Regional Municipality of Waterloo

Budget Committee

Minutes

Wednesday, December 14, 2016
1:30 p.m.

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


Motion to go into Closed Session

Moved by L. Armstrong

Seconded by K. Kiefer

That a closed meeting of Council and the Budget Committee be held on Wednesday December 14, 2016 at 1:00 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) receiving of advice that is subject to solicitor-client privilege related to interpretation of legislation
b) labour relations and advice that is subject to solicitor-client privilege
c) labour relations or employee negotiations
d) proposed or pending litigation related to a contract
e) personal matters about identifiable individuals regarding appointments
Carried

Motion to Reconvene Into Open Session

Moved by L. Armstrong

Seconded by S. Foxton

That the meeting reconvene into Open Session.

Carried

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

None declared

Opening Remarks

Mike Murray, Chief Administrative Officer, provided opening remarks.

Sean Strickland provided opening comments, noting that assessment growth is improved at 1.34% and that the current 2017 budget position is sitting at 3.88% including the Waterloo Regional Police Service (WRPS). He stated that the Committee will be approving some user rates and a few other items during this meeting and he reminded the Committee that the final budget day will be January 11, 2017. He added that staff have done an excellent job in preparing very comprehensive budget review documents.

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, responded to Committee requests for the estimated costs of meeting the Paramedics Master Plan in the 2017 budget and the impact of an increase in transit fares aligned with inflation rather than the proposed 3% increase; the information will be prepared for the January 11th Committee meeting.

Presentation- Grand River Conservation Authority (GRCA) Budget

Helen Jowett, Chair of GRCA, provided opening comments and introduced Grand River Conservation Authority (GRCA) staff present.

Joe Farwell, Chief Administrative Officer, provided a presentation to the Committee; a copy is appended to the original minutes. Highlights of the presentation included details about the size and characteristics of the Grand River watershed, the GRCA strategic plan, emerging issues and priorities, and the current review of the Conservation Authorities Act. He thanked staff for their partnership, noting that the Source Water Protection Plan took effect July 1, 2016. He summarized the efforts made to reduce flood damage and maintain flows in the seven (7) reservoirs; public safety initiatives; 2293984
Rural Water Quality Program projects; planning and development work with member municipalities; GRCA landholdings; and, updates related to parks and conservation areas and outdoor education.

Keith Murch, Secretary-Treasurer and Assistant Chief Administrative Officer, advised that final budget approval is scheduled for February 24, 2017 at GRCA’s Annual General Meeting. He provided an overview of 2017 proposed expenditures, stating that the operating budget is less than 1% over last year and that the municipal levies account for about a third of revenues. He presented a summary of projected 2017 revenues by source and projected expenditures by category.

J. Farwell responded to Committee questions related to the status of the Parkhill dam located in Cambridge and the visual project planned for the siding near the Old Post Office in Cambridge.

K. Murch responded to a Committee question about public access to the GRCA’s Geographic Information System (GIS) data.

J. Farwell responded to Committee questions related to the increased use of GRCA parks, and plans for showcasing the Grand River during Canada’s 150th celebrations. He also responded to a question about upstream initiatives, stating that an optimization program continues to be developed, including the County of Wellington, and that a water managers working group is working together to improve water quality.

**2017 User Rate Budgets**

**Presentation**

**2017 Council Resolutions – User Rate Budgets**

C. Dyer provided a presentation to the Committee; a copy is appended to the original minutes.

He summarized the user rate budgets for water supply, wastewater treatment, water distribution, and wastewater collection, as well as service charges for affected customers. He provided information about the impact of a rate reduction to the proposed rates for wastewater treatment and water supply and he highlighted the issues related to the adequacy of the wastewater reserve.

In response to a Committee inquiry about whether debt servicing costs qualify for Development Charges (DC), C. Dyer stated that infrastructure has to be in place before development occurs and the DC collected; DC’s can be collected after to fund the debt servicing costs. He added that the interest component on the debt servicing cost is DC eligible and will be noted in the next DC Background Study.

2293984
C. Dyer stated that the wastewater reserve balance is insufficient; $14.1M is not sufficient and that’s why staff have proposed the 1% rate shift. He summarized the impact of a reduced rate increase and outlined the key issues. He added that there is a Budget Issue Paper dealing with succession planning in Water Services and he noted that new User Rates will come into effect on March 1, 2017.

The 2017 wholesale Water and Wastewater budget and rate recommendations are as follows:

**Water Supply**

Moved by K. Seiling

Seconded by T. Galloway


That the Regional Municipality of Waterloo approve a Regional Wholesale Water Rate of $1.0251 per cubic metre effective March 1, 2017 and that the necessary by-law be introduced.

That the Regional Municipality of Waterloo establish a Rate Stabilization Reserve for the Water Supply program.

   Carried

**Wastewater Treatment**

Moved by K. Seiling

Seconded by T. Galloway

That the Regional Municipality of Waterloo approve the 2017 Wastewater Treatment Operating Budget, the 2017 Wastewater Treatment Capital Budget and the 2018-2026 Wastewater Treatment Capital Forecast.

That the Regional Municipality of Waterloo approve a Regional Wholesale Wastewater Rate of $1.0890 per cubic metre effective March 1, 2017 and that the necessary by-law be introduced.

That the Regional Municipality of Waterloo establish a Rate Stabilization Reserve for the Wastewater Treatment program.

2293984
The 2017 retail Water and Wastewater budget and rate recommendations for customers in Wellesley and North Dumfries are as follows:

**Water Distribution**

Moved by K. Seiling

Seconded by T. Galloway

That the Regional Municipality of Waterloo approve the 2017 Water Distribution Operating Budget, the 2017 Water Distribution Capital Budget and the 2018-2026 Water Distribution Capital Forecast.

That the Regional Municipality of Waterloo approve a Retail Water Rate of $2.58 per cubic metre effective March 1, 2017 and that the necessary by-law be introduced.

That the Regional Municipality of Waterloo approve a monthly maintenance fee of $9.00 per account for the customers connected to the Retail Water Distribution System effective March 1, 2017 and that the necessary by-law be introduced.

That the Regional Municipality of Waterloo establish a Rate Stabilization Reserve for the Water Distribution program.

   Carried

**Wastewater Collection**

Moved by K. Seiling

Seconded by T. Galloway

That the Regional Municipality of Waterloo approve the 2017 Wastewater Collection Operating Budget, the 2017 Wastewater Collection Capital Budget and the 2018-2026 Wastewater Collection Capital Forecast.

That the Regional Municipality of Waterloo approve a Retail Wastewater Rate of $2.01 per cubic metre effective March 1, 2017 and that the necessary by-law be introduced.

That the Regional Municipality of Waterloo approve a monthly maintenance fee of $7.00 per account for the customers connected to the Retail Wastewater Collection System effective March 1, 2017 and that the necessary by-law be introduced.

That the Regional Municipality of Waterloo approve an increase of 9.9% effective March 1, 2017 to the flat annual rate upon every owner of a property in the Township of

2293984
Wellesley and the Township of North Dumfries that is connected to the Regional wastewater collection system but is not connected to the Regional water distribution system, and that the necessary by-law be introduced.

That the Regional Municipality of Waterloo establish a Rate Stabilization Reserve for the Wastewater Collection program.

Carried

2017 Tax Supported Budget Update

COR-FSD-16-36, 2017 Budget Updates and Amendments

C. Dyer provided a summary of the 2017 Tax Supported Budget, as noted in the staff report, including proposed budget adjustments, information papers and Budget Issue Papers (BIPs). He noted the assessment growth update, as provided by the Municipal Property Assessment Corporation (MPAC), to 1.34% and provided an overview of the distribution of the assessment growth by Area Municipality (AM) and by property class. He stated that a report will come in 2017 regarding the impact of the province-wide property reassessment.

Angela Hinchberger, Director, Treasury Services/Deputy Treasurer, responded to a Committee question regarding assessment data, noting that the information is based on the assessed value of the properties.

