Regional Municipality of Waterloo
Budget Committee
Minutes

Tuesday, January 12, 2021
1:05 p.m.

This meeting was held electronically with the Chair presiding from 150 Frederick Street, Kitchener.

Present were:  Present were: Chair S. Strickland, L. Armstrong, E. Clarke, J. Erb, S. Foxton, T. Galloway, M. Harris, D. Jaworsky, H. Jowett, K. Kiefer, G. Lorentz, J. Nowak, K. Redman, S. Shantz and B. Vrbanovic

Members absent:  K. McGarry

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

None declared.

Opening Remarks

Sean Strickland, Committee Chair, provided brief opening remarks regarding the 2021 Waterloo Regional Police Service budget.

Motion for Additional Budget Public Input on Thursday, January 14, 2021

Moved by T. Galloway

Seconded by K. Redman

That an additional Budget Public Input meeting be held, electronically, on Thursday, January 14, 2021 at 7:00 p.m., for the purpose of receiving public input about the 2021 Waterloo Regional Police Service budget.

Carried

3523793
2021 Budget Memo: “Police Services Act” Provisions Regarding Council Approval of Police Services Board Operating and Capital Estimates was received for information.

Correspondence: Police Services Board Re: 2021 Waterloo Regional Police Service Budget was received for information.

Presentation: Waterloo Regional Police Service 2021 Budget

Bryan Larkin, Chief of Police, was joined by Kirsten Hand, Director of Finance, and they provided a presentation to the Committee; a copy is attached to the original minutes. Chief Larkin highlighted the 2021 operating budget of $185M, as approved by the Police Services Board (PSB) on December 16, 2020. He provided an overview of the services offered in the community and the continuous improvement and efficiency plan. He reaffirmed the commitment of the Waterloo Regional Police Service (WRPS) to undertake initiatives and activities that support inclusivity of the Black, Indigenous and Racialized communities, as well as the marginalized community.

K. Hand gave an overview of staffing and budget pressures, including absences and accommodations, noting that overtime costs were reduced by 40% in 2020. She summarized the budget process, including adherence to legislation and contractual responsibilities. She advised that staff were able to identify $4.6M in budget reductions during the budget review and approved zero staffing expansion despite workload demand. She concluded that the board-approved budget would result in a 1.6% property tax increase net of assessment growth, which is in alignment with projected 2021 inflation. This increase results in an annual cost per average household of approximately $669, which is an increase of $10.54 over the last year.

Chief Larkin summarized the existing demands and challenges presented during the pandemic and extended appreciation to Dr. Wang and Public Health staff for their leadership and management. He provided data about the investigative demands during 2020, noting that approximately 20% of mental health calls were averted and that the overall crime rate decreased in Waterloo Region by 4%. He outlined the Path Forward initiative for policing in Waterloo Region, stating that WRPS are incorporating equity, inclusion and diversity in all areas of policing.

Chief Larkin responded to Committee questions regarding a tiered staffing model of policing, budget increase rationale compared to other police services across the country, the launch of the program, IMPACT, to address mental health calls, responses to opioid emergencies, and local policing efforts to address change. He noted that those police services that have approved a 0% increase are using significant reserves to get to zero. He added that without an increase to the WRPS budget, they would not be able to meet their mandate under the Police Service Act and that any further reductions to the budget could endanger police and negatively impact services.

3523793
Bruce Lauckner, Chief Administrative Officer, stated that while the police are the only resource currently, the health teams and the Region have been advocating for more funding for mental health organizations.

S. Strickland thanked Chief Larkin for his time and for the flexibility that the WRPS has shown during the budget review process.

The Committee took a recess at 3:05 p.m. and reconvened at 3:15 p.m.

**Opening Remarks**

Sean Strickland, Committee Chair, provided opening remarks regarding the 2021 Regional budget.

**Opening Remarks**

B. Lauckner provided opening remarks. He highlighted the Regional plans for responding to community needs in a fiscally responsible manner.

**Opening Remarks**

Chair Karen Redman provided opening remarks, noting the transformational budget of 2021 and she thanked staff for the work that has been undertaken to date.

**Presentation:** 2021 TaxSupported Budget Update and Responses to Councillor Requests

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, began his presentation; a copy is attached to the original minutes. The following reports were highlighted in his presentation and were received for information:

- COR-CFN-21-02, Assessment Growth
- COR-FFM-21-02, Fleet Utilization Review
- COR-CFN-21-04, 2021 Tax Supported Budget Update

C. Dyer provided an overview of the operating budget amendments, noting federal and provincial funding of $5.6M, announced in December 2020, as part of a Phase 2 of the municipal stream of Safe Restart Fund. He stated that the Region is very grateful to senior levels of government for this additional funding. He added that Transit could not access Safe Restart Phase 2 of the transit stream since the Region would not be able to use the funds by March 31, as per current program requirements. He provided a summary of the Tax Stabilization Reserve continuity.
At the request of Councillor Erb, C. Dyer provided the details of an option for Council consideration regarding a 0.5% tax levy increase to fund a portion of the Strategic Investment in affordable housing. A 0.5% levy increase would generate $2.9M annually. An increase to the property tax levy would create budget capacity that could be used for future operating impacts of the Waterloo Region Housing (WRH) Master Plan. His presentation highlighted the planned housing investments of $125M in 2021 and 2022.

