td>
<td>$73</td>
</tr>
<tr>
<td>Urban Service Area Allocation</td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Net Regional Levy</td>
<td>$26</td>
<td>$50</td>
<td>$76</td>
</tr>
</tbody>
</table>
Transit Services

- Continuation of route 77 BusPLUS to Wilmot (pg. 83)
  - Township of Wilmot asked for their input, response to be provided at a future meeting
  - Budget impacts would be area-rated as follows:

<table>
<thead>
<tr>
<th>On-Going Budget Impacts ($thousands)</th>
<th>2017</th>
<th>2018</th>
<th>Annualized</th>
</tr>
</thead>
<tbody>
<tr>
<td>Township Service Area Allocation</td>
<td>$84</td>
<td>$28</td>
<td>$112</td>
</tr>
<tr>
<td>Urban Service Area Allocation</td>
<td>6</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td>Net Regional Levy</td>
<td>$90</td>
<td>$30</td>
<td>$120</td>
</tr>
</tbody>
</table>
Community Planning

- Collaborative Funding Arrangement with the 'rare' Charitable Research Reserve (pg. 85)
  - Five year trial period
  - Funds used to support activities related to research and stewardship of environmental initiatives
- 2017 – 2021 net levy impact = $50,000
Regional Council

- Establishment of Community Innovation Grant Program (pg. 87)
  - Permanent funding for one-time grants to support not-for-profit community partners in undertaking innovative projects that addresses existing & emerging issues in Waterloo Region
  - Incremental levy impact = $50,000
Proposed 2017-2026 Tax Supported Capital Program

10 year investment plan = $2.0 b

- ION Rapid Transit
- Roads rehabilitation and expansion
- Lifecycle work at facilities and housing sites
- Grand River Transit vehicles, facilities
- Waste Management
- Paramedic Services
- Cultural Sites
Capital Expenditure

Tax supported total expenditure
2017-2026 capital plan ($2.0b) $millions

- Roads $931 47%
- Public Transit $400 20%
- Facilities $308 15%
- All Other $245 12%
- Waste Management $124 6%
## Capital Funding & Financing

<table>
<thead>
<tr>
<th>FUNDING</th>
<th>FINANCING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants / Subsidies / Recoveries</td>
<td>• Contributions from other levels of government and third parties</td>
</tr>
<tr>
<td>Development Charges</td>
<td>• Directly from Reserve Funds</td>
</tr>
<tr>
<td></td>
<td>• Debentures</td>
</tr>
<tr>
<td>Property taxes</td>
<td>• Transferred from Operating Budget</td>
</tr>
<tr>
<td></td>
<td>• Directly from Reserves</td>
</tr>
<tr>
<td></td>
<td>• Debentures</td>
</tr>
</tbody>
</table>
Capital Funding & Financing

2017-2026 Capital Plan
Sources of Funding/Financing
($2 billion)

- Property Tax
  - $1,162 m
  - 58%

- Tax Levy Reserve
  - $630 m
  - 32%

- Tax Levy Debentures
  - $532 m
  - 27%

- Development Charges
  - $471 m
  - 24%

- RDC Reserve
  - $363 m
  - 18%

- RDC Debentures
  - $108 m
  - 5%

- Grants, subsidy, recoveries
  - $354 m
  - 18%

- Other
  - $354 m
  - 18%
Capital Program Financing

Similar to User Rates, staff has prepared an updated financing strategy to better match costs with RDC collections
Borrowing considerations...