C. Dyer responded to Committee questions regarding the timing and impact of the MPAC assessment and the impact of processing new properties, back log and supplementary taxes beyond the final assessment for 2016.

The Committee discussed the trend of declining assessment and expressed concerns with property taxes as a sustainable source of revenue and cost containment for sustainable budgets.

C. Dyer advised that other municipalities are looking at different models and the inadequacy of property taxes to fund programs and services. It was also noted by a Committee member that the Association of Municipalities of Ontario (AMO) will be bringing out a strategy for municipalities seeking alternate revenue tools early next year.

C. Dyer provided an overview of the process for calculating assessment growth; how the supplementary tax process works; the impact of the lag time for the receipt of tax revenue; and he distinguished the tax write-off process where there is no 3-year limitation period. He responded to Committee questions regarding the budget for fees paid by the Region to MPAC; the limitations on write-offs, and the impact of significant property tax write-offs on small municipalities.

2293984
C. Dyer summarized the Information Papers on Ontario Works (OW) Discretionary Benefits and the Provincial Offences Act (POA) and red light camera revenues; he noted that POA revenues will have a surplus in 2016 and that adjustments have been made for red light camera revenues in 2017. He added that further information on this matter will come back to the Committee at the January meeting. He stated that the proposed 2017 Fees and Charges will come back to the January meeting for approval.

The meeting recessed at 3:00 p.m. and reconvened at 3:13 p.m. K. Seiling was not present when the meeting reconvened.

C. Dyer continued his presentation with details about the Regional Reserve and Reserve Fund balances. He provided an overview of the 2017 Capital Budget Financing, noting that the objective is to establish more sustainable capital budgets.

* K. Seiling returned to the meeting at 3:17 p.m.

C. Dyer stated that while some programs have adequate reserve contributions to finance capital investments, others do not and rely on debenture financing. He noted that the Region has low reserve balances in comparison to other regions with similar services and that staff will be bringing forward an updated Reserve and Reserve Fund policy in February 2017. He summarized the proposed Budget Issue Papers with no levy impact and those with some levy impact. He provided an overview of the feedback received from the public through the online engagement initiative; a more comprehensive review of public feedback will be presented at the January meeting. He noted the number of responses and the demographics of the respondents, as well as the general agreement that most budget issues provide good value for money.

The Committee provided feedback about the online survey. Staff advised that the survey will remain live until December 21st.

C. Dyer summarized the budget updates and amendments recommendations.

In response to a question from the Committee regarding support for local community initiatives, M. Murray advised that there will be a small amount of funding that could be used to support community group initiatives.

Moved by K. Seiling

Seconded by G. Lorentz

That the Region of Waterloo take the following action with respect to the 2017 Tax Supported Operating Budget and the 2017-2026 Tax Supported Capital Program:

1. Re-allocate $141,000 of arts and culture funding previously granted to Creative Enterprise Initiative (CEI) as follows, effective January 1, 2017:

2293984
a) 40% ($56,000) to reduce the 2017 operating budget;

b) 35% ($50,000) to maintain and enhance the cultural information on the Tourism website, ensuring that it engages both residents and visitors;

c) 14% ($20,000) to fund collaborative cultural initiatives including projects, sponsorships or research in support of cultural organizations across the Region;

d) 11% (15,000) to increase funding for each of the core cultural organizations by 2%, specifically THEMUSEUM ($7,200), the Kitchener-Waterloo Symphony ($7,200) and the Grand Philharmonic Choir ($600).

Carried

The Committee discussed funding options for the 2017 OW Discretionary Benefits budget. While the recommendation was moved and seconded, G. Lorentz requested an amendment to the amount of TSRF funding from $600,000 to $400,000 and requested that once staff have had an opportunity to review service model options, the matter be further reviewed in June 2017.

Douglas Bartholomew-Saunders, Commissioner, Community Services, responded to Committee questions about estimated OW Discretionary Benefit costs. The proposed revisions to the motion were accepted as friendly amendments.

Moved by E. Clarke

Seconded by L. Armstrong

2. Increase the 2017 Operating Budget for Ontario Works Discretionary Benefits (OWDB) by $400,000 funded from the Tax Stabilization Reserve Fund and evaluate options for sustainability of the OWDB program prior to the 2018 budget process and report back to Committee in June 2017.

Carried, as amended

C. Dyer summarized the staff recommended housekeeping adjustments, including the Regional Development Charges (RDC) by-law updates; waste management revenue adjustments; King and Victoria Transit Hub; the 2017-2026 Grand River Transit (GRT) Capital Program and Operating Budget; Seniors’ Services; Bus Stops waste collection; voice radio program; and the amendments to the 2017-2026 Transportation Capital Program (TCP). He noted the projects related to the TCP and advised that information about the recently approved roundabout in Wellesley Township will be made available at the January budget meeting.
Thomas Schmidt, Commissioner, Transportation and Environmental Services, responded to a Committee question regarding the estimated cost for the roundabout in Wellesley Township.

In response to a Committee question regarding the fuel price strategy, C. Dyer advised that this issue will come forward at the January Committee meeting. T. Schmidt responded to a Committee question about a Regional idling policy, stating that a policy does exist but there is some flexibility, especially for GRT buses. A request was made by a Committee member to bring back information regarding how often this policy is enforced.

Moved by D. Craig
Seconded by D. Jaworsky

3. Approve the following amendments relating to the implementation of an amended Regional Development Charges By-law on January 1, 2017:
   a. Amend the 2017 – 2026 Waste Management Capital Program to include Regional Development Charges as a source of funding as set out in Appendix “B”;
   b. Amend the 2017 Waste Management Operating Budget to add a $300,000 transfer from the Waste Management RDC Reserve Fund and to add a $300,000 contribution to the Waste Management Capital Reserve, with no net 2017 tax levy impact;
   c. Establish a King-Victoria Transit Hub Debt Retirement Reserve Fund;
   d. Amend the 2017 King Victoria Transit Hub Operating Budget to add a $160,000 transfer from the Transit RDC Reserve Fund and to add a $160,000 contribution to the King-Victoria Transit Hub Debt Retirement Reserve Fund in the amount of $160,000, with no net 2017 tax levy impact;
   e. Amend the 2017 – 2026 Grand River Transit Capital Program to include updated Regional Development Charges as a source of funding as set out in Appendix “C”;
   f. Amend the 2017 Grand River Transit Operating Budget to add a $85,000 transfer from the Transit RDC Reserve Fund and to add a $85,000 contribution to the Transit Capital Reserve, with no net 2017 tax levy impact;
   g. Amend the 2017 Rapid Transit Operating Budget to add a transfer from the Transit RDC Reserve Fund of $3.2 million and to reduce the transfer from the
Regional Transportation Master Plan Reserve Fund by $3.2 million, with no net 2017 tax levy impact;

4. Increase the 2017 Waste Management Operating Budget for tipping fee revenue by $78,500;

5. Increase the 2017 Waste Management Operating Budget for Waste Diversion Ontario funding by $200,000;

6. Increase the 2017 Seniors’ Services Operating Budget by $26,100 and 0.29 full time equivalent staff positions to be funded by the Province of Ontario to implement the Behavioural Supports Ontario Program, with no net 2017 levy impact;

7. Re-allocate $223,750 from the 2017 Waste Management Operating Budget to the 2017 Transit Services Operating Budget to reflect the cost of waste collection at Grand River Transit stops;

8. Amend the 2017 – 2026 Voice Radio Infrastructure and Equipment Replacement Capital projects as set out in Appendix “D”; and

9. Amend the 2017 – 2026 Transportation Capital Program as set out in Appendix “E”.

Carried

C. Dyer stated that the current 2017 budget position is at 2.11%, not including the WRPS budget and the proposed 2017 Budget Issue Papers. He summarized the budget cycle and schedule and noted which items will come back at the Final Budget Committee meeting on January 11, 2017. He advised that staff are monitoring fuel prices and will bring back a recommendation in January. He also noted the significant increase in Government of Canada 10-year bond yields between November 8th and December 13th.