J. Erb stated his support of an approach that establishes sustainable funding for affordable housing in Waterloo Region. He requested that staff bring back two (2) options for Committee’s consideration: an increase to the property tax levy of 0.5% to replace Housing Reserve funding in the Housing Strategy Investment, and an increase to the property tax levy of 0.5% to add to the Housing Strategy Investment.

Peter Zinck, Director, Transit Services, summarized the key points of the 2021 Grand River Transit (GRT) Service Plan, adding that any necessary adjustments can be made during 2021. He also noted that, depending on the level of post-secondary attendance at local institutions, the resumption of the UPass program might be triggered.

C. Dyer summarized the preliminary 2022 budget pressures and the options to inflation for consideration during the Final Budget meeting on January 20. In closing, he extended appreciation to the Provincial government for additional funding from the Phase 2 of the Safe Restart Fund.

Moved by T. Galloway
Seconded by H. Jowett

That the Regional Municipality of Waterloo take the following action with respect to the preliminary 2021 Tax Supported Operating Budget and 2021-2030 Tax Supported Capital Plan as set out in Report COR-CFN-21-04 dated January 12, 2021:

a) Amend the 2021 budget to reflect increased Safe Restart Funding in the amount of $5,644,000 to help offset the impact of COVID-19 in 2021;

b) Reduce the 2021 budget for assessment delivery services provided by the Municipal Property Assessment Corporation (MPAC) by $54,177;

c) Reduce the 2021 budgeted contribution from the Tax Stabilization Reserve by $5,698,177; and

d) Increase the preliminary 2021 operating budget by $1,274,715 and 7.5 temporary FTEs ($0 net levy impact) and amend the 2021-2030 capital plan to add $342,500 in expenditure in 2021 and $201,000 in 2022 relating to the Community Paramedicine program; and
e) That the Regional Municipality of Waterloo request the provincial and federal governments to allow Phase 1 and 2 funding allocations under the Safe Restart Fund Transit Stream to be retained by municipalities providing public transit services for use beyond March 31, 2021.

Carried

Correspondence

a) Richard Chambers, Waterloo Region Age Friendly Committee Re: Proposal for Pilot of Free Grand River Transit (GRT) Ridership for Older Adults was received for information.

D. Jaworsky noted that he has responded to Mr. Chambers and added that he will be investigating options, along with Regional staff and other Regional Councillors, to assist low-income seniors.

Next Meeting – January 20, 2021

Adjourn

Moved by M. Harris

Seconded by D. Jaworsky

That the meeting adjourn at 4:15 p.m.

Carried

Committee Chair, S. Strickland

Committee Clerk, S. Natolochny
2021 Proposed Budget
January 12, 2021

WATERLOO REGIONAL POLICE

Our Community
Population of Waterloo Region: 617,879

The Waterloo Regional Police Service is the sixth largest police service in Ontario and provides frontline policing and investigative support to approximately 617,879 residents in Waterloo Region.
Our Community

Past Population and Population Projection for Waterloo Region

Source: Region of Waterloo

Our Service

785
Sworn Members

381
Civilian Members
Our Service

Rate of WRPS Police Officers Per 100,000 Population, 2010-2019

Source: Statistics Canada Table 35-10-0077-01

Our Service

2019 Rate of Police Officers in Municipalities Serving Populations Greater than 100,000

Average Rate = 148.2

Source: Statistics Canada Table 35-10-0077-01
Continuous Improvement & Efficiency

- Court Services Review
- Traffic Services Review
- Evidence Management
- IT Audit
- Path Forward

Online Reporting & Alternative Service Delivery
Senior Leader Review
Call Management Optimization & Reporting
Forensic Identification Review

2021 Budget
Staff and Budget Pressures

- Absences & Accommodations
- Increased Overtime
- Training

2021 Budget Process

- Ensures adherence to legislation and adequacy standards
- Board Policy and WRPS Procedures
- Includes contractual responsibilities
- Ensures adequate funding exists for effective policing in Waterloo Region
- Supports the Strategic Business Plan 2021-2023
Mitigation Strategies

Lean Budgeting
- Recognizing the need to focus on limited financial resources
- Senior leaders submitted flat or reduced budgetary requests from the previous year
- $4.6 million in efficiencies have been found
- Continuous Improvement Initiative has resulted in 47 efficiency projects over the past five years
- Salary gapping or staffing vacancies continue to offset budget needs now and in the future
- Transfer from reserves to offset contractual retirement gratuities and increased benefit costs
- 2.5 million dollars in salary gapping equates to 18 frontline officers

Zero Staffing Expansion
- Since 2019, a total of 20 sworn positions have been civilianized, in areas including Communications, Court Services, Policy and Procedure Development, Strategic Services, Cybercrime, and Training and Education
- For both 2020 and 2021, no expansion of the WRFS staffing complement has occurred
- Nine existing positions re-allocated internally in 2021

Other Funding Sources

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Investment in Policing vs. Internal Efficiencies

16 Members in 2020 + 9 Members in 2021 ➔ 25 Repurposed Positions
Budget Drivers

Contractual Salary, Benefits & Other Expenses 4.2%

Salary Gapping and Reserve Funding (1.3%)

