Regional Municipality of Waterloo

Budget Committee

Minutes

Wednesday, November 25, 2020

2:05 p.m.

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


Motion to go into Closed Session

Moved by M. Harris

Seconded by G. Lorentz

That a closed meeting of the Budget Committee be held on Wednesday, November 25, 2020 at 1:30 p.m. in the Council Chambers, in accordance with Section 239 of the “Municipal Act, 2001,” for the purposes of considering the following subject matters:

   a) labour relations

   Carried

Motion to Reconvene into Open Session

Moved by L. Armstrong

Seconded by E. Clarke

That the Budget Committee reconvene into Open Session

3474155

3474155
Carried

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

None declared.

Opening Remarks

Sean Strickland, Committee Chair, provided opening remarks. He stated that this budget, more than any other, will have significant challenges due to the COVID-19 pandemic. Regional Council will strive to remain true to the Regional values and will continue to address local issues, such as housing and assisting those most vulnerable. He commended Public Health staff for their exemplary work during unprecedented times. He recognized various challenges and those in the hospitality industry and other places of public gathering who are experiencing economic hardship. He said that these challenges give Regional Council the opportunity to create a focused, prioritized and sustainable budget. He thanked colleagues and Regional Chair Redman for their leadership in addressing the impacts of the pandemic. He added that the Service Review will assist Council in prioritizing programs and services in the Region. He commended Regional staff for their efforts in drafting a challenging budget.

Opening Remarks

Regional Chair Karen Redman provided opening remarks. She said that this budget plan has a deliberate approach, specifically focusing further on addressing inequities in our community. She stated that there is no place for tolerance of the status quo and that Council is prepared to move forward and beyond 2020. She thanked staff for their efforts.

Opening Remarks

Bruce Lauckner, Chief Administrative Officer, provided opening remarks. He thanked Council for clear guidance offered in September, noting that this budget review is only the beginning of the process.

2021 User Rate Budgets

Introduction

Craig Dyer, Chief Financial Officer/Treasurer, stated that today’s meeting will focus on the proposed 2021 user rates and the tax supported operating budget.

Presentation:
Samantha Lawson, Chief Administrative Officer, and Sonja Radoja, Manager of Corporate Services, Grand River Conservation Authority (GRCA), provided a presentation to the Committee; a copy is attached to the original minutes. The presentation highlighted the water management plan, strategic priorities and the current challenges related to provincial regulations and managing the operational impact of COVID-19. The GRCA anticipates status quo in funding sources in 2021 and new provincial regulations in late 2020/early 2021. Revenue losses have resulted from the pandemic and have been offset by managing administrative expenses. Details about the operating and capital budget for 2021 were highlighted. The general levy is seeking an increase of 2.5% to $12 M in 2021. The impact to the Region of Waterloo will be an increase of 1.9% for approximately $6M.

Councillor Jowett offered her appreciation to staff and board members for dealing with the challenges, noting that her tenure as the GRCA board chair ends in December 2020.

Presentation: 2021 User Rate Budgets

Nancy Kodousek, Director, Water Services, provided a presentation; a copy is attached to the original minutes. Highlights of the presentation included an overview of the 2021 budgets for water supply, wastewater treatment, water distribution, and wastewater collection, the ten-year capital budget programs and projects for each, community initiatives, the level of consumer demand and the proposal for zero percent user rate impact, with no increase in 2021.

Committee members commented about the water distribution costs, the Region’s past investment in improved water quality of the Grand River, and concerns about future impacts of approving a zero rate increase in 2021.

Presentation: 2021 User Rate Budgets

COR-FSD-20-34, 2021 Water Supply and Wastewater Treatment Budgets was received for information.

C. Dyer summarized the information contained in the staff report. He noted the direction received from Council to build a zero per cent user rate impact in 2021. He added that the November 5th Provincial budget resulted in operating savings of $1.2M related to savings in property taxes and electricity pricing. He reiterated details about the 2021 water supply operating budget, noting that the GRCA levy is funded by the water supply and wastewater treatment budgets, and the wastewater treatment rate changes, as well. He highlighted that overall water supply budget changes over the past year have been modest and he offered historical and projected water supply rate changes over the next ten (10) years where the increases will be in the range of 1.9 to 3.9%.
COR-FSD-20-35, 2021 Water Distribution and Wastewater Collection Budgets was received for information.