Presentation - Waterloo Regional Police Service (WRPS) Budget

T. Galloway, Chair of the Police Services Board, provided opening remarks and advised that the Board will approve the police budget on January 11, 2017.

Police Chief Bryan Larkin introduced staff present, including Kirsten Hand, Director of Finance and Property Maintenance. Chief Larkin provided an overview of the following operational activities:

- New Neighbourhood Policing Strategy
- Investigative Services Review
- Civilian Service Review
- Canine Review
Facilities Review and Fleet Management
Training Resources Review
Online and Technology Review

Chief Larkin summarized the current statistics related to local crime and the issues of concern. He noted increased call demands in the downtown cores as a result of urban intensification efforts, suggesting that foot patrol is the most cost effective measure to address the growing trend.

K. Hand provided an overview of the 2017 budget process; a copy of the presentation is appended to the original minutes. She highlighted several service excellence initiatives undertaken which resulted in $1.4 million in reductions, as well as the reductions proposed to the board at the November 2, 2016 meeting. She highlighted the operating budget history, noting that the increase equates to $615 per average household. She summarized the 2017 operating budget cost drivers with a total 2017 budget estimate increase of 3.37%. She provided information about the 2017 staffing plan, noting that some expansion requests were deferred. She provided information about the 2017-2026 Capital Forecast stating that a Facilities internal review is currently being undertaken in partnership with the Region; she identified the 2017 capital request items.

In response to a Committee question regarding call management and abatement costs, Chief Larkin advised that there is no budget line; it's more about process and he provided an overview of the initiatives being undertaken towards increased call diversion. He also responded to questions about how 911 calls are processed, the Region’s comparators and the efforts made to deal with the current opioid issue. He concluded his presentation noting that he is confident that service levels will be maintained within the proposed budget.

**Next Meeting - January 11, 2017**

Adjourn

Moved by G. Lorentz

Seconded by K. Redman

That the meeting adjourn at 4:49 p.m.

Carried

**Committee Chair**, S. Strickland

2293984
Committee Clerk, S. Natolochny
Grand River Conservation Authority

2017 Draft Budget

Regional Municipality of Waterloo
December 14, 2016
About the Grand River Watershed

- Largest watershed in Southern Ontario; 300 km long from Dundalk to Lake Erie
- Major tributaries: Conestogo, Speed, Eramosa, Nith
- Population: about 1 million
- Rich agricultural region
- More than 50 municipal and Six Nations drinking water systems serving 80% of residents
- 30 municipal and First Nations wastewater treatment plants serving 85% of residents
GRCA Strategic Plan

Grand River Conservation Authority

STRATEGIC PLAN

The Grand River Conservation Authority is a partnership of 29 municipalities created to manage water and natural resources for the benefit of the 960,000 residents of the Grand River watershed. The Strategic Plan, adopted in 2012, outlines the challenges facing the GRCA and the watershed, and the actions the GRCA will take to address them.
2017 Budget

• The Grand River lies at the heart of one of the richest, fastest growing regions in Ontario

• The vitality of the watershed has been linked to the river and the natural environment

• The Grand River watershed faces emerging challenges ...
2017 Budget

Priorities:

• **Climate Change** - causing more extreme events, e.g.: severe weather, droughts, floods
2017 Budget

Priorities:

• **Population Growth** - expected to reach about 1.5 million by 2051, increasing demands
2017 Budget

Priorities:

• Extensive Agriculture - about 70% of the land is farmed
2017 Budget

Federal
Provincial
Watershed
Municipal

CA Act Review

#ConservationMatters

- Now in its 3rd year of implementation, the Plan builds resiliency to address challenges in the watershed related to climate change, population growth & agriculture.

Wastewater Optimization

- Watershed-Wide Wastewater Optimization Program (WWOP) began as a pilot project in 2010, and builds upon the successful optimization work in municipalities including the Region of Waterloo.
2017 Budget

Source Water Protection

• Grand River Source Protection Plan took effect July 1, 2016

• Ongoing technical work and policy development

• Province funded 100% of Plan’s development

• Represents more than 8 years of collaborative work

#ConservationMatters
#SourceWaterON
2017 Budget

7 reservoirs actively managed to reduce flood damages and maintain flows

- Flood peaks reduced 50% or more
- Water released during summer & fall maintains minimum flows
- Ensure drinking water and waste treatment plants can operate properly
2017 Budget

Enhanced Technology, Improved Monitoring and Preparedness
2017 Budget

Rural Water Quality Program (RWQP) – Watershed Success 1998-2015

- Over 5,500 projects
- $16 million in grants
- More than $45 million invested

RWQP Project Investment

- Landowner Contribution
- Grant

Project Locations 1998 - 2015

Grand River Rural Water Quality Program

LAKE ONTARIO

LAKE ERIE
2017 Budget

Planning and Development

• GRCA assists member municipalities in the development of official plans and zoning by-laws

• GRCA provides technical advice on Planning Act applications

• Advice includes input from biologists, water resource engineers and resource planners on natural hazards, wetlands, fisheries, storm water and subwatershed planning
GRCA Landholdings

- more than 48,000 acres of recreational and natural land
- includes 11 parks, Luther Marsh, 6 nature centres
- Current initiatives: wind-down of the residential rental program, evaluation of other program areas, as well as hazard tree management, including Emerald Ash Borer
2017 Budget

GRCA Parks/Conservation Areas

• Weather dependent

• Revenue forecasts are prone to significant fluctuations

• 2015 and 2016: record-breaking years for revenue

Natural Areas

• Increasing management and cost pressures due to population growth and changing demographics
2017 Budget

Outdoor Education

• More than **40,000 students** participate in GRCA outdoor education programs annually

• More than **1,400 day campers** in the summer of 2016

• Programming provided for more than **10,000 children and families** through various events, birthday parties and youth organizations
## 2017 Budget Timetable

<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 23, 2016</td>
<td>Draft #1 to General Meeting</td>
</tr>
<tr>
<td>January 25, 2017</td>
<td>Municipalities advised of Meeting Date for Budget</td>
</tr>
<tr>
<td>January 27, 2017</td>
<td>Draft #2 to General Meeting</td>
</tr>
<tr>
<td>February 24, 2017</td>
<td>Board Approval, 2017 Budget &amp; Levy (AGM)</td>
</tr>
</tbody>
</table>

*Presentations to municipal councils between October 2016 and February 2017 as required*
2017 Budget Overview

- 2017 expenditures: $29.4 million ($31 million in 2016)
- Municipal dollars highly leveraged ($1 in municipal levy matched by $2 from other sources)
- Per capita municipal levy: $10.60
2017 Budget

GRCA Per Capita Levy 2007 to 2017
2017 Budget: Revenue by Source

Total 2017 Budget Revenue = $29.4 Million
($31.0 Million in 2016)
Revenue Categories
• Have remained consistent in relative size year over year

General Municipal Levy
• Increasing by 2.5% to $11,075,000 in 2017
• Operating Levy increasing 2.17% or $216,000
• Capital Levy increasing 5% or $50,000

Special Projects
• Expenses are offset 100% by special funding sources
• Do not use general municipal levy to fund these projects
2017 Budget: Expenditures by Category

2017 Budget Expenditures = $29.4 Million
($31.0 million in 2016)

- Base Programs (Operating): 83%
- Base Programs (Capital): 9%
- Special Projects: 8%

(Grand River Conservation Authority)
2017 Budget: Expenditures (cont’d)

Operating Budget ($24.4 million)

• Watershed Management (dams, flood forecasting, planning, lands management, education)

• Conservation Areas

• Corporate Services and Communication
2017 Budget: Expenditures (cont’d)

Capital Budget ($2.6 million)

- Water Control Structures
- Conservation Areas
2017 Budget: Expenditures (cont’d)