2021 Operating Budget Position

<table>
<thead>
<tr>
<th>($K)</th>
<th>2020 Budget $180,123</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add: Base Budget Expenditure Adjustments</td>
<td>$5,581</td>
</tr>
<tr>
<td>Deduct: Projected Revenue Increase</td>
<td>$(317)</td>
</tr>
<tr>
<td>Base Budget Increase</td>
<td>$185,387 2.92%</td>
</tr>
<tr>
<td>Expansion Requests</td>
<td>$0</td>
</tr>
<tr>
<td><strong>2021 Budget</strong></td>
<td><strong>$185,387 2.92%</strong></td>
</tr>
</tbody>
</table>

- 1.6% Property Tax Increase
- $669 per average household (increase of $10.54)
Capital Forecast

10-Year Capital Forecast
$206,771
- New Central Division
- Police vehicles and equipment
- Business Intelligence Tools
- Body Worn and In-Car Video System
- NG9-1-1
- Other:
  - Facilities refresh
  - Headquarters accessibility upgrades
  - Electric vehicle charging stations
  - Facility security upgrades
  - Evidence care and control upgrades

Capital Request

2021 Capital Request (incl. 2020 CF)
$40,127K

Reductions (2021 to 2029)
$7,604K

Reduced Debentures (2021 to 2029)
$8,163K
## Ontario Comparators

<table>
<thead>
<tr>
<th>Police Service</th>
<th>Number of Officers</th>
<th>Year Over Year Budget Increase (Excluding Assessment Growth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brantford</td>
<td>187</td>
<td>5.99%</td>
</tr>
<tr>
<td>Guelph</td>
<td>201</td>
<td>4.75%</td>
</tr>
<tr>
<td>Ottawa</td>
<td>1543</td>
<td>4.50%</td>
</tr>
<tr>
<td>Niagara</td>
<td>720</td>
<td>4.30%</td>
</tr>
<tr>
<td>Halton</td>
<td>714</td>
<td>4.24%</td>
</tr>
<tr>
<td>Peel</td>
<td>2022</td>
<td>3.80%</td>
</tr>
<tr>
<td>York</td>
<td>1543</td>
<td>3.65%</td>
</tr>
<tr>
<td>North Bay</td>
<td>98</td>
<td>3.22%</td>
</tr>
<tr>
<td>Hamilton</td>
<td>829</td>
<td>2.98%</td>
</tr>
<tr>
<td>Waterloo</td>
<td>757</td>
<td>2.92%</td>
</tr>
<tr>
<td>Barrie</td>
<td>240</td>
<td>2.65%</td>
</tr>
</tbody>
</table>

3.90% average

Source: Statistics Canada Table 35-10-0077-01, 2020

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Crime in Waterloo Region
Existing Demands

- Drugs & Violent Crime
- Road Safety
- Mental Health
- Cybercrime & Digital Evidence
- Covid-19

2020 Investigative Demands

- 8 Homicides (7 murder, 1 manslaughter)
- 1,339 Overdoses; 98 deaths
- 8 Attempt Homicide Victims
- 48 Naloxone Uses
- 15 Shooting Incidents
- 140 Lives Saved (since 2018)
- 19 Traffic Fatalities (20 victims)
**Total Crime Rate**

Total Crime Rate (Excluding Traffic), Per 100,000 Population

Source: Statistics Canada Table 35-10-0180-01

**Violent Crime Rate**

Violent Crime Rate, Per 100,000 Population

Source: Statistics Canada Table 35-10-0190-01
Birkinshaw Homicide

- Responded October 17, 2020, around 9:20 p.m.
- 19-year-old male with injuries sustained from a gunshot wound
- Victim pronounced at the scene
- Significant emergency response and police deployment
- Immediate search for the suspect
- Arrest made the following day after relentless search
Birkinshaw Homicide

Total Investigative Hours (YTD)  Total Cost (YTD)

1,084  $72,000

Involved Members:
- Major Crime Unit
- Forensic Identification Unit
- General Detectives
- Canine Team
- Frontline Patrol
- Remotely Piloted Vehicle (RPV)
- Communications Centre
- Records Unit
- Public Information Unit
- Court Services

Walmart Arson Investigation

- On October 20, 2020, at approximately 9:15 p.m., responded to a fire at the Walmart at Ottawa Street South and Fischer Hallman Road in Kitchener
- At approximately 10 p.m., responded to a second report of a fire at the Walmart at Ottawa Street North and River Road in Kitchener
- At approximately 10:20 p.m., responded to a third report of a fire at the Walmart at Bridgeport Road East and Weber Street South in Waterloo
- Initial damage estimates at $12 million
Walmart Arson Investigation

- On October 24, 2020, at approximately 5:30 p.m., two males were arrested in connection to the arson investigation
- The males also discharged fire alarms at retail stores throughout the Region and one incident in Brantford

21-year-old Paris male charged with nine offences:
- False Alarm of a Fire – 4 counts
- Arson – Disregard for Human Life – 3 counts
- Conspiracy to Commit Arson – 1 count
- Public Mischief – 1 count

15-year-old Paris youth charged with 19 offences:
- False Alarm of a Fire – 13 counts
- Theft under $5,000 – 1 count
- Arson – Disregard for Human Life – 3 counts
- Conspiracy to Commit Arson – 1 count
- Public Mischief – 1 count

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Walmart Arson Investigation

<table>
<thead>
<tr>
<th>Total Investigative Hours (YTD)</th>
<th>Total Cost (YTD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,098</td>
<td>$73,000</td>
</tr>
</tbody>
</table>

Involved Members:
- Investigative Services Division
- General Investigations Unit
- Forensic Identification Unit
- Frontline Patrol
- Public Information Unit
- Communication Centre
- Records Unit
- Court Services
Serving Two Neighbourhoods

Call Complexity
The Path Forward

Renewed alignment within Neighbourhood Policing & Investigative Services Division
Priorities in 2021

Community
Collaboration and Partnership

Supporting Our Partners

- LAW ENFORCEMENT TORCH RUN® → $52,598
- United Way → $24,303
We are here 24/7, 365 days a year.