The Committee recessed at 3:25 p.m. and reconvened at 3:35 p.m.

**Presentation: 2021 Preliminary Tax Supported Operating Budget and Capital Program**

C. Dyer gave a presentation to the Committee; a copy is appended to the original minutes. Highlights included an overview of the 2021 plan, the status of the preliminary operating budget and the significant assumptions related to COVID-19.

The 2021 Plan includes the following key elements: the continued delivery of essential services; alignment with strategic plan focus areas; ongoing impacts of the pandemic; new strategic investments; thoughtful and deliberate budget savings; prudent use of Provincial and Federal funding and reserves; the implementation/outcomes of the KPMG Service Review; the continued investment in regional infrastructure and, the achievement, above all, of a zero per cent tax rate increase, with options to inflation.

The 2021 proposed budget is purpose-built, supporting the five (5) focus areas of the Region’s strategic plan. C. Dyer provided specific examples of initiatives to be implemented in support of the strategic plan focus areas. Additionally, he noted the reliance of the success of this plan resting with the highly-qualified staff that continue to reflect the values of the Region.

C. Dyer summarized the COVID-19 impacts on the services provided by the Region, including transit services and the Public Health response. The overall estimate is approximately $41M in COVID-related costs and revenue losses with more than half related to transit services. Cost containment in spring 2020 has allowed for a Safe Restart Fund carryover to the 2021 budget. The Region recognizes that senior levels of government are experiencing deficits due to the pandemic and is planning accordingly.

New strategic investments will be made for affordable housing, BIPOC issues, business supports and technology all to be funded from reserves and property taxes.

C. Dyer outlined how the Region has responded to the budget gap: removed transit expansion costs from the 2021 budget; adjusted transit service to 91% of pre-COVID levels; improving cost effectiveness; offering Voluntary Exit Opportunities (VEO) for non-union staff, and leaving vacant positions unfilled for a longer, temporary period of time. The measures taken have resulted in addressing the $25M gap without a property tax increase for 2021, as have the significant funding envelopes from the Provincial and Federal governments over the course of the last several months. He identified key
subsidy assumptions, the proposed use of the Tax Stabilization Reserve (TSR) and the KPMG Service Review outcomes.

The presentation summarized important capital investments planned for 2021: housing, public transit, roads, airport and Regional buildings, and the current status of 2021 Tax Supported Operating Budget – Regional Services, not including the Waterloo Regional Police Service (WRPS) budget. The net assessment growth for 2021 is 1.3%. A full list of 2021 user fees that will be changing will be available at the December 16th budget meeting.

In response to the Committee’s request for budget tax rate options to inflation, C. Dyer stated that a tax rate increase of 1.5% would equate to $5.9M. He suggested that if Council chooses a rate in line with inflation, the Region could reduce its reliance on the TSR, enhance or accelerate levy funding of strategic investments in 2021 or replace some 2021 reserve funding for strategic investments with levy funds.

Staff responded to Committee questions regarding strategic investments, how other municipalities with transit systems are managing, staff hiring, COVID-19 related costs and funding sources and assessment growth.

C. Dyer stated that if the Region had not undertaken cost containment measures, a carry-over of the Safe Restart Fund would not have been available and the proposed 2021 budget would have required additional adjustments. He confirmed that the additional Public Health staff positions are temporary and are being funded 100 per cent by the Province. Per Committee requests, staff will prepare a listing of all the COVID-19 related costs and the related funding sources, as well as an environmental scan of transit services in other municipalities.

In response to Committee concerns about transit ridership, bike lane use and support for local businesses, B. Lauckner advised that the approach of this budget is to focus on the strategic priorities, being more intentional about what our priorities are regarding the budget. He added that there is a cycling master plan in place and that Council will be discussing cycling lanes at a future meeting.

S. Strickland made closing remarks, highlighting the Region’s sincere appreciation to both the Provincial and Federal governments for their support during the pandemic. The funds received have positioned the Region to be able to focus on local priorities.