Special Projects ($2.4 million)

- Rural Water Quality Program
- Future land dispositions
- Trees for Guelph
- Children’s Water Festivals
- Species at Risk
- Water Management Plan
- Mill Creek Rangers
- Source Protection Program
- Emerald Ash Borer
## Grand River Conservation Authority
### Summary of Municipal Levy - 2017 Budget

<table>
<thead>
<tr>
<th>Watershed</th>
<th>% CVA in 2016 CVA (Modified)</th>
<th>CVA-Based</th>
<th>2017 Budget</th>
<th>2017 Budget</th>
<th>2017 Budget Actual</th>
<th>Total Levy</th>
<th>Actual 2016 Levy</th>
<th>% Change</th>
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<tr>
<td>Brant County</td>
<td>84.0%</td>
<td>5,446,291,473</td>
<td>11,594,112,203</td>
<td>8.10%</td>
<td>812,400</td>
<td>85,089</td>
<td>397,489</td>
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<td>Brantford C</td>
<td>100.0%</td>
<td>11,594,112,203</td>
<td>503,945,243</td>
<td>0.35%</td>
<td>35,311</td>
<td>3,698</td>
<td>39,009</td>
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<td>Amaranth Twp</td>
<td>82.0%</td>
<td>614,567,370</td>
<td>380,476,310</td>
<td>0.27%</td>
<td>26,660</td>
<td>2,792</td>
<td>29,452</td>
<td>4.9%</td>
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<td>East Garafraxa Twp</td>
<td>80.0%</td>
<td>475,595,387</td>
<td>352,562,716</td>
<td>0.25%</td>
<td>24,704</td>
<td>2,587</td>
<td>27,291</td>
<td>6.1%</td>
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<td>Town of Grand Valley</td>
<td>100.0%</td>
<td>779,464,748</td>
<td>46,767,885</td>
<td>0.03%</td>
<td>3,277</td>
<td>3,620</td>
<td>3,501</td>
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<td>Southgate Twp</td>
<td>6.0%</td>
<td>7,769,685,956</td>
<td>2,365,571,242</td>
<td>1.65%</td>
<td>165,756</td>
<td>183,117</td>
<td>182,875</td>
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<td>Haldimand County</td>
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<td>165,756</td>
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<td>182,875</td>
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<td>Norfolk County</td>
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<td>398,294,161</td>
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<td>27,904</td>
<td>30,138</td>
<td>30,138</td>
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<td>Halton Region</td>
<td>10.3%</td>
<td>33,945,230,659</td>
<td>3,502,828,212</td>
<td>2.45%</td>
<td>245,443</td>
<td>25,707</td>
<td>271,150</td>
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<td>Hamilton City</td>
<td>4.7%</td>
<td>72,428,903,704</td>
<td>3,404,158,474</td>
<td>2.38%</td>
<td>238,529</td>
<td>24,983</td>
<td>263,512</td>
<td>2.7%</td>
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<td>Oxford County</td>
<td>38.1%</td>
<td>3,366,734,453</td>
<td>1,282,809,781</td>
<td>0.90%</td>
<td>89,887</td>
<td>9,415</td>
<td>99,302</td>
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<tr>
<td>North Perth T</td>
<td>2.0%</td>
<td>1,655,467,227</td>
<td>33,109,345</td>
<td>0.02%</td>
<td>2,320</td>
<td>2,563</td>
<td>2,479</td>
<td>3.4%</td>
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<td>Perth East Twp</td>
<td>40.0%</td>
<td>1,484,036,161</td>
<td>593,614,465</td>
<td>0.41%</td>
<td>41,595</td>
<td>45,952</td>
<td>44,969</td>
<td>2.2%</td>
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<td>Waterloo Region</td>
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<td>81,573,751,711</td>
<td>57.02%</td>
<td>5,715,875</td>
<td>598,673</td>
<td>6,314,548</td>
<td>2.5%</td>
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<td>Centre Wellington Twp</td>
<td>100.0%</td>
<td>4,031,002,059</td>
<td>4,031,002,059</td>
<td>2.82%</td>
<td>282,452</td>
<td>29,584</td>
<td>312,036</td>
<td>2.4%</td>
</tr>
<tr>
<td>Erin T</td>
<td>49.0%</td>
<td>2,153,968,898</td>
<td>1,055,444,760</td>
<td>0.74%</td>
<td>73,955</td>
<td>7,746</td>
<td>81,701</td>
<td>2.2%</td>
</tr>
<tr>
<td>Guelph C</td>
<td>100.0%</td>
<td>21,273,327,578</td>
<td>21,273,327,578</td>
<td>14.87%</td>
<td>1,490,623</td>
<td>156,125</td>
<td>1,646,748</td>
<td>2.3%</td>
</tr>
<tr>
<td>Guelph Eramosa Twp</td>
<td>100.0%</td>
<td>2,267,426,720</td>
<td>2,267,426,720</td>
<td>1.58%</td>
<td>158,879</td>
<td>16,641</td>
<td>175,520</td>
<td>2.2%</td>
</tr>
<tr>
<td>Mapleton Twp</td>
<td>95.0%</td>
<td>1,305,330,346</td>
<td>1,240,063,828</td>
<td>0.87%</td>
<td>86,891</td>
<td>9,101</td>
<td>95,992</td>
<td>3.6%</td>
</tr>
<tr>
<td>Wellington North Twp</td>
<td>51.0%</td>
<td>1,353,028,411</td>
<td>690,044,489</td>
<td>0.48%</td>
<td>48,351</td>
<td>5,064</td>
<td>53,415</td>
<td>2.2%</td>
</tr>
<tr>
<td>Puslinch Twp</td>
<td>75.0%</td>
<td>2,203,401,702</td>
<td>1,652,551,276</td>
<td>1.16%</td>
<td>115,794</td>
<td>12,128</td>
<td>127,922</td>
<td>2.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>262,494,076,075</td>
<td>143,071,157,187</td>
<td>100.00%</td>
<td>10,025,000</td>
<td>1,050,000</td>
<td>11,075,000</td>
<td>2.5%</td>
</tr>
</tbody>
</table>
2017 Budget

Questions?
2017 Budget Update

Region of Waterloo

Presentation to Budget Committee
December 14, 2016
2017 Regional Budget
Objectives of today's meeting

- Approve 2017 User Rate Budgets
- Review 2017 Tax Supported Operating Budget and 2017-2026 Capital Program
- Review proposed budget issue papers
- Receive presentations from GRCA & WRPS
• Links to Regional website

- Preliminary budget book:  

- Budget Issue Papers:  

- Committee agendas (staff report and information papers)
  
  
<table>
<thead>
<tr>
<th>Request</th>
<th>Format (Agenda pkg page no.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>User rates water consumption per capita</td>
<td>Information paper (pg 34)</td>
</tr>
<tr>
<td>Impact of reduced water and wastewater rate increases</td>
<td>Information paper (pg 34) and presentation</td>
</tr>
<tr>
<td>Assessment growth background and analysis</td>
<td>Information paper (pg 39) and presentation</td>
</tr>
<tr>
<td>Reserve &amp; Reserve Fund projections</td>
<td>Information paper (pg 103)</td>
</tr>
<tr>
<td>Reserves per capita including Development Charge Reserve Funds</td>
<td>Information paper (pg 103)</td>
</tr>
<tr>
<td>Paramedic Services budget issue paper implementation</td>
<td>Information paper (pg 113)</td>
</tr>
<tr>
<td>TravelWise program</td>
<td>Information paper (pg 113)</td>
</tr>
</tbody>
</table>
User Rate Budgets

Region of Waterloo
User Rate Budgets

- Water Supply
- Wastewater Treatment
- Water Distribution
- Wastewater Collection
User Rate Information Sources

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

2. Information papers in Sections 3 and 6 of Budget Binder
   - Water Supply (S3 - pg. 27)
   - Wastewater Treatment (S3 - pg. 35)
   - Retail Water Distribution & Wastewater Collection (S3 - pg. 42)
   - Councillor Requests Info paper (S6 - pg. 34)