Stuff-a-Cruiser
4,872 toys collected
$4,330 cash donated
#ShareTheWarmth Campaign
Over 600 items collected

#ShareTheWarmth

Winter Wear Campaign

"Getting out of the house to play in the backyard or going to a park is more important than ever. Having winter wear will enable families in need to find hope this winter."

Stephen Jackson, CEO
Anishnabeg Outreach
"As temperatures drop, a warm welcome takes on a whole new meaning for our families who are experiencing a Canadian winter for the first time."

- Kathie Must, Reception House

Backpack Challenge

2,500 backpacks
$3,500 cash/gift cards
#OneOfAKind Campaign

“Maggie was so excited to receive a Kindness Award from the Waterloo Police. She loves doing small acts of kindness. Thank you for encouraging kids to show kindness to others.”
Questions?
Leading the region: Beyond COVID-19

Budget 2021

Region of Waterloo
REGION OF WATERLOO

2021 TAX SUPPORTED BUDGET

Budget Committee
January 12, 2021
AGENDA

Staff reports

• Assessment Growth
• Public Engagement
• Fleet Utilization Review
• Operating Budget Amendments

Councillor Requests from Dec. 16

• Tax stabilization reserve
• Various service-related matters
• 2022 budget considerations
Assessment growth for each year from 2012 to 2021:

- 2012: 1.85%
- 2013: 1.72%
- 2014: 1.71%
- 2015: 1.52%
- 2016: 1.41%
- 2017: 1.34%
- 2018: 1.93%
- 2019: 1.92%
- 2020: 1.77%
- 2021: 1.30%

Average assessment growth over these years is approximately 1.5%.
• Lower net growth in business class which attracts a higher tax ratio.
• Due to the pandemic MPAC was unable to perform on-site visits from March until later in the summer.

<table>
<thead>
<tr>
<th>Classes</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$1,027,668,296</td>
<td>$873,367,120</td>
<td>$1,091,038,547</td>
</tr>
<tr>
<td>Business</td>
<td>258,465,414</td>
<td>342,001,180</td>
<td>196,177,917</td>
</tr>
<tr>
<td>Farm</td>
<td>15,760,124</td>
<td>10,819,834</td>
<td>13,050,694</td>
</tr>
<tr>
<td>Exempt</td>
<td>59,862,837</td>
<td>155,598,932</td>
<td>184,624,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,361,756,671</strong></td>
<td><strong>$1,381,787,066</strong></td>
<td><strong>$1,484,891,358</strong></td>
</tr>
</tbody>
</table>
The plan for beyond COVID-19 and the accompanying 2021 budget has been shaped by community feedback and input from earlier this year:

- Waterloo Matters Survey, which was conducted by the University of Waterloo in June 2020 with a sample size of 250 to 300 residents
- An Interactive Voice Response public telephone poll in July 2020, which was conducted by Conestoga College with a sample size of 800 residents
- Four separate Wellbeing Waterloo Region focus groups and accompanying survey in August 2020
The most important social concerns that need to be addressed for Waterloo Region were identified as:

- Affordable housing and homelessness
- Unemployment
- Mental health

The most important infrastructure concerns that need to be addressed for Waterloo Region were identified as:

- Supply and range of affordable housing
- Government spending/fiscal management
- Climate change

With input from Council, this feedback helped the Region formulate a plan, a specific focus, and an accompanying budget for 2021.
Further engagement through a public input session at the Dec. 16 Budget Committee meeting and online feedback

Launched online platform on Nov 25 with 3 open-ended questions

1. What do you like?
2. What do you dislike?
3. Is there anything else we should consider?

803 aware visitors – those who visited the initial site

546 informed visitors – those who downloaded documents, viewed videos/images or visited multiple pages from the survey webpage

76 responses (questionnaires completed) were received
Online feedback summary:

- Small number of respondents with varying opinions on a wide range of topics
- Strong support for helping the most vulnerable, investments in affordable housing and support for local businesses
- Varying levels of support for topics such as proposed investments to support Indigenous, Black and Racialized communities, Transit service levels and active transportation
Original estimate for vehicle replacements of $15.6M in 2021 has been reduced by $11.6M to a new total of $4M.