Next Meeting – December 16, 2020 (Regular Meeting and Public Input Meeting)
Adjourn

Moved by J. Erb

Seconded by S. Foxton

That the meeting adjourn at 5:00 p.m.

Carried

Committee Chair, S. Strickland

Committee Clerk, S. Natolochny
About the Grand River Watershed

- The Grand River watershed is the largest in southern Ontario.
- The Grand River and its tributaries lie at the heart of one of the richest, fastest growing regions in our province.
About the Grand River Watershed

• The Region of Waterloo is a vital part of the Grand River watershed

• The future prosperity of the watershed, its municipalities and communities, is linked to the health of the river and the natural environment
About the Grand River Watershed

Population Growth
- Today about 1 million, projected to grow to 1.4 million by 2041

Extensive Agriculture
- About 70 per cent of the land is agricultural

Climate Change
- The issue of our time
Conservation Authorities in Ontario

- Local agency organized on a watershed basis
- Integrated watershed management
- Balance human, environmental and economic needs

The GRCA
Seven dams and reservoirs actively managed to reduce flood damages and maintain flows.

- Flood peaks reduced 50 per cent or more; minimum flows maintained in dry months.
Strategic Priorities

Protect life/property & Improve watershed health

Planning and Development

• Through a Memorandum of Understanding with the Region, the GRCA provides technical advice on Planning Act applications and other planning documents
Strategic Priorities

Improve watershed health

Source Water Protection Program

• Ensure Region’s drinking water supplies are protected now and in the future
  o Update Source Protection Plan to reflect changes and new information
  o Support municipal Source Protection Plan implementation
Improve watershed health

- Region provides data to the Watershed-wide Wastewater Optimization Program for annual reporting
- Several regional plants have recently been recognized through the WWOP recognition program
Rural Water Quality Program (RWQP) watershed-wide success since 1998:

- Nearly 7,000 projects completed
- $20 million in grants
- More than $56 million invested

Strategic Priorities

Improve watershed health
**Strategic Priorities**

**Improve watershed health**

**RWQP in Region in 2020:**

- 65 completed projects
- $202,900 in grants
- Landowner contribution $285,500
- Total investment in water quality $488,400
Strategic Priorities

Connect people with the environment

- GRCA conservation and natural areas – a vital part of the watershed’s recreational infrastructure
Responsible land management

• Partner with municipalities to provide the public with access to certain GRCA properties in a responsible and sustainable way
2021 Budget Challenges

- To prepare a budget prior to release of provincial regulations regarding mandatory vs non-mandatory program mandates for conservation authorities
- To manage uncertainty and operational restrictions/protocols created by the COVID-19 pandemic
1. Mandated vs Non-Mandated Programs

Budget Assumption

• GRCA will continue to deliver programs that are currently in place and fund programs with general municipal levy as in the past

New regulations are anticipated in late 2020/early 2021.
2021 Budget Challenges

2. Manage COVID-19

- Self-generated revenue sources subject to significant uncertainty:
  - Conservation Area
  - Outdoor Education
- Incremental COVID costs
- Manage administrative expenses where possible
2021 Budget Challenges

Expenditures by Category

2021 Budget: $30.6 million
(2020: $36.0 million)

- Base Programs (Operating): 83%
- Base Programs (Capital): 12%
- Special Projects: 5%

Base Programs (Operating) 83%
Base Programs (Capital) 12%
Special Projects 5%
EXPENDITURES

Operating Budget ($25.3 Million)

- Watershed Management (dams, flood forecasting, planning, lands management)
- Conservation Areas
- Environmental Education
- Corporate Services and Communications
2021 Budget Challenges

EXPENDITURES

Capital Projects ($3.7 Million)
- Water Management Capital ($1.8 million)
  - Maintenance and repairs to dikes and dams

Conservation Areas ($1.5 million)
- Carry forward projects from 2020

Motor Pool & IS Equipment ($400,000)
2021 Budget Challenges

EXPENDITURES

Special Projects ($1.6 Million)

- Source Water Protection Program
- Rural Water Quality Grants
- Mill Creek Rangers
2021 Draft Budget