3. Budget issue paper (pg. 10 of Section 4 of Budget Binder)
## Recommended User Rate Increases

<table>
<thead>
<tr>
<th>Service</th>
<th>2016 approved user fee increase</th>
<th>Proposed 2017 user fee increase from 2016 forecast</th>
<th>Recommended 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>
## Recommended Service Charges

<table>
<thead>
<tr>
<th>Service</th>
<th>2016 approved service charge</th>
<th>Proposed 2017 monthly service charge from 2016 models</th>
<th>Recommended 2017 monthly service charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water distribution</td>
<td>$8.00</td>
<td>$9.00</td>
<td>$9.00</td>
</tr>
<tr>
<td>Wastewater collection</td>
<td>$6.00</td>
<td>$7.00</td>
<td>$7.00</td>
</tr>
</tbody>
</table>
## 2017 Rate Reduction
Cumulative Revenue Loss over 10 year period

<table>
<thead>
<tr>
<th></th>
<th>Reduce rate increase by 0.5% in 2017</th>
<th>Reduce rate increase by 1.0% in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wastewater Treatment</td>
<td>$4 m</td>
<td>$8 m</td>
</tr>
<tr>
<td>Water Supply</td>
<td>$3 m</td>
<td></td>
</tr>
</tbody>
</table>
Adequacy of the Wastewater Reserve

Revenue Shortfalls
- $7.4m in 2015
- $3.9m in 2016 (estimated)

Development financing
- Region has issued $99m in growth related debt
- $7.1m annual debt servicing costs
- Reserve needs to act as a backstop if DC collections are not sufficient

Insufficient reserve balance
- 10 year capital program of $0.6B
- Projected 2017 annual rate revenue of $68m
- Estimated year end balance of $14.1m
Impact of a reduced rate increase (pg. 34)

Lower reserve balances impacts the ability to:

- **manage rate revenue shortfalls**
- **complete capital renewal works in a financially sustainable manner consistent with Council approved Capital Financing Principles**
- **support growth related debt servicing costs in the event that DC collections fall short of expectations**
- **fund DC exemptions related to Brownfields and downtown cores (Kitchener & Cambridge)**
- **accommodate changes in Federal and Provincial water quality legislation**
Proposed User Rate budget issue paper:
Water Services Succession Planning

Addition of 1 temporary Junior SCADA/Process operator and 1 temporary Water Analyst for four years.
User Rate Budgets
Resolutions (pg. 3 & 4)

- Wholesale water rate of $1.0251/m³
- Wholesale wastewater rate of $1.0890/m³
- Retail water distribution rate of $2.58/m³; $9 monthly fee
- Retail wastewater collection rate of $2.01/m³; $7 monthly fee
- Establish Rate Stabilization Reserves and approve Capital Programs
2017 Tax Supported Budget

Region of Waterloo
<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Property Tax Levy ($000)</th>
<th>2017 Tax Rate Impact (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Supported base budget position, November 16</strong></td>
<td>$334,667</td>
<td>3.08</td>
</tr>
<tr>
<td>Items already approved by Council:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone system upgrade savings (COR-TRY-16-110)</td>
<td>(50)</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Region of Waterloo Arts Fund (RC-16-02)</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Preliminary 2017 Budget position – Direct Regional Programs</td>
<td>$334,617</td>
<td>3.07%</td>
</tr>
<tr>
<td>Assessment growth (Region’s share of 1.34%)</td>
<td></td>
<td>(0.90%)</td>
</tr>
<tr>
<td><strong>Total tax impact of direct regional programs</strong></td>
<td></td>
<td>2.17%</td>
</tr>
</tbody>
</table>
- Assessment Growth
- Ontario Works Discretionary Benefits
- Provincial Offences Act and Red Light Camera
- Waterloo Region Police Service
- Public Engagement
- Proposed Fees & Charges
- Reserves & Reserve Funds
- Councillor Requests – Tax Supported Budget
Assessment Growth
2002 - 2017

Year | Growth Rate
--- | ---
2002 | 3.03%
2003 | 3.29%
2004 | 3.12%
2005 | 2.99%
2006 | 3.53%
2007 | 2.62%
2008 | 2.00%
2009 | 1.84%
2010 | 1.34%
2011 | 2.15%
2012 | 1.85%
2013 | 1.72%
2014 | 1.71%
2015 | 1.52%
2016 | 1.41%
2017 | 1.34%
Assessment Growth (pg. 39)

Weighted Assessment by Area Municipality 2016 for 2017 Budget

- Cambridge: 23%
- Kitchener: 39%
- Waterloo: 24%
- Woolwich: 5%
- Wellesley: 2%
- Wilmot: 4%
- North Dumfries: 3%

Weighted Assessment by Property Class 2016 for 2017 Budget

- Residential: 66.8%
- Commercial: 19.7%
- Multi-residential: 6.2%
- New Multi-Res: 1.8%
- Industrial: 4.6%
- Farm/Mgd: 0.5%
- Forest: 0.3%
- Pipelines: 0.3%
<table>
<thead>
<tr>
<th>Starting Point</th>
<th>Plus:</th>
<th>Minus:</th>
<th>Plus/Minus:</th>
<th>End Point</th>
<th>Returned Roll for Next Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Returned Roll for the start of the year used to calculate weighted assessment</td>
<td>New Properties</td>
<td>Requests for Reconsideration</td>
<td>Class Changes</td>
<td>Year end assessment used to determine weighted assessment growth for the year</td>
<td>Year end assessment adjusted for assessment phase-in</td>
</tr>
<tr>
<td></td>
<td>Improved Properties</td>
<td>Assessment Review Board (ARB) Appeals</td>
<td>Legislative Changes</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Demolitions</td>
<td>Changes in valuation methodology</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Assessment Growth (pg. 39)
### Supplementary Tax process

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>New property</strong></td>
<td>Building</td>
<td>Occupancy</td>
<td>Assessed by MPAC</td>
<td></td>
</tr>
<tr>
<td></td>
<td>permit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assessment roll</strong></td>
<td>--</td>
<td>--</td>
<td>Assessment added to roll; included in growth for 2017</td>
<td>Included in returned roll/assessment base</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Tax collection</strong></td>
<td>--</td>
<td>--</td>
<td>Supplementary tax bill issued in 2016 from date of</td>
<td>Regular tax bill issued for year</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>occupancy to current year (2015-2016); Supplementary tax revenue recorded in 2016</td>
<td></td>
</tr>
</tbody>
</table>

- Time lag in collecting taxes from date of occupancy to year of assessment
- Three year retroactive limit in assessing supplementary taxes
## Assessment Growth (pg. 39)

### Tax Write-Off process

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010-2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subject property</strong></td>
<td>2008 CVA appealed</td>
<td>Further appeal based on 2012 CVA</td>
<td>Agreement reached or ARB decision</td>
<td></td>
</tr>
<tr>
<td><strong>Assessment roll</strong></td>
<td>Roll unchanged</td>
<td>Roll unchanged</td>
<td>Assessment roll updated; reduction netted against growth for 2016</td>
<td>Adjusted assessment included in returned roll</td>
</tr>
<tr>
<td><strong>Tax collection</strong></td>
<td>Tax bill issued for year</td>
<td>Tax bill issued for year</td>
<td>Tax refund issued from date of appeal to current year (2009-2016); total refund expensed to write-off budget in 2016</td>
<td>Lower tax bill issued for year</td>
</tr>
</tbody>
</table>
Staff presented 3 options to Community Services Committee (Nov. 22)

• 1) De-list some services to maintain tax levy contribution
• 2) Increase expenditure and tax levy contribution
• 3) Provide one-time funding of $600,000 from TSRF to continue current service levels, report back on service delivery redesign

Staff recommended Option #1: delist certain benefits in order to stay within current budget envelope