<table>
<thead>
<tr>
<th>Capital savings</th>
<th>Operating savings</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Deferral of replacements</td>
</tr>
<tr>
<td>Annual utilization review as part of budget process</td>
<td>$7.4M</td>
</tr>
<tr>
<td>KPMG Service Review</td>
<td>$2.5M</td>
</tr>
<tr>
<td>Subtotal</td>
<td>$9.9M</td>
</tr>
</tbody>
</table>

The 2021 budgeted vehicle reserve contribution is lower than the target contribution - the utilization review has reduced the funding gap.
PROPOSED 2021 OPERATING BUDGET AMENDMENTS (P. 39)
SAFE RESTART FUNDING: MUNICIPAL OPERATING STREAM

$695M in additional funding under the SRF municipal operating stream

$299M for use in 2021 - allocated across all municipalities to help municipalities manage the financial impacts of COVID-19

Region’s allocation: $5,644,000 to be used to help with 2021 COVID-19 related operating pressures
<table>
<thead>
<tr>
<th>Safe Restart Funding Operating Stream</th>
<th>ROW Allocation</th>
<th>Estimated use in 2020</th>
<th>Balance included in 2021 budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>$13.4M</td>
<td>$5.3M ROW</td>
<td>$7.6M ROW $0.2M WRPS</td>
</tr>
<tr>
<td>Phase 2</td>
<td>$5.6 M</td>
<td>-</td>
<td>$5.6M</td>
</tr>
<tr>
<td>Total</td>
<td>$19.0M</td>
<td>$5.6M</td>
<td>$13.4M</td>
</tr>
</tbody>
</table>
### 2021 TAX SUPPORTED BUDGET

#### COVID IMPACTS ($MILLIONS)

<table>
<thead>
<tr>
<th>Program</th>
<th>Expenditure Impact</th>
<th>Revenue Impact</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transit Services</td>
<td>$0.1</td>
<td>$19.1</td>
<td>$19.2</td>
</tr>
<tr>
<td>Public Health</td>
<td>$8.5</td>
<td>-</td>
<td>$8.5</td>
</tr>
<tr>
<td>Housing Services</td>
<td>$6.1</td>
<td>-</td>
<td>$6.1</td>
</tr>
<tr>
<td>Seniors Services</td>
<td>$1.8</td>
<td>-</td>
<td>$1.8</td>
</tr>
<tr>
<td>Paramedic Services</td>
<td>$1.7</td>
<td>-</td>
<td>$1.7</td>
</tr>
<tr>
<td>Facilities Management</td>
<td>$0.9</td>
<td>$0.4</td>
<td>$1.3</td>
</tr>
<tr>
<td>Airport</td>
<td>-</td>
<td>$0.8</td>
<td>$0.8</td>
</tr>
<tr>
<td>Other Programs</td>
<td>$0.2</td>
<td>$1.4</td>
<td>$1.6</td>
</tr>
<tr>
<td><strong>Total Impacts</strong></td>
<td><strong>$19.3</strong></td>
<td><strong>$21.7</strong></td>
<td><strong>$41.0</strong></td>
</tr>
</tbody>
</table>

**Federal/Provincial Funding** ($32.8)

**Net Impact - preliminary budget** $8.2

**Additional SRF - Municipal Operating Stream** ($5.6)

**Revised Net Impact** $2.5
<table>
<thead>
<tr>
<th>Proposed budget amendment</th>
<th>2021 property tax levy impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Add phase 2 SRF operating stream funding to the 2021 budget to reduce the COVID impact</td>
<td>- $5,644,000</td>
</tr>
<tr>
<td>Reduce tax stabilization reserve funding</td>
<td>+ $5,644,000</td>
</tr>
<tr>
<td>Net impact</td>
<td>$0</td>
</tr>
</tbody>
</table>
SAFE RESTART FUNDING: TRANSIT STREAM UPDATE

Phase 1 Allocations Announced in August

• Region's allocation is $16.5M

Phase 2 Allocations announced December 16

• The Region could be eligible to receive $20.6M under phase 2, and could be eligible to receive an allocation of up to $12.4M to address additional pressures based on ridership ($33M total)
• The Region will not be able to access this funding as COVID-related costs and revenue losses relating to public transit do not exceed the Region’s phase 1 allocation up to March 31, 2021
<table>
<thead>
<tr>
<th>Safe Restart Funding Transit Stream</th>
<th>ROW Allocation</th>
<th>Estimated use in 2020</th>
<th>Planned use in 2021 (up to March 31)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Phase 1</td>
<td>$16.5M</td>
<td>$8.5M</td>
<td>$8.0M</td>
</tr>
<tr>
<td>Phase 2</td>
<td>$20.6M + up to $12.4M</td>
<td>Not eligible</td>
<td>Not eligible</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$37.1M + up to $12.4M</strong></td>
<td><strong>$8.5M</strong></td>
<td><strong>$8.0M</strong></td>
</tr>
</tbody>
</table>
SAFE RESTART FUNDING: TRANSIT STREAM UPDATE

All SRF transit stream funding must be utilized by March 31, 2021

- Ridership and fare revenue to remain significantly below pre-COVID levels throughout 2021
- Staff estimate 2021 ridership will be approx. 55% of pre-COVID levels
- $13 million fare revenue shortfall estimated from April-December 2021

Recommend continued advocacy to the Province

- allow use of this funding beyond March 31, 2021
- alleviate ongoing COVID related pressures that are anticipated to extend until at least the end of 2021
The Province is providing 100% funding of up to $3M per year for 3 years to provide Community Paramedicine Services for non-emergency care to individuals who are waiting for placement in a long-term care home or who are soon to be eligible for long-term care.