Revenue by Category

2021 Budget: $30.6 million
(2020: $36.0 million)
Revenue

General Municipal Levy:
• Increasing by 2.5% to $12,225,000 in 2021
• Operating Levy increasing 2.9% or $298,000
• Capital Levy $950,000, nil increase

Special Projects:
• Expenses are offset 100% by special funding sources
• Do not use general municipal levy to fund these projects
### Grand River Conservation Authority

#### Summary of Municipal Levy - 2021 Budget

<table>
<thead>
<tr>
<th>Watershed</th>
<th>% CVA in 2020 CVA (Modified)</th>
<th>2021 Budget</th>
<th>Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brant County</td>
<td>82.9%</td>
<td>6,936,721,473</td>
<td>5,750,542,101</td>
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<tr>
<td>Brantford C</td>
<td>100.0%</td>
<td>14,928,515,157</td>
<td>14,928,515,157</td>
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<tr>
<td>Amaranth Twp</td>
<td>82.0%</td>
<td>795,979,920</td>
<td>652,703,535</td>
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<tr>
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<td>80.0%</td>
<td>626,126,773</td>
<td>500,901,419</td>
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<tr>
<td>Town of Grand Valley</td>
<td>100.0%</td>
<td>553,512,121</td>
<td>553,512,121</td>
</tr>
<tr>
<td>Melancthon Twp</td>
<td>56.0%</td>
<td>795,979,920</td>
<td>652,703,535</td>
</tr>
<tr>
<td>Southgate Twp</td>
<td>6.0%</td>
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<td>Haldimand County</td>
<td>41.0%</td>
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<td>Norfolk County</td>
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<td>9,584,167,114</td>
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<tr>
<td>Halton Region</td>
<td>10.4%</td>
<td>46,451,977,776</td>
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<td>Hamilton City</td>
<td>26.8%</td>
<td>94,145,899,309</td>
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<td>Oxford County</td>
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<td>1,622,932,789</td>
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<td>North Perth T</td>
<td>2.0%</td>
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<td>Perth East Twp</td>
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<tr>
<td>Waterloo Region</td>
<td>100.0%</td>
<td>102,472,672,048</td>
<td>102,472,672,048</td>
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</table>

#### Percentage Change

<table>
<thead>
<tr>
<th>Watershed</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brant County</td>
<td>4.0%</td>
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<tr>
<td>Brantford C</td>
<td>2.4%</td>
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<tr>
<td>Amaranth Twp</td>
<td>3.8%</td>
</tr>
<tr>
<td>East Garafraxa Twp</td>
<td>6.7%</td>
</tr>
<tr>
<td>Town of Grand Valley</td>
<td>5.3%</td>
</tr>
<tr>
<td>Melancthon Twp</td>
<td>3.4%</td>
</tr>
<tr>
<td>Southgate Twp</td>
<td>6.2%</td>
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<tr>
<td>Haldimand County</td>
<td>1.4%</td>
</tr>
<tr>
<td>Norfolk County</td>
<td>2.7%</td>
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<tr>
<td>Halton Region</td>
<td>4.2%</td>
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<td>Hamilton City</td>
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<td>Oxford County</td>
<td>2.1%</td>
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<tr>
<td>North Perth T</td>
<td>4.9%</td>
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<tr>
<td>Perth East Twp</td>
<td>3.6%</td>
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<tr>
<td>Waterloo Region</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

#### Capital Maintenance Levy

*Capital Maintenance Levy represents levy allocated to maintenance of capital infrastructure, studies, and/or equipment.*
2021 Draft Budget

GRCA Per Capita Levy 2011 to 2021

Year


$9.90 $10.04 $10.19 $10.29 $10.39 $10.49 $10.60 $10.72 $10.84 $10.97 $11.09

$12.00

$11.50

$11.00

$10.50

$10.00

$9.50

$9.00

$9.90 $10.04 $10.19 $10.29 $10.39 $10.49 $10.60 $10.72 $10.84 $10.97 $11.09

$12.00
Questions?
2021 User Rate

Water Services

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

Source Protection - Conservation – Engineering – Operations - Laboratory Services