CSC passed a motion that Option #3 be forwarded to Budget Committee for consideration
Number of charges by category

- **part III**
- **Red light Camera**
- **OPP**
- **WRPS**

Yearly charges distribution from 2011 to est 2016.
Revenue by revenue stream

- French Language Funding
- Collection
- Red Light Camera
- Large Fine
- POA General
Budget vs Actual
2013 - 2016

- Red Light Camera (budget)
- Red Light Camera (actual)
- POA Revenue (budget)
- POA Revenue (actual)
• RLC revenue budget increased by $50K in 2017

• POA revenue budget left at 2016 levels due to concerns over sustainability of part III revenues

• Working with RLC service provider to resolve equipment replacement issues

• Report back on January 11, 2017
## Fees & Charges by-law (pg. 95)

<table>
<thead>
<tr>
<th>Division</th>
<th>Incremental 2017 revenues (thousands)</th>
<th>Included in base budget (Y/N)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Facilities Management</td>
<td>$ 0</td>
<td>n.a.</td>
</tr>
<tr>
<td>Airport Services</td>
<td>$ 60</td>
<td>Y</td>
</tr>
<tr>
<td>Legal Services</td>
<td>$ 2</td>
<td>Y</td>
</tr>
<tr>
<td>Cultural Sites</td>
<td>$ 8</td>
<td>Y</td>
</tr>
<tr>
<td>Region of Waterloo Library</td>
<td>$ 0</td>
<td>n.a.</td>
</tr>
<tr>
<td>Waste Management</td>
<td>$ 131</td>
<td>Y</td>
</tr>
<tr>
<td>Transit Services</td>
<td>$ 458</td>
<td>Y</td>
</tr>
<tr>
<td>Seniors’ Services</td>
<td>$ 1</td>
<td>N</td>
</tr>
<tr>
<td>Children’s Services</td>
<td>$ 26</td>
<td>Y</td>
</tr>
<tr>
<td>Supportive Housing</td>
<td>$ 0</td>
<td>n.a.</td>
</tr>
<tr>
<td>Public Health</td>
<td>$ 0</td>
<td>n.a.</td>
</tr>
<tr>
<td>Paramedic Services</td>
<td>$ 4</td>
<td>N</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$ 689</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Discretionary reserves per capita

<table>
<thead>
<tr>
<th>Municipality</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Municipality of York</td>
<td>$1,596</td>
<td>$1,861</td>
</tr>
<tr>
<td>Regional Municipality of Halton</td>
<td>1,511</td>
<td>1,793</td>
</tr>
<tr>
<td>Regional Municipality of Durham</td>
<td>1,382</td>
<td>1,572</td>
</tr>
<tr>
<td>Regional Municipality of Peel</td>
<td>1,099</td>
<td>1,118</td>
</tr>
<tr>
<td>Regional Municipality of Niagara</td>
<td>621</td>
<td>628</td>
</tr>
<tr>
<td>Regional Municipality of Waterloo</td>
<td>416</td>
<td>431</td>
</tr>
</tbody>
</table>
### Discretionary and obligatory reserves per capita

<table>
<thead>
<tr>
<th>Municipality</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Municipality of Durham</td>
<td>$2,057</td>
<td>$2,295</td>
</tr>
<tr>
<td>Regional Municipality of York</td>
<td>1,862</td>
<td>2,102</td>
</tr>
<tr>
<td>Regional Municipality of Halton</td>
<td>1,992</td>
<td>2,073</td>
</tr>
<tr>
<td>Regional Municipality of Peel</td>
<td>1,120</td>
<td>1,142</td>
</tr>
<tr>
<td>Regional Municipality of Niagara</td>
<td>796</td>
<td>802</td>
</tr>
<tr>
<td>Regional Municipality of Waterloo</td>
<td>$577</td>
<td>$572</td>
</tr>
</tbody>
</table>
### 2017 Capital Budget Financing

<table>
<thead>
<tr>
<th>Service</th>
<th>% of Own Sources of Revenue</th>
<th>Debenture</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reserves/Revenue</td>
<td>Debenture</td>
</tr>
<tr>
<td>Water</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Wastewater</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Transportation 1</td>
<td>91%</td>
<td>9%</td>
</tr>
<tr>
<td>Grand River Transit 1</td>
<td>54%</td>
<td>46%</td>
</tr>
<tr>
<td>Housing Services</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Facilities Management</td>
<td>15%</td>
<td>85%</td>
</tr>
<tr>
<td>Waste Management 1</td>
<td>26%</td>
<td>74%</td>
</tr>
<tr>
<td>Airport</td>
<td>100%</td>
<td>0%</td>
</tr>
</tbody>
</table>

1 as amended
some programs have adequate reserve contributions to finance capital investments

others do not and rely on debenture financing

budget issue papers requesting additional funding for Capital Levy Reserve Fund (CLRF) and Waste Management

CLRF finances a fraction of the capital plan and Waste Management highly dependent on debt financing
ROW has low reserve balances in comparison to other regions with similar services.

Updated reserve and reserve fund policy under development and will be presented in early 2017.
TravelWise member services

Budget issue paper request for funding of $77,000

Services includes facilitation of carpooling, active transportation and other alternatives to single occupancy vehicle commuting
Councillor Requests

tax supported budget (pg. 116)

Paramedic Services master plan BIP implementation options

Option presented for deferring implementation from July 1 to either August 1 or September 1

Recruitment should occur once per year in order to realize training cycle efficiencies
## Proposed Budget Issue Papers

### No Levy Impact

<table>
<thead>
<tr>
<th>Dept/Div</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>COR/Facilities Management</td>
<td>Addition of 1 permanent Maintenance Reliability Planning Supervisor to support the implementation of the Asset Management Plan (AMP) and ongoing preventative maintenance efforts that will be required in the AMP; funded from operational savings.</td>
</tr>
<tr>
<td>COR/Financial Services</td>
<td>Addition of 1 permanent Financial Systems Technical resource funded through a reallocation from the consulting budget.</td>
</tr>
<tr>
<td>HRC/ Compensation &amp; Talent Management</td>
<td>Convert 2 temporary full-time positions (Talent Acquisition Assistant and Job Evaluation Analyst) to permanent to address increasing workload. Both positions are currently funded in the levy.</td>
</tr>
<tr>
<td>TES/Water Services</td>
<td>Addition of 1 temporary Junior SCADA/Process operator and 1 temporary Water Analyst for four years to bridge training requirements due to significant retirements forecasted.</td>
</tr>
<tr>
<td>CSD/ Children's Services</td>
<td>Temporary resources at Children's Centres required to comply with legislative requirements on an interim basis while developing a permanent solution.</td>
</tr>
<tr>
<td>CSD/ Children's Services</td>
<td>Addition of 1 temporary Family Centre Coordinator for the Elmira facility to assist tenant partners in colocating to the facility in order to deliver a variety of services using a &quot;hub&quot; approach.</td>
</tr>
<tr>
<td>CSD/ Employment &amp; Income Support</td>
<td>Expansion of services offered at 235 King Street to include Ontario Works Direct Services.</td>
</tr>
</tbody>
</table>
### Proposed Budget Issue Papers