Eligible Operating and Capital costs include:

• Staffing (salaries, wages and benefits)
• Vehicle Costs, including operating, leasing or purchasing costs
• Medical supplies
• Technology Costs, including computers, telephones, database licences, monitoring equipment and operating costs
• Training and development
• Administrative support and supplies
The proposed Community Paramedicine budget submitted to the Ministry on January 7 is as follows:

<table>
<thead>
<tr>
<th>Expenditures ($000's)</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staffing</td>
<td>891</td>
<td>1,596</td>
<td>1,931</td>
</tr>
<tr>
<td>Operating</td>
<td>383</td>
<td>717</td>
<td>963</td>
</tr>
<tr>
<td>Sub-total</td>
<td>1,275</td>
<td>2,313</td>
<td>2,894</td>
</tr>
<tr>
<td>Capital</td>
<td>343</td>
<td>201</td>
<td>6</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>1,617</td>
<td>2,515</td>
<td>2,901</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenues ($000's)</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ministry of Health</td>
<td>1,617</td>
<td>2,515</td>
<td>2,901</td>
</tr>
</tbody>
</table>

| Net Levy Impact       | 0    | 0    | 0    |

<table>
<thead>
<tr>
<th>Fulltime Equivalents</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Paramedics</td>
<td>5.00</td>
<td>10.00</td>
<td>11.25</td>
</tr>
<tr>
<td>Supervisors</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
</tr>
<tr>
<td>Total Temporary FTEs</td>
<td>7.50</td>
<td>12.50</td>
<td>13.75</td>
</tr>
</tbody>
</table>
## Proposed amendment

<table>
<thead>
<tr>
<th>Proposed amendment</th>
<th>2021 Property Tax levy impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increase Safe Restart Funding to help offset the impact of COVID-19 in 2021</td>
<td>- $5,644,000</td>
</tr>
<tr>
<td>Reduce the budget for assessment delivery services provided by MPAC</td>
<td>- $54,177</td>
</tr>
<tr>
<td>Reduce the contribution from the Tax Stabilization Reserve</td>
<td>+$5,698,177</td>
</tr>
<tr>
<td>Add expenditure and provincial funding for Community Paramedicine program</td>
<td>$0</td>
</tr>
<tr>
<td>Net impact to preliminary 2021 tax levy for regional services</td>
<td>$0</td>
</tr>
</tbody>
</table>
# TAX STABILIZATION RESERVE FUNDING IN THE 2021 BUDGET

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Separated Cycling Lane Pilot - Winter Maintenance</td>
<td>$0.30</td>
</tr>
<tr>
<td>SWIFT project contribution (final year)</td>
<td>$0.67</td>
</tr>
<tr>
<td>Paramedic Services (2020 service expansion)</td>
<td>$0.36</td>
</tr>
<tr>
<td>Paramedic Services (proposed 2021 service expansion)</td>
<td>$0.66</td>
</tr>
<tr>
<td>Business Supports Strategic Investment</td>
<td>$2.00</td>
</tr>
<tr>
<td>Contribution to achieve 0% tax rate increase in 2021</td>
<td>$5.32</td>
</tr>
<tr>
<td><strong>Total 2021 Proposed Use of Tax Stabilization Reserve</strong></td>
<td><strong>$9.31</strong></td>
</tr>
<tr>
<td>Recommendation in COR-CFN-21-04: Reduce TSR Contribution</td>
<td>($5.69)</td>
</tr>
<tr>
<td><strong>Revised 2021 Proposed Use of Tax Stabilization Reserve</strong></td>
<td><strong>$3.62</strong></td>
</tr>
</tbody>
</table>
RESPONSES TO COUNCILLOR REQUESTS FROM DECEMBER 16 BUDGET COMMITTEE
## Tax Stabilization Reserve Continuity

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2020 Tax Stabilization Reserve opening balance</strong></td>
<td>$15.00</td>
</tr>
<tr>
<td>2020 Budgeted uses of Tax Stabilization Reserve funding:</td>
<td></td>
</tr>
<tr>
<td>Residential Project Neutral</td>
<td>$0.06</td>
</tr>
<tr>
<td>Winter Maintenance of the Separated Cycling Lane Pilot Network</td>
<td>$0.60</td>
</tr>
<tr>
<td>Permanent Consumption Treatment Site (capital)</td>
<td>$0.22</td>
</tr>
<tr>
<td>Shelter Overflow Response (if costs cannot be accommodated within existing budget)</td>
<td>$0.33</td>
</tr>
<tr>
<td>Paramedic Services Service Enhancements (2019 and 2020 BIPs)</td>
<td>$0.84</td>
</tr>
<tr>
<td>Southwestern Integrated Fibre Technology (SWIFT)</td>
<td>$0.45</td>
</tr>
<tr>
<td><strong>Total 2020 Budgeted uses of Tax Stabilization Reserve funding</strong></td>
<td>$2.49</td>
</tr>
<tr>
<td>Estimated Tax Stabilization Reserve balance at 2020 year end, prior to surplus allocation</td>
<td>$12.51</td>
</tr>
<tr>
<td>Estimated Year End Tax Supported Budget Position (COR-FSD-20-28)</td>
<td>$3.23</td>
</tr>
<tr>
<td><strong>Estimated Tax Stabilization Reserve balance at 2020 year end</strong></td>
<td>$15.00 *</td>
</tr>
</tbody>
</table>

*As per surplus allocation policy, the targeted TSR balance is $15M*
### ADDITIONAL 2021 PROPERTY TAX LEVY FUNDING FOR HOUSING

**Option:** 0.5% tax levy increase to fund a portion of the Strategic Investment in Affordable Housing (i.e. in lieu of some reserve funding)

| 0.5% levy increase in 2021 generates $2.9M in funding | Leave in place in 2022 – would generate $5.8M over two years to replace reallocated Housing Capital Reserve funding | Total value of strategic investment doesn’t change ($20M) | Creates a more sustainable source of funding for affordable housing investments | Creates budget capacity that could be used for future operating impacts of the WRH master plan |