55 Million Cubic Metres of Safe Drinking Water
2021 Water Supply Budget

- $59 M - Water Supply Operating Budget
- $740 K - Budget reductions in utilities, maintenance, travel expenses, other
- Adjustments to capital program
- Zero percent user rate impact – no increase

COVID Impact – Uninterrupted Water Supply & 2.6 % increase in Water Demands
Water Budget

2021 - 2030 Capital Program: $541M

Projects include:

Asset Management $193M
- SCADA Upgrades ($25 M)
- Projects for Infrastructure Renewal ($111M)

Upgrades/Expansions/New Facilities $259M
- Manganese Upgrades ($59 M)
- Cambridge Distribution Upgrades ($62 M)
- Mannheim Water Treatment Plant ($48 M)
Community Initiatives

- **Research**
  - Salt Pilot with Facilities
  - Emerging water quality issues

- **Education**
  - Environews
  - Reducing Winter Salt Application

- **Building Resilience**
  - Identify Critical Infrastructure
  - Optimizing treatment
Water - Innovation

Combining systems Strange Street & William Street

New iron and manganese filters arrived at Strange Street.
Water - Innovation

Mannheim Water Treatment Plant
Optimizing treatment with improved equipment and controls

Upgrade monitoring/control
Improve reliability, security and compliance
Water - Communication

Protecting groundwater through education programs

Is your organization leaking money? Let us help you cut costs and save water!
Wastewater Treatment
Conservation-Engineering-Operations – Biosolids
Environmental & Laboratory Services
2021 Wastewater Treatment Budget

• $78.5 M Wastewater Treatment Operating Budget
• $1.4 M Budget reductions in utilities, conferences, optimization, other
• Zero percent user rate impact – no increase
• Adjustments to capital program

COVID Impact – Uninterrupted Service
Wastewater

2021 - 2030 Capital Program: $480 Million

Major Treatment Upgrades:
- Kitchener WWTP ($87M)
- Galt WWTP ($58M)
- Rural Infrastructure ($29 M)

Growth Related:
- Baden-New Hamburg Servicing MP
- Wellesley Servicing MP
Community Initiatives

**Research**
- Focus Microplastics
- Reduction of Nutrients

**Education**
- Promote the 3 Ps
- Stop the Non-flushables
- Infographic for education

**Building Resilience**
- Optimize treatment to increase capacity & improve performance
- Increase Reuse
Wastewater – Innovation

Hespeler Disinfection – without harming fish

Improving effluent with less chemicals

Kitchener optimization study
Wastewater Innovation
St. Jacobs WWTP

Upgrade equipment (aerators) to improve robustness of the treatment.

Increasing capacity without new infrastructure
Wastewater - Innovation

Green Municipal Fund Approval for Hespeler WWTP MABR (1st in North America)

Cogeneration to reduce greenhouse gas and hydro
2021 – Retail Initiatives
Water & Wastewater

- $2.8 Million – Water Distribution Budget
- $1.5 M – Wastewater Collection Budget
- $60 K Optimizing maintenance and operations
- Zero per cent user rate impact – no increase

COVID Impact – Uninterrupted Services & Increase in Water Demands
Retail Initiatives

Future Plans
- Wellesley Master Servicing Plan
- Infrastructure Upgrades – Roseville WTP

Education
- Door Hangers on conservation
- Home Audits to conserve water

Building Resilience
- Water Service – Leak Reduction
- Sanitary Sewer - Camera Inspection
Water Distribution

Operation Budget is $2.8 M

2021 - 2030 Capital Program: $2.8 M

Projects include:

- Leak Detection (\$ 1 M)
- Distribution Studies/Remedial Work (\$0.6 M)
- Meter Replacement (\$ 1.2 m)
- Fleet Replacement (\$ 0.1 M)
Wastewater Collection

Operation Budget is $1.5 M

2021 - 2030 Capital Program: $2 M

Projects include:
- Replacement & Upgrades ($1.2M)
- Collection Studies ($0.8M)
REGION OF WATERLOO

2021 PLAN OVERVIEW

Budget Committee
November 25, 2020
PURPOSE

Overview of the 2021 plan

Status of the preliminary operating budget

Significant budget assumptions
We are in the late stages of 2021 budget development