- The resulting debt servicing costs
- The need for balance
- Legislative provisions
- Fiscal flexibility in the future

The need for balance
2017-2026 Capital Plan
Sources of Financing for Major Infrastructure

- Housing Services
- Waste Management
- Transit Services
- Facilities
- Transportation
- Water Services

- Grants/Subsidies/Recoveries
- Tax Levy Reserves
- User Rate Reserves
- Development Charge Reserve
- Debentures
Significant infrastructure investment

**total debt outstanding ($ millions)**

- **2011**: $200
- **2012**: $300
- **2013**: $400
- **2014**: $500
- **2015**: $600
- **2016**: $700
Projected debt outstanding

Actual & Projected Debt Outstanding

$ million


Tax Levy  User Rates  Development Charges
## Debt per capita

### Regional comparators

<table>
<thead>
<tr>
<th>Region</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>York</td>
<td>$2,345</td>
<td>$2,649</td>
<td>$2,772</td>
</tr>
<tr>
<td>Waterloo</td>
<td>760</td>
<td>1,086</td>
<td>1,093</td>
</tr>
<tr>
<td>Peel</td>
<td>1,108</td>
<td>1,052</td>
<td>999</td>
</tr>
<tr>
<td>Niagara</td>
<td>513</td>
<td>605</td>
<td>703</td>
</tr>
<tr>
<td>Halton</td>
<td>604</td>
<td>609</td>
<td>647</td>
</tr>
<tr>
<td>Durham</td>
<td>340</td>
<td>356</td>
<td>307</td>
</tr>
</tbody>
</table>
Reserve and Reserve Fund Balances per Capita

<table>
<thead>
<tr>
<th>Region</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>York</td>
<td>$1,596</td>
<td>$1,861</td>
</tr>
<tr>
<td>Halton</td>
<td>1,511</td>
<td>1,793</td>
</tr>
<tr>
<td>Durham</td>
<td>1,382</td>
<td>1,572</td>
</tr>
<tr>
<td>Peel</td>
<td>1,099</td>
<td>1,118</td>
</tr>
<tr>
<td>Niagara</td>
<td>621</td>
<td>628</td>
</tr>
<tr>
<td>Waterloo</td>
<td>416</td>
<td>431</td>
</tr>
</tbody>
</table>


*excludes Development Charge reserves
Build operating budget and reserve capacity to finance capital

Prospect of higher interest rates means higher future debt servicing costs

Work towards financing all asset renewal projects from non-debt sources

Focus debt on significant new infrastructure

Consider introduction of a regional infrastructure levy
Government of Canada 10 year bond yield

- Sep 14: 0.75%
- Nov 7: 1.00%
- Nov 10: 1.25%
- Nov 14: 1.50%
Concluding Comments
User Rate Budgets:

• Reallocate 1% of rate increase from water to wastewater

• Other rate increases consistent with projections from last year

• Updated capital financing plan
2017 Budget Update
Key Messages

Tax Supported Budget:

• Base position 2.3% (excluding Police and Budget Issue Papers)
• Updated capital financing plan
• Lower assessment growth
• Reserve balances remain low relative to peers
Items being monitored

- Assessment growth
- GRT fare revenue
- POA/RLC revenue
- Tipping fee revenue
- Fuel prices
The Budget Cycle

1. Budget analysis and preparation
2. Preliminary Budget Book
3. Budget Committee review, public input
4. Council approval
5. Variance monitoring and reporting
Oct. 19: Budget Committee overview

Early November: Print Budget Book; launch online public engagement tool

Nov. 16: Budget Committee Detailed Review and Public Input

Dec. 14: Budget Committee approval of user rate budgets, 2nd Public Input, WRPS and GRCA

Jan. 11/17: Tax Budget approval, user fees & charges approval
GRCA presentation

Approval of User Rate Budgets

Revenue updates

Assessment Growth

Fuel prices

Police Budget presentation

Proposed Fees & Charges

Reserve & Reserve Fund Projections

Councillor Requests
Public Engagement

Launch Engage Region of Waterloo online input November 10 (closes December 2)

Public Input meetings November 16 & December 14

Preliminary public engagement feedback December 14

Final information report on public engagement feedback to Committee January 11, 2017
2017 User Rate Budget

Water Services

Working together to provide clean drinking water and effective wastewater treatment
Water Supply System

- 1 Surface Water Treatment Plant
- 20 Groundwater Systems
- 100+ Supply Wells
Water Budget

Key Trends

- Ongoing Increases in Electricity Rates
- Decreasing Energy Consumption

Issues

- New Regulations
  - Ground Water Disinfection
  - Manganese Removal

Initiatives

- Energy Program
- Right Size Program
- Treatment Optimization
- Infrastructure Reinvestment
- Implement Master Plan
Water Consumption