2021-01-12 25
## PLANNED HOUSING INVESTMENTS

### Housing Services

#### Proposed Capital Budget

<table>
<thead>
<tr>
<th>Project/Initiative</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>WRH Capital Renewal</td>
<td>$19,341</td>
<td>$14,918</td>
</tr>
<tr>
<td>WRH Master Plan</td>
<td>$10,443</td>
<td>$32,520</td>
</tr>
<tr>
<td>Provider Building Condition Audits</td>
<td>-</td>
<td>350</td>
</tr>
<tr>
<td>RDC Exemption Grant</td>
<td>611</td>
<td>384</td>
</tr>
<tr>
<td>Investment Affordable Housing (IAH) 2014; IAH Social Infrastructure Fund (SIF-IAH)</td>
<td>$6,910</td>
<td>-</td>
</tr>
<tr>
<td>CAN-ON Community Hsg Initiative (COCHI), ON Priorities Hsg Initiative (OPHI)</td>
<td>$6,279</td>
<td>$3,110</td>
</tr>
<tr>
<td>Strategic Investment, Affordable Housing</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Rapid Housing Initiatives (Canada Mortgage Housing Corp.)</td>
<td>$8,192</td>
<td>-</td>
</tr>
<tr>
<td>Alternative Housing (Social Services Relief Fund #2)</td>
<td>$3,500</td>
<td>-</td>
</tr>
</tbody>
</table>

**TOTAL EXPENDITURE**

<table>
<thead>
<tr>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>$65,276</td>
<td>$61,282</td>
</tr>
</tbody>
</table>

#### FUNDING & FINANCING

<table>
<thead>
<tr>
<th>Source</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants &amp; Subsidies</td>
<td>$27,947</td>
<td>$10,842</td>
</tr>
<tr>
<td>Reserve and Reserve Funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Facility Lifecycle</td>
<td>$8,816</td>
<td>$5,873</td>
</tr>
<tr>
<td>Housing General</td>
<td>$10,525</td>
<td>$9,395</td>
</tr>
<tr>
<td>Afford Housing</td>
<td>$10,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>National Housing Strategy (NHS) Co-investment financing</td>
<td>$4,139</td>
<td>$13,097</td>
</tr>
<tr>
<td>Regional debentures</td>
<td>$3,849</td>
<td>$12,075</td>
</tr>
</tbody>
</table>

**TOTAL FUNDING & FINANCING**

<table>
<thead>
<tr>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>$65,276</td>
<td>$61,282</td>
</tr>
</tbody>
</table>
PLANNED HOUSING INVESTMENTS

$125+M over 2021/2022 that focuses on:

• Required capital renewal work for units owned and operated by the Region.
• Re-development and intensification of 5 WRH sites and will add 638 affordable housing units over 10 years in accordance with master plan.
• Grants provided to affordable housing proponents for Regional Development Charges (RDC).
• Provincial programs for maintenance/creation of community/affordable housing units.
• Regional investment strategy to accelerate the development of affordable units over five years.
• Creation of 42 modular units; 6 units in Cambridge (WRH Bechtel infill) & 36 units in Kitchener (One-time federal funding).
• Creation of 45 beds to address youth homelessness (One-time provincial funding).
### 2020/2021 Children’s Services Funding Allocation

<table>
<thead>
<tr>
<th>Provincial/Federal Funding Category</th>
<th>2020 Final Funding Allocation</th>
<th>2021 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>General and Expansion Plan</td>
<td>$41.3M</td>
<td>$39.8M</td>
</tr>
<tr>
<td>ELCC Canada-Ontario Early Learning &amp; Child Care Agreement (Federal Funding)</td>
<td>$3.1M</td>
<td>$3.1M</td>
</tr>
<tr>
<td>Wage Enhancement &amp; Administration</td>
<td>$6.9M</td>
<td>$6.8M</td>
</tr>
<tr>
<td>Home Child Care Base Funding</td>
<td>$2.6M</td>
<td>$2.6M</td>
</tr>
<tr>
<td>EarlyON and Child &amp; Family Programs</td>
<td>$4.4M</td>
<td>$4.4M</td>
</tr>
<tr>
<td>One Time transitional grant</td>
<td>-</td>
<td>$1.6M</td>
</tr>
<tr>
<td><strong>Total Child Care Allocation from Federal/Provincial Funding</strong></td>
<td><strong>$58.3M</strong></td>
<td><strong>$58.3M</strong></td>
</tr>
</tbody>
</table>
2021 PUBLIC TRANSIT BUDGET KEY POINTS

• Significant ridership and fare revenue reductions as of March 2020
• Accordingly, service expansions approved in the 2020 budget were not implemented
• Other route and frequency adjustments implemented to reflect ridership and a 50% drop in revenue
• 2021 budget reflects 55% of pre-COVID ridership and approx. 91% of pre-COVID service levels
• The Transit network continues to:
  • make public transit broadly accessible in the community;
  • support essential travel (work, medical needs, groceries etc.) during the pandemic for those without transportation alternatives; and
  • accommodate ridership and reduce crowding
• Region has capacity make in-year service level adjustments as needed
2021 GRT SERVICE PLAN