Budget details to be released in December

Detailed Budget Committee review on December 16

Budget approval on January 20
Budget Context

• COVID-19 Pandemic has led to unprecedented pressure on Region:
  • Transit and other revenues impacted
  • Cost of services continue to rise
  • Need for strong, supportive leadership from Region more important now than ever
• 600,000 people from across our community impacted by COVID-19
• Region has led our community through the pandemic and concurrently working on plan for beyond COVID-19

• We remain committed to the provision of excellent service to our 600,000 residents. We are confident that this commitment will see us emerge from the pandemic as a stronger organization while building a stronger community
Budget Context (con't)

• Our plan for Beyond COVID-19 continues with a **deliberate** and **intentional** approach to the 2021 budget.
• This plan invests in the community as a whole.

Our plan for Beyond COVID-19 pays specific attention to:

• Supporting our most vulnerable
• Addressing inequities in our community
• Modernizing and streamlining service provisions
• Ongoing management of the COVID-19 pandemic
Thoughtful

Deliberate

Intentional

Planned

Focused
2021 PLAN AND BUDGET
OVERVIEW

Continue to deliver essential services

Strategic plan focus areas

Ongoing impacts of the COVID pandemic

New strategic investments

Thoughtful and deliberate budget savings

Prudent use of federal/provincial funding and reserves

Implement outcomes of KPMG service review

Continue investing in regional infrastructure

Achieve all of above with a 0% tax rate increase with options to inflation
2021 PLAN AND BUDGET
CONTINUE TO DELIVER ESSENTIAL SERVICES

- Enhanced public health and ambulance services
- Housing, Sunnyside Home, child care system management and income support
- Safe drinking water, public transit, waste management and regional roads
- Cultural sites, libraries and the Airport
A PURPOSE-BUILT BUDGET AROUND OUR FOCUS AREAS

- Thriving Economy
- Healthy, Safe and Inclusive Communities
- Responsive and Engaging Public Service
- Sustainable Transportation
- Environment and Climate Action
New temporary investments to support impacted business sectors - $3M over the next 18-24 months

Brownfield Financial Incentive Program

Development charge discounts for industrial and qualifying office development

Holding water and wastewater rates at 2020 levels; minimize property tax increases

East Side lands development
HEALTHY, SAFE AND INCLUSIVE COMMUNITIES

Implementation of WRH Master Plan, Rapid Housing Initiative, and pilot projects, as well as $20M over two years to acquire property to support community investment in affordable housing.

Work with the Anti-Racism Advisory Working Group to implement initiatives that improve the economic, social and cultural health and wellness of BIPOC communities, thereby advancing equity.

Additional ambulances and paramedics

Responding to COVID: Public health, shelters, long term care
SUSTAINABLE TRANSPORTATION

Active transportation projects

King-Victoria Transit Hub

Regional road network: renewal of existing roads and construction of new and expanded road capacity
**ENVIRONMENT AND CLIMATE ACTION**

- Electric bus strategy
- Energy retrofits in regional facilities
- Protecting our water resources (drinking water and wastewater treatment)
- Increased virtual conferences, meetings and training resulting in less travel and budget savings
### RESPONSIVE AND ENGAGING PUBLIC SERVICE

- **$3M over two years for technology solutions to achieve administrative efficiency in back-office processes with a quick ROI**
- Implementation of KPMG service review outcomes
- Region Official Plan Update
- Efficiencies and cost containment across the organization
Anchoring the success of the plan are highly qualified professional staff that reflect the values of the Region: service, integrity, respect, innovation and collaboration.