#### Staff recommended priority sequence

<table>
<thead>
<tr>
<th>Dept/Div</th>
<th>Description</th>
<th>Annualized Levy Impact</th>
<th>Property taxes</th>
<th>Reserves Capital</th>
<th>User rates</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>PHE/Paramedic Services</td>
<td>Implementation of Paramedic Services master plan (2017 impacts)</td>
<td>$1,574</td>
<td>$815</td>
<td>$815</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PHE/Paramedic Services</td>
<td>Construction of North Operations &amp; Fleet Centre for Paramedic Services</td>
<td>$913</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSD/Seniors' Services</td>
<td>Addition of 2.4 permanent Personal Support Workers (PSWs) to monitor and prevent critical incidents related to admission of residents with dementia and other complex behaviours.</td>
<td>$164</td>
<td>$126</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TES/Transit Services</td>
<td>Implementation of GRT business plan (2017 impacts) Priority Bundle 1</td>
<td>$1,370</td>
<td>$797</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corporate Financial</td>
<td>Capital Program Financing</td>
<td>$750</td>
<td>$750</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TES/Waste Management</td>
<td>Waste Management debt reduction strategy</td>
<td>$1,764</td>
<td>$601</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDL/Community Planning</td>
<td>Collecting Workplace Count data biennially (instead of every five years) to improve the reliability of information and monitor sector trends</td>
<td>$58</td>
<td>$58</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSD/Children's Services</td>
<td>Expanded capacity at New Elmira Children's Centre (phased-in)</td>
<td>$412</td>
<td>$400</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Proposed Budget Issue Papers

#### Staff recommended priority sequence

<table>
<thead>
<tr>
<th>Dept/Div</th>
<th>Description</th>
<th>Annualized Levy Impact</th>
<th>Property taxes</th>
<th>Reserves Capital</th>
<th>User rates</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>COR/Information Technology Services</td>
<td>Addition of 1 permanent Programmer Analyst to address increasing workload volumes (as identified in 2015 BIP)</td>
<td>$116</td>
<td>$87</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>TES/Transit Services</td>
<td>Implementation of GRT business plan (2017 impacts) Priority Bundle 2</td>
<td>$1,825</td>
<td>$725</td>
<td></td>
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<tr>
<td>PDL/Cultural Services</td>
<td>Improve Museum exhibits</td>
<td>$135</td>
<td>$135</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>TES/Transit Services</td>
<td>Implementation of GRT business plan (2017 impacts) Priority Bundle 3</td>
<td>$1,448</td>
<td>$490</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CSD/Seniors' Services</td>
<td>Addition of Social Work resources at Sunnyside Home</td>
<td>$41</td>
<td>$41</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TES/Transit Services</td>
<td>TDM Business Plan - replace Ecomobility funding for Travelwise program</td>
<td>$77</td>
<td>$77</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDL/Cultural Services</td>
<td>Public Art funding strategy phased in over two years</td>
<td>$100</td>
<td>$50</td>
<td></td>
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<tr>
<td>TES/Transit Services</td>
<td>Expansion of Route 21 Service - Woolwich Township</td>
<td>$76</td>
<td>$26</td>
<td></td>
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<tr>
<td>TES/Transit Services</td>
<td>Continuation of Wilmot township contract service (pilot ends in 2017)</td>
<td>$120</td>
<td>$90</td>
<td></td>
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</tr>
<tr>
<td>PDL/Community Planning</td>
<td>Research and Stewardship partnership with 'rare' for five years</td>
<td>$50</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Chair/Council</td>
<td>Community Innovation Grant</td>
<td>$50</td>
<td>$50</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td></td>
<td><strong>$11,043</strong></td>
<td><strong>$5,368</strong></td>
<td><strong>$1,641</strong></td>
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</tr>
</tbody>
</table>
Public engagement (pg. 83)

Focused on value for money of proposed service enhancements

Information provided for each Budget Issue Paper:

- A brief description of the benefits
- The total net levy impact
- A cost per average household
- A link to the full BIP

Respondents asked for their feedback according to a five point scale ranging from strongly agree to strongly disagree

A final question gathers feedback about balancing delivery of services with tax increases
<table>
<thead>
<tr>
<th>age range</th>
<th>Cambridge</th>
<th>Kitchener</th>
<th>Waterloo</th>
<th>Dumfries</th>
<th>North</th>
<th>Wellesley</th>
<th>Wilmot</th>
<th>Woolwich</th>
<th>subtotal</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-25</td>
<td>1</td>
<td>10</td>
<td>11</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>23</td>
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<tr>
<td>26-39</td>
<td>21</td>
<td>77</td>
<td>29</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>9</td>
<td>142</td>
<td></td>
</tr>
<tr>
<td>40-64</td>
<td>15</td>
<td>31</td>
<td>15</td>
<td>2</td>
<td>0</td>
<td>5</td>
<td>7</td>
<td>75</td>
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</tr>
<tr>
<td>65+</td>
<td>0</td>
<td>2</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>subtotal</td>
<td>37</td>
<td>120</td>
<td>58</td>
<td>4</td>
<td>2</td>
<td>8</td>
<td>16</td>
<td>245</td>
<td></td>
</tr>
</tbody>
</table>
Summary of preliminary feedback

• General agreement that most budget issues provide good value for money
• Appears to be very strong support for Paramedic services master plan BIP (agree/strongly agree = 83%)
• Support for proposed Transit expansions appears to be more mixed
• Respondents were generally supportive of "increasing taxes enough to expand or improve services" (80%)
Launched November 10

Remain live until December 21

Final report January 11, 2017
Tax Supported Budget review

- Items approved by Council
- Items referred from Standing Committees
- Staff recommended budget adjustments
Items already approved by Council

Approved November 30:

- **Telephone system upgrade**
  ($50,000 savings in 2017; annualization of $50,000 in savings in 2018)

- **Region of Waterloo Arts Fund**
  ($150,000 funded from 2016 surplus in 2017; $150,000 added to property tax levy in 2018)
Recommendation #1

Re-allocation of $141,000 in Arts and Culture Funding

- Maintain and enhance Tourism website
  - $50,000
- Collaborative cultural initiatives
  - $20,000
- Reduce the operating budget
  - $71,000
- Core cultural organizations
  - $15,000

Already in base budget

Recommended December 14
Ontario Works Discretionary Benefits

<table>
<thead>
<tr>
<th>Recommendation #2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Option # 3 – provide one-time funding for OWDB and evaluate options prior to 2018</td>
</tr>
<tr>
<td>Recommended expenditure increase of $600,000 in 2017; funded from TSRF</td>
</tr>
<tr>
<td>Staff to report back in June 2017</td>
</tr>
</tbody>
</table>
Staff recommended housekeeping adjustments

- RDC by-law updates for Transit and Waste Management
- Waste Management revenue adjustments
- Behavioural Supports for seniors
- Bus stop waste collection
- Voice Radio infrastructure & equipment
- Transportation capital plan amendments
RDC by-law update
Recommendation #3 a-d

- New service eligibility
- Capital costs within waste collection contract eligible for DC funding
- Certain projects in 2017-2026 Waste Management capital plan eligible for DC funding

Waste Management

- Debt servicing costs related to land purchase partially eligible for DC funding
- Establish a reserve to retire debt

King Victoria Transit Hub
RDC by-law update
Recommendation #3 e-g

- Forward looking service level
- Northfield Drive transit facility debt servicing costs partially eligible for DC funding
- Certain projects in 2017-2026 Transit capital plan eligible for DC funding

- Capital financing costs of LRT project partially eligible for DC funding
- Potential for adjustment to the RTMP funding strategy in 2018 & 2019
Staff recommended adjustments
Recommendations #4 & #5

- Preliminary base budget includes an adjustment of $170,000 for tipping fees

- **Staff recommends:**
  - Budgeted volume increase of 1,000 MT for IC&I tonnage increases revenue budget by $78,500
  - Increase in WDO revenue of $200,000
  - Total levy reduction of $278,500

Waste Management revenues
Staff recommended adjustments
Recommendation #6

- Additional funding from the Province of Ontario for Behavioural Support programs
- **Staff recommends:**
  - Additional $26,100 in 100% Provincial funding
  - Increase of 0.29 permanent FTEs

Seniors' Services
Staff recommended adjustments
Recommendation #7

- Responsibility for waste collection at bus stops to be moved to Transit Services from Waste Management
- **Staff recommends:**
  - Transfer budget of $223,750 from Waste to Transit