Revenue Service Hours and Ridership, 2019-2021

- Conventional bus
- ION LRT
- Ridership

Weekly Service Hours (Thousands)

Ridership (Millions)
2021 GRT SERVICE PLAN

GRTRidership, 2020 Actuals and 2021 Projected as a % of 2019

2021 Average = 55%
2021 GRT SERVICE PLAN

Routes ranked by % of weekday boardings (Fall 2020 vs. Fall 2019)

Routes serving universities/college
Routes serving industrial areas
Other routes
# 2021 GRT Service Plan

## 2020 Service Expansion Not Implemented

<table>
<thead>
<tr>
<th>Service Description</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Replace one-way local loop routes with more direct two-way routes in Cambridge</td>
<td></td>
</tr>
<tr>
<td>Streamline local routes in the south Galt, Elmwood, Northview, and Saginaw areas (support current travel patterns, increase long-term ridership potential)</td>
<td></td>
</tr>
<tr>
<td>Expand service to major commercial and employment destinations</td>
<td></td>
</tr>
<tr>
<td>Increased weekend and evening service</td>
<td></td>
</tr>
<tr>
<td>Not implemented due to reduced ridership</td>
<td></td>
</tr>
</tbody>
</table>

## 2020 Covid-19 Service Adjustments

<table>
<thead>
<tr>
<th>Service</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus services</td>
<td>Some peak trips serving the universities and college - Routes 7, 12, 13, 10, 19, 29, 31, 61, 201, 202 Midday frequency reductions (201, 202) Reduced evening service - Routes 3, 4, 22, 56, 57, 60 Services with trips removed after midnight – Routes 6, 7, 8, 9, 12, 13, 16, 19, 201, 302 Route 55 reduced frequency Route 110 removal (Winter 2021)</td>
</tr>
<tr>
<td>ION services</td>
<td>Weekday, Sat. &amp; Sun. - trips removed after midnight Weekday after 10:30pm reduced to 30 minutes Weekday, Sat. &amp; Sun. - Early morning service reductions</td>
</tr>
</tbody>
</table>

## Proposed University / College Service Adjustments (April 2021)

<table>
<thead>
<tr>
<th>% Pre-Covid Service</th>
<th>2021 Savings ($ Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>$2.8M</td>
</tr>
<tr>
<td>94%</td>
<td></td>
</tr>
<tr>
<td>91-92%</td>
<td></td>
</tr>
</tbody>
</table>

- Reduce weekday frequency from 15 to 30 minutes on some routes serving universities (Routes 9, 13, 19)
- Reduce weekday / Saturday evening and Sunday frequency from 30 to 60 minutes (Routes 9, 13, 19)
- Reduce some underutilized supplementary peak-only service (Routes 7, 61)

Evaluate ridership and approved service changes; as required, bring in-year service level / revenue adjustment to Council
Post-secondary considerations for Fall 2021:

- 50+% return to on-campus activity possible for Fall 2021 – may trigger resumption of U-Pass program and/or increased College Pass sales
- Additional revenues may support restoration of service reductions
- Staff will bring in-year ridership projection, service level and revenue adjustment report

Timing Considerations:

- Availability of information/decision regarding the level of post secondary on-campus learning?
- GRT lead time for recruitment, training and scheduling
PRELIMINARY 2022 BUDGET PRESSURES

COVID Impacts

- Remove Safe Restart Funding (Municipal Operating & Transit streams) ($21.2M)
- Recovery of Transit Fare Revenue (2021 reduction~$19.1M)
- Realignment of Transit service levels to ridership levels
- Reduce certain costs to pre-COVID levels

Provincial Funding

- Provincial transition funding for Children's Services ($1.6M)
- Public Health transition funding ($1.5M)

Service Delivery

- Annualization of Paramedic Services enhancements ($0.6M)
- Master plan implementations
- Strategic investments: Indigenous, Black and Racialized communities ($5M); Technology ($1M)
- Discretionary RDC exemption funding strategy (tax levy component ~$1.7M)
- Operating costs relating to Northfield transit facility (~$2M)
PRELIMINARY 2022 BUDGET PRESSURES

Key points for 2022

• Further budget challenges lie ahead
• Pace and scale of the economic recovery
• Extent of ongoing COVID cost and revenue impacts
• Master plan implementations
• Provincial and federal funding priorities
Increasing the budget for regional services at the rate of projected inflation (1.6%) equates to an additional $6.3M in levy funding - options could include:

<table>
<thead>
<tr>
<th>Reduced reliance on the Tax Stabilization Reserve</th>
<th>Replace some 2021 reserve funding for strategic investments with levy $</th>
<th>Enhance or accelerate levy funding of strategic investments in 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 budgeted contribution from TSR of $3.6M (based on recommended budget adjustments)</td>
<td>Replace some 2021 reserve funding for strategic investments with levy $ e.g. $20M in 2021/22 Housing Capital Reserve funding for Affordable Housing</td>
<td>Enhance or accelerate levy funding of strategic investments in 2021</td>
</tr>
</tbody>
</table>
Additional Safe Restart Funding helps mitigate 2021 COVID impacts

Reduced reliance on Tax Stabilization Reserve provides additional flexibility to deal with ongoing impacts of the pandemic

Recommended budget amendments maintain a 0% property tax impact for Regional services
2021 operating budget approval
2021-2030 capital program approval
Police and library budget approval
User fees and charges approval
Municipal budget regulation