Building on these values, the Region fosters a culture committed to putting citizens first by:

- seeking continuous improvement in services and programs
- demonstrating respect and inclusivity for diverse communities
- promoting a learning mindset
- being nimble and responsive to change and progress
- ensuring a mentally and physically safe workplace
Transit ridership in 2021 estimated to be 55% of pre-COVID levels

Enhanced public health response with additional provincial funding

Safety and security of residents and staff at Sunnyside Home

Enhanced cleaning measures for transit and ambulance service

Ongoing funding for homeless shelters
2021 TAX SUPPORTED BUDGET
COVID IMPACTS

Approx. $41M in COVID-related costs and revenue losses

Cost containment in spring 2020 has allowed for SRF carryover to 2021 budget

Safe Restart Funding carryover and program specific grants = $33M

Significant federal ($343B) and provincial ($38B) deficits

Additional funding in 2021 would likely come with conditions/restrictions
## 2021 Tax Supported Budget

### New Strategic Investments

<table>
<thead>
<tr>
<th>Investment</th>
<th>2021</th>
<th>2022</th>
<th>2 year total</th>
<th>Funding Source</th>
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<tbody>
<tr>
<td>Affordable housing</td>
<td>$10</td>
<td>$10</td>
<td>$20</td>
<td>Housing Capital Reserve redeployment</td>
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<tr>
<td>BIPOC</td>
<td>$5</td>
<td>$10</td>
<td>$15</td>
<td>Property Tax Levy</td>
</tr>
<tr>
<td>Business supports</td>
<td>$2</td>
<td>$1</td>
<td>$3</td>
<td>Reserves</td>
</tr>
<tr>
<td>Technology</td>
<td>$1</td>
<td>$2</td>
<td>$3</td>
<td>Property Tax Levy</td>
</tr>
</tbody>
</table>
| **Total new investments** | **$18** | **$23** | **$41** | **$23m from reserves**  
|                       |      |      |              | **$18m from property taxes**                           |

All figures in $millions
HOW WE HAVE DEALT WITH THE BUDGET GAP

- Removed transit expansion costs approved in 2020 but not implemented
- Adjusted transit service to reflect lower ridership
- KPMG Service review: improving cost effectiveness
- Voluntary Exit Opportunities for non-union staff
- Leaving vacant positions unfilled for longer
Reduced consulting costs

Reducing budgets for meetings, travel, conferences and mileage to reflect virtual attendance

Energy and utility cost savings

Removing vacant positions

Contribution from the Tax Stabilization Reserve
### FEDERAL/PROVINCIAL COVID FUNDING

<table>
<thead>
<tr>
<th>Funding Envelopes</th>
<th>ROW Allocation ($ thousands)</th>
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<tbody>
<tr>
<td>Reaching Home</td>
<td>$4,996</td>
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<tr>
<td>Rapid Housing Initiative (capital)</td>
<td>8,192</td>
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<tr>
<td>Social Services Relief Fund (Phase 1 &amp; 2)</td>
<td>9,872</td>
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<tr>
<td>Safe Restart Funding - Municipal</td>
<td>13,347</td>
</tr>
<tr>
<td>Safe Restart Funding - Transit</td>
<td>16,473</td>
</tr>
<tr>
<td>Safe Restart Funding - Child Care</td>
<td>5,720</td>
</tr>
<tr>
<td>Transit COVID cleaning</td>
<td>457</td>
</tr>
<tr>
<td>Ministry of Health – Housing, Sunnyside</td>
<td>430</td>
</tr>
<tr>
<td>Discretionary Benefits</td>
<td>2,370</td>
</tr>
<tr>
<td>Ministry of Long-Term Care</td>
<td>653</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td><strong>$62,509</strong></td>
</tr>
</tbody>
</table>
**Safe Restart Fund**
- $7.6M municipal carry forward
- $8M transit carry forward