**Bus stop waste collection**
Staff recommended adjustments
Recommendation #8

- Voice Radio infrastructure capital of $21.8m allocated to Facilities ($1.4m), Transit ($8.0m) and Police ($12.4m) capital
- Capital plan updates for equipment replacements
- Reduction of $0.3m in 2017 and a further deferral of $1.0m to 2018; overall reduction of $0.4m in 10 year capital plan.
Staff recommended adjustments

Recommendation #9

<table>
<thead>
<tr>
<th>2017-2026 Transportation Capital Program amendments</th>
<th>Changes proposed for six growth related projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 capital expenditure reduced by $12.2m</td>
<td></td>
</tr>
<tr>
<td>Overall capital expenditure increase of $7.1m (2017-2019)</td>
<td></td>
</tr>
<tr>
<td>No 2017 tax levy impact</td>
<td></td>
</tr>
<tr>
<td>Details found in Appendix E of staff report (pg 29 of agenda pkg.)</td>
<td></td>
</tr>
</tbody>
</table>
Transportation

- Additional handout today provides the detailed 2017-2026 TCP
- Includes amendments recommended for several growth related project in TCP
- Impact of Ament Line/Herrgott Road roundabout to be presented at January 11, 2017 meeting
<table>
<thead>
<tr>
<th>Description</th>
<th>2017 Property Tax Levy ($000)</th>
<th>2017 Tax Rate Impact (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tax Supported base budget position, November 16</strong></td>
<td>$334,667</td>
<td>3.08</td>
</tr>
<tr>
<td>Items already approved by Council:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Telephone system upgrade savings (COR-TRY-16-110)</td>
<td>(50)</td>
<td>(0.01)</td>
</tr>
<tr>
<td>Region of Waterloo Arts Fund (RC-16-02)</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Items referred from Committee and Council</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts and Culture Grants (PDL-CUL-16-11)</td>
<td>$15</td>
<td>0.00</td>
</tr>
<tr>
<td>Ontario Works Discretionary Benefits (CSD-EIS-16-14)</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Staff recommended base budget adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regional Development Charges (COR-FSD-16-32)</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Waste Management revenue</td>
<td>(279)</td>
<td>(0.06)</td>
</tr>
<tr>
<td>Behavioural Supports Ontario</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Budget transfer (Waste Management to GRT)</td>
<td>0</td>
<td>0.00</td>
</tr>
<tr>
<td>Preliminary 2017 Budget position – Direct Regional Programs</td>
<td>$334,354</td>
<td>3.01%</td>
</tr>
<tr>
<td>Assessment growth (Region’s share of 1.34%)</td>
<td></td>
<td>(0.90%)</td>
</tr>
<tr>
<td><strong>Total tax impact of direct regional programs</strong></td>
<td></td>
<td><strong>2.11%</strong></td>
</tr>
</tbody>
</table>
## WRPS budget (pg. 70)

<table>
<thead>
<tr>
<th></th>
<th>2016 Approved Operating Budget</th>
<th>PSB Approved-in-Principle 2017 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenditure</td>
<td>$165,549,190</td>
<td>$170,907,4270</td>
</tr>
<tr>
<td>Revenue</td>
<td>14,820,629</td>
<td>15,105,887</td>
</tr>
<tr>
<td>Property Tax Requirement</td>
<td>$150,728,561</td>
<td>$155,801,540</td>
</tr>
<tr>
<td>Year over year levy increase</td>
<td>5,119,005</td>
<td>5,072,979</td>
</tr>
<tr>
<td>Year over year % levy increase</td>
<td>3.52%</td>
<td>3.37%</td>
</tr>
<tr>
<td>Tax Rate Impact based on 1.34% assessment growth</td>
<td>0.67%</td>
<td>0.64%</td>
</tr>
</tbody>
</table>
The Budget Cycle

- **Budget analysis and preparation**
- **Preliminary Budget Book**
- **Council approval**
- **Budget Committee review, public input**
- **Variance monitoring and reporting**
2017 Budget Schedule

Oct. 19: Budget Committee overview

Early November: Print Budget Book

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
Councillor Requests
Fuel Price Strategy update
POA/RLC revenue
Library Budget
Capital plan impacts of approving Ament Line/Herrgott Road roundabout
Approval of 2017 Tax Supported Operating Budget
Approval of 2017-2026 Tax Supported Capital Program
Approval of Fees and Charges By-law
Weekly Diesel Price per Litre
YTD 2016
<table>
<thead>
<tr>
<th>Date</th>
<th>10 year bond yields</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-Sep-16</td>
<td>0.5%</td>
</tr>
<tr>
<td>27-Sep-16</td>
<td>0.7%</td>
</tr>
<tr>
<td>4-Oct-16</td>
<td>0.9%</td>
</tr>
<tr>
<td>11-Oct-16</td>
<td>1.1%</td>
</tr>
<tr>
<td>18-Oct-16</td>
<td>1.3%</td>
</tr>
<tr>
<td>25-Oct-16</td>
<td>1.5%</td>
</tr>
<tr>
<td>1-Nov-16</td>
<td>1.7%</td>
</tr>
<tr>
<td>8-Nov-16</td>
<td>1.9%</td>
</tr>
<tr>
<td>15-Nov-16</td>
<td>1.9%</td>
</tr>
<tr>
<td>22-Nov-16</td>
<td>1.9%</td>
</tr>
<tr>
<td>29-Nov-16</td>
<td>1.9%</td>
</tr>
<tr>
<td>6-Dec-16</td>
<td>1.9%</td>
</tr>
</tbody>
</table>
2017 Budget

Discussion
2017 Budget Process

• Supports the 2015-2017 Strategic Business Plan
• Adheres to legislative and policy requirements
• Includes contractual responsibilities
• Ensures adequate funding exists
• Extensive internal review process
• Balance with tax payer affordability and sustainability
• Respects Region of Waterloo guidelines and schedule
Service Excellence

• Internal review process resulted in $1.4M of reductions

• Incorporated Continuous Improvement initiatives including:
  - Civilian Staffing Review
  - Investigative Services Review
  - Canine Review

• Investment in long term organizational excellence and employee wellness

• Salary gapping estimate included
2017 Operating Budget Continuity

Proposed Budget Nov 2, 2016 $ 156,376,540

Fleet fuel and maintenance (250,000)
Small Equipment (176,710)
Overtime (100,000)
Position Vacancy (34,876)
PATS Grant funding (13,414)

Net Levy Budget Increase of 3.37% $ 155,801,540

WATERLOO REGIONAL POLICE SERVICE
People helping people...
Operating Budget History

- Assuming a 1.34% assessment growth the tax rate impact for 2017 is 0.64%
- Equates to $615 per average household
2017 Operating Budget Cost drivers

TOTAL 2017 BUDGET ESTIMATE INCREASE  3.37%

- Contractual Salary increase  1.3%
- Annualization of 2016 expansions  0.5%
- Benefit and other staffing costs  0.5%
- 2017 Expansions  0.3%
- Regional chargebacks  0.2%
- Operating Expense increases  0.8%
- Revenue increases  (0.2%)

- Operating Expense increase includes funding for employee wellness programs, continuous improvement program investments, uniform, body armour, software licenses, consulting fees, debt expenses and allowances
- Grant revenue increases for PAVIS, PATS and CSPT
2017 Staffing plan

- 7 Civilian positions added in 2017
- Minimal growth for the past five years
- Some 2017 expansion requests were deferred
- Re-allocation of positions within the authorized headcount
Ten year capital forecast totals $125.9M
38% Information Technology / PRIDE
Approximately 20% for Fleet, Facilities and Voice Radio respectively
2017 Capital Request

- $19.5M Capital Request for 2017:
  - $10.3M Radio Infrastructure / End user gear
  - $2.9M Vehicle lifecycle Replacement
  - $2.4M Information Technology/PRIDE
  - $1.8M IS building renovation
  - $1.2M Facilities Capital Renewal
  - $0.9M Facilities Renovations

- Facilities Master Plan undergoing internal review
- Fleet SLA in progress with Region
- Capital and Reserve review to be undertaken in 2017
Questions