Cubic Metres in Millions

<table>
<thead>
<tr>
<th>Year</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016 Projected</th>
<th>2017 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cubic Metres in Millions</td>
<td>58</td>
<td>57</td>
<td>56</td>
<td>55</td>
<td>55</td>
<td>54</td>
<td>54</td>
<td>53</td>
<td>52</td>
<td>53</td>
</tr>
</tbody>
</table>
Water Budget

Total Operating Expenditures: $33 Million

2017 Total Water Operating Expense

- Corporate Admin & GRCA: 25%
- Staff: 28%
- Utility: 23%
- Other Expenses: 24%

Water budget remains stable as a result of staff’s ongoing efforts to control costs.
Water Budget - Energy

Graph showing the electricity consumption (kWh) and electricity cost ($) from 2012 to 2016 YTD. The consumption and cost for each year are as follows:

- 2012: 878 kWh, $108
- 2013: 883 kWh, $121
- 2014: 865 kWh, $120
- 2015: 815 kWh, $126
- 2016 YTD: 788 kWh, $143

The graph indicates an overall increase in both electricity consumption and cost from 2012 to 2016 YTD.
Water Capital Budget

2017 - 2026 Capital Program: $434M

Projects include:

• Infrastructure Replacement $182M
• Upgrades/Expansions $126M
Innovation – Save Energy

Right Sizing Program

New equipment at Wells 50 & 51 resulted in a 15% reduction in energy
Innovation – Safe Water & Save Energy

Middleton Treatment Optimization

- Optimize Ultraviolet Treatment
- Maintain Water Quality Standards
- 25% Reduction in Energy/GHG
Innovation – Optimize Treatment and Save Energy

Investigating New Disinfection Methods

- Optimize disinfection
- Best science
- Best value

Under the influence of surface water

Increasing Cost and Complexity of Treatment

Surface Water

Groundwater
Wastewater Treatment

- 13 Wastewater Treatment Plants
- 1 Biosolids Handling Facility
- 6 Pumping Stations
Wastewater Budget

Key Trends

- Impacts of Wet Weather Fluctuations
- Upgrades at Kitchener and Waterloo Wastewater Treatment Plants

Issues

- Federal Regulatory Compliance
- New Lake Erie Targets
- Asset Management Implementation
- Increasing Electricity Costs
- Stable Electricity Consumption

Initiatives

- Energy Management Studies (Cogeneration)
- Updates for Wastewater and Biosolids Master Plans
Wastewater Budget

Total Operating Expenditures: $37 Million

2017 Total Wastewater Operating Expense

- OCWA: 26%
- Corporate Admin & GRCA: 20%
- Staff: 18%
- Utility: 18%
- Other Expenses: 18%

Staff identify savings – overall impacts of new infrastructure
Wastewater Operating Budget - Energy

Electricity Consumption per Flow (kWh/ML)

- 2012: 495 kWh/ML
- 2013: 501 kWh/ML
- 2014: 554 kWh/ML
- 2015: 625 kWh/ML
- 2016 YTD: 581 kWh/ML

Electricity Cost per Flow ($/ML)

- 2012: $59
- 2013: $66
- 2014: $74
- 2015: $93
- 2016 YTD: $98

Region of Waterloo Water Services | www.regionofwaterloo.ca/water
Environmental Enforcement & Laboratory Services

Enforcement 2015
• Spill Response 359 Events
• Surcharge Agreements 42 Industries

Laboratory Services 2015
Water, Wastewater, and Industrial
• Total of 30,200 Samples
• Total of 143,000 Tests Analyzed
Wastewater Capital Highlights

2017 - 2026 Capital Program: $599 Million

Major Treatment Upgrade:
- Waterloo WWTP
- Kitchener WWTP
- Galt WWTP
- Preston WWTP
- Hespeler WWTP

Growth Related:
- Baden-New Hamburg WWTP
- Waterloo WWTP
Wastewater Treatment Plants

Kitchener – work to be completed
Contract Numbers 1-4, $56M
Contract Number 5, $58M
Upgraded to Tertiary Treatment Level

Improvements:
• Equipment Reliability
• Sustainability
• Water Quality in the Grand River
Wastewater Treatment Plants

Waterloo – work to be completed
Contract Number 4, $4.7M
Anticipated Completion 2018

Improvements:
• Equipment Reliability
• Sustainability
• Water Quality in the Grand River
Innovation – Improve Process

• Partner with the Ministry of the Environment and Climate Change on Pilot*

• Streamline Treatment From the 2 Process Steps to One, Saving Energy and Time

*12 Month Pilot Study in Hespeler
Innovation – Treatment Savings

- Improve Treatment with Reduced Chemical Usage
- 30% Reduction in Chemicals Results in $100,000 Savings

Galt WWTP Aerial Photo

Chemicals Added Here
Innovation - Expand Capacity in WWTP Without Building

- Technology Fits into Existing Infrastructure
- Doubles Treatment Capacity and Lowers Energy Usage
- Better Treatment and Improved Discharge to the River
Distribution & Collection Services

Provide Distribution Services
• 70 km Distribution Water Main (replacement value $25M)
• Leak Detection Program

Provide Collection Services
• 46 km of Sanitary Sewer (replacement value $27M)
• CCTV Camera of Sanitary Sewer
### Household Impact of Wholesale Rate Increases

#### Recommended 2017 User Rate

Based on annual household consumption of 204m³

<table>
<thead>
<tr>
<th></th>
<th>2016:</th>
<th>2017:</th>
<th>Impact:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of wholesale water</td>
<td>$204</td>
<td>$208 (+1.9%)</td>
<td>$4</td>
</tr>
<tr>
<td></td>
<td>$1.0251/m³</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of wholesale wastewater</td>
<td>$204</td>
<td>$219 (+7.9%)</td>
<td>$15</td>
</tr>
<tr>
<td></td>
<td>$1.0890/m³</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Household Impact of Retail Rate Increases

**Recommended 2017 User Rate**

Based on annual household consumption of 204m$^3$

<table>
<thead>
<tr>
<th>Service</th>
<th>2016 Cost</th>
<th>2017 Cost (Change)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost of water</strong></td>
<td>$573</td>
<td>$625 (+8.9%)</td>
</tr>
<tr>
<td>$2.58/m$^3 + $9/month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact</td>
<td>$52</td>
<td></td>
</tr>
<tr>
<td><strong>Cost of wastewater</strong></td>
<td>$456</td>
<td>$488 (+5.9%)</td>
</tr>
<tr>
<td>$2.01/m$^3 + $7/month</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impact</td>
<td>$32</td>
<td></td>
</tr>
</tbody>
</table>
Questions?
Information Papers

2017 Employment & Income Support Budget
## OW Allowances

### Average Monthly Caseloads

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015:</td>
<td>8,400</td>
<td>8,558</td>
</tr>
<tr>
<td>2016</td>
<td>8,700</td>
<td></td>
</tr>
<tr>
<td>YTD Average</td>
<td></td>
<td>8,787</td>
</tr>
<tr>
<td>2017</td>
<td>9,135</td>
<td></td>
</tr>
</tbody>
</table>
Region of Waterloo Caseload Size, January 2013 to September 2016

Caseload Size

Region of Waterloo Caseload Size, January 2013 to September 2016

- OW Caseload (Revised)
- Sept. 2008 Caseload
Regional and Provincial Caseload, January 2013 to September 2016

Number of Cases (Region of Waterloo)

Region of Waterloo
Waterloo 2008 Caseload
Ontario
Ontario - 2008 Caseload
Caseload Size

- Regional caseload fluctuated between 8,000 to 9,000 from 2013 to 2016.
- September 2016 caseload is 40% higher than September 2008 caseload.
- Higher caseload sizes post-2008 are being experienced across the province.
Caseload Size

Many complex and compounding factors impact caseload size, such as:

- Increased precarious employment
- Changing labour market
- Legislative changes to Ontario Works income earning exemptions
- Future Change: February 2017
  - Changes to child support
### Caseload Profile

<table>
<thead>
<tr>
<th>Demographic Profile</th>
<th>Sep 2015</th>
<th>Sept 2016</th>
<th>% Change 2015 -2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average Age of Adults</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>39.7</td>
<td>38.2</td>
<td>(3.8%)</td>
<td></td>
</tr>
<tr>
<td><strong>Number of children aged 0-6</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,395</td>
<td>1,328</td>
<td>(4.8%)</td>
<td></td>
</tr>
<tr>
<td><strong>Family Composition:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Singles</strong></td>
<td>61.6%</td>
<td>62.3%</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>Sole-support parents</strong></td>
<td>28.9%</td>
<td>26.6%</td>
<td>(2.3%)</td>
</tr>
<tr>
<td><strong>Couples with dependents</strong></td>
<td>2.3%</td>
<td>3.0%</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>Couples without dependents</strong></td>
<td>7.0%</td>
<td>8.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Average number of children</strong></td>
<td>2</td>
<td>1.9</td>
<td>(5.0%)</td>
</tr>
<tr>
<td><strong>Months on assistance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 - 4</td>
<td>22.9%</td>
<td>22.2%</td>
<td>(0.7%)</td>
</tr>
<tr>
<td>5 - 12</td>
<td>20.6%</td>
<td>23.0%</td>
<td>2.4%</td>
</tr>
<tr>
<td>13 - 24</td>
<td>19.0%</td>
<td>17.8%</td>
<td>(1.2%)</td>
</tr>
<tr>
<td>25 +</td>
<td>38.0%</td>
<td>37.0%</td>
<td>(1.0%)</td>
</tr>
<tr>
<td><strong>Median number of months on assistance</strong></td>
<td>16.4</td>
<td>15.5</td>
<td>(5.5%)</td>
</tr>
</tbody>
</table>
# Caseload Profile

## Region of Waterloo

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Caseload</strong></td>
<td>8,861</td>
<td>8,690</td>
<td>-2%</td>
<td>245,700</td>
<td>242,917</td>
<td>-1%</td>
</tr>
<tr>
<td><strong>Number of cases with employment earnings</strong></td>
<td>992</td>
<td>1,137</td>
<td>15%</td>
<td>23,175</td>
<td>28,637</td>
<td>24%</td>
</tr>
<tr>
<td><strong>% of caseload with employment earnings</strong></td>
<td>11%</td>
<td>13%</td>
<td>2%</td>
<td>9%</td>
<td>12%</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Average monthly employment earnings per case</strong></td>
<td>$799</td>
<td>$713</td>
<td>(11%)</td>
<td>$797</td>
<td>$756</td>
<td>(5%)</td>
</tr>
<tr>
<td><strong>% caseload terminated (all reasons)</strong></td>
<td>7%</td>
<td>5%</td>
<td>(2 %)</td>
<td>7%</td>
<td>6%</td>
<td>(1%)</td>
</tr>
<tr>
<td><strong>% of terminations exiting to employment</strong></td>
<td>9%</td>
<td>16%</td>
<td>7%</td>
<td>13 %</td>
<td>16%</td>
<td>3%</td>
</tr>
</tbody>
</table>
Conclusion

- In a new environment of social assistance delivery
- Provincially and locally caseloads remain 30-40% higher than 2008 levels
- Continue to analyze the data that the Province provides and report on the caseload size and profile to Council.
Conclusion

- EIS is working on improving client outcomes. A report on a redesign of the OW delivery model will be available in early 2017.

- Provincial initiatives include developing a basic income model, and integration and modernization of services.
1) Updated Year-end Expected Unit Utilization and effect on resourcing requirements

As requested by Council, a revised estimate of Paramedic Services 2017 resource requirements has been produced, using a lower level of offload delay as an assumption for modeling purposes.

Section A : Extrapolation using a lower level of offload delay as an assumption for purposes.

Section B : Provides an analysis of the potential impact of system optimization on response times.
Section A: Sensitivity analysis of Offload Delay on budget request

1) Volatility of Offload Delay: (Exhibit A)

Exhibit A: Number of ambulance days lost to offload delay, by month
2) **Sensitivity analysis using alternate offload delay estimates for Unit utilization resourcing**

Exhibits B and C of the Info paper identify requirements for the requested recommendations on Unit utilizations in the 2017 budget request.

**Exhibit C: Revised projections by ApexPro Consulting assuming 50% reduction in Offload Delay**

<table>
<thead>
<tr>
<th></th>
<th>CALL VOLUME (PR 1-4)</th>
<th>TIME ON TASK IN VEH-HRS (T3-TMAX)</th>
<th>UNIT UTILIZATION</th>
<th>SCHEDULED VEH-HRS</th>
<th>PEAK AMBULANCES</th>
<th>CHANGE IN PROJ'D PEAK AMBULANCE REQ'TS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016</strong></td>
<td>46,928</td>
<td>50,745</td>
<td>38.5%</td>
<td>131,784</td>
<td>21</td>
<td>-</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>48,858</td>
<td>52,973</td>
<td>41.1%</td>
<td>128,888</td>
<td>21</td>
<td>-1</td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>48,858</td>
<td>52,973</td>
<td><strong>35.0%</strong></td>
<td>151,351</td>
<td><strong>24</strong></td>
<td><strong>-1</strong></td>
</tr>
<tr>
<td><strong>2017</strong></td>
<td>48,858</td>
<td>52,973</td>
<td>30.0%</td>
<td>176,577</td>
<td>27</td>
<td><strong>-2</strong></td>
</tr>
</tbody>
</table>
3) **Updated Performance** : pg. 4 of 10 Info Paper

- Call volumes are historically lower in summer and increase around October as the Flu season starts to kick in.
- Hitting the target of a 35% UU will not be exact.
Section B: Additional Information System Optimization and potential impacts on response times

System optimization measures may make improvements in generally one of three ways;
• Call volume, Response time or Unit utilization.

4) Optimizing Station Utilization (Exhibit E)

The required resource additions that keep UU at 35% will;
• Reduce the Code Red and Code Yellow occurrences
• Support optimal utilization of EMS stations,
• Even distribution of resources throughout the Region, with a greater presence in the rural and suburban areas.
Service Station Profile

86% of incidents are within an 8-minute drive.

92% of incidents are within a 9-minute drive.
5) **Unit Utilization and Response Time are correlated**

- A reduction in response time through improved dispatch may not significantly impact UU, and therefore additional resources will still be required to meet growing call demand, even if technology solutions are put in place to improve dispatch times.
6) **Interrelationship between Call Demand, Unit Utilization and Response Time**

Drivers
1) Call Demand
2) Unit Utilization
3) Response Times
7) **Potential Response Time improvements from various interventions**

Call Continuum Chart

To date in 2016

- Median call length has been 1 hour and 9 minutes, and
- Median offload delay length ranging from 29 minutes (in 2012) down to 11 minutes (in 2016).
- Vehicle turnaround at Emergency Departments will result in being free for redeployment quicker,
- It may be possible to have units better positioned throughout the Region (for example, fully staffed stations), especially in suburban and rural areas.
Differential Dispatch Methodology (Triage and Technology)
Technology improvement, such as HeadStart, may reliably reduce response times by as much as 60-90 seconds, at the front end of the call.
In accordance with the Regional Strategic Plan section 4.0 Healthy, Safe and Inclusive Communities, subsection 4.4.2, Optimize Paramedic Services to improve standards and response times by developing an updated Master Plan.

**Amended Recommendation:**

Based on the new information outlined above, staff recommends proceeding with an amended request for 3 additional ambulance shifts as outlined in the supporting budget issue paper (page 21 of Budget Issue Paper package). Note that this is one less ambulance shift and 5 fewer paramedics than was initially proposed in the October 4 CSC staff report (PHE-PSV-016-05). The request for an additional ambulance shift may be deferred to the 2018 budget process. Annual budget requests are informed by up-to-date performance data, and the Region benchmark of a UU of 35%.