**Emergency Shelters**
- $1.5M SSRF Phase 2 carry forward
- Additional $2M

**Long term care**
- Additional $1.8M COVID funding

**Paramedic Services**
- Additional $0.8M COVID funding

**Public Health**
- $8.5M in 100% funding from MoH

---

**KEY SUBSIDY ASSUMPTIONS IN 2021 BUDGET**

---

2021 Budget
<table>
<thead>
<tr>
<th>Item</th>
<th>Amount ($M)</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>$2.73</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$6.72</strong></td>
</tr>
<tr>
<td>No savings to date, to be revisited</td>
<td>WIP or not yet started</td>
</tr>
<tr>
<td>-----------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>• Waterloo Crime Prevention Council</td>
<td>• RoW Airport - Air Service and Business Development</td>
</tr>
<tr>
<td>• Social Development Services</td>
<td>• Housing and Homelessness System Management</td>
</tr>
<tr>
<td>• Property Tax Rebates</td>
<td>• Fleet Management</td>
</tr>
<tr>
<td>• Immigration Partnership Services</td>
<td>• Library Services</td>
</tr>
<tr>
<td>• Discretionary Benefits</td>
<td>• Discretionary Grants to Organizations</td>
</tr>
<tr>
<td>• Community Development Services</td>
<td></td>
</tr>
<tr>
<td>• Public Access Defibrillators</td>
<td></td>
</tr>
<tr>
<td>• Client Intake and Financial Assistance Eligibility Services</td>
<td></td>
</tr>
<tr>
<td>• Child Care Management Funding Administrative Services</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
IMPORTANT CAPITAL INVESTMENTS IN 2021

**Housing**
- Rapid Housing Initiative
- Property acquisition
- WRH master plan
- Asset renewal at WRH

**Public transit**
- Northfield Drive Transit Facility
- Bus replacements
- King Victoria Transit Hub (KVTH)

**Roads**
- River Road Extension
- King St, HWY 401 to Sportsworld Dr
- Highland Rd W, Highland Hills Mall Entrance to Ira Needles Blvd
- Bleams Rd at Fischer-Hallman Rd

**Airport**
- Design of Terminal Expansion
- Design & Environmental Assessment for Runway 14-32 & 08-26
- Airfield Pavement Rehabilitation

**Regional buildings**
- Renewal work at 150 Frederick, 99 Regina, 150 Main
- Energy efficiency upgrades
2021 TAX SUPPORTED BUDGET
MAJOR INITIATIVES AND CHANGES

- **Fighting COVID**
  - Public health, long term care, shelter system

- **Investing in services for vulnerable citizens**
  - Affordable Housing, shelters, BIPOC communities, long term care

- **Paramedic Services expansion**
  - Additional paramedics and ambulances

- **Major investment in Public Health resources**
  - Addition of 85 new public health staff with funding from the province

- **Investing in regional Infrastructure**

- **Transit Service**
  - Realignment of service hours to reflect lower ridership levels
## CURRENT STATUS OF 2021 TAX SUPPORTED OPERATING BUDGET – REGIONAL SERVICES

<table>
<thead>
<tr>
<th>Regional Property Tax Levy</th>
<th>$M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional services (excl. police)</td>
<td>414.0</td>
</tr>
<tr>
<td>Transit revenue loss</td>
<td>19.1</td>
</tr>
<tr>
<td>Other COVID related impacts</td>
<td>21.9</td>
</tr>
<tr>
<td>Federal/Provincial COVID funding</td>
<td>-32.8</td>
</tr>
<tr>
<td>KPMG service review savings</td>
<td>-2.4</td>
</tr>
<tr>
<td>Transit service hour realignment</td>
<td>-8.8</td>
</tr>
<tr>
<td>Efficiencies, no service impact</td>
<td>-12.9</td>
</tr>
<tr>
<td>Tax Stabilization Reserve</td>
<td>-2.7</td>
</tr>
<tr>
<td>Draft 2021 Property tax levy</td>
<td>395.4</td>
</tr>
<tr>
<td>2020 property tax levy</td>
<td>390.3</td>
</tr>
<tr>
<td><strong>Preliminary property tax impact</strong></td>
<td>0%</td>
</tr>
</tbody>
</table>

**2020 property tax levy**

- Reflects 1.3% assessment growth

**Draft 2021 Property tax levy**

-+$41.0

-+$8.2

-+$5.1
Regional Assessment Growth

<table>
<thead>
<tr>
<th>Budget Year</th>
<th>Assessment Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1.85%</td>
</tr>
<tr>
<td>2013</td>
<td>1.72%</td>
</tr>
<tr>
<td>2014</td>
<td>1.71%</td>
</tr>
<tr>
<td>2015</td>
<td>1.52%</td>
</tr>
<tr>
<td>2016</td>
<td>1.41%</td>
</tr>
<tr>
<td>2017</td>
<td>1.34%</td>
</tr>
<tr>
<td>2018</td>
<td>1.93%</td>
</tr>
<tr>
<td>2019</td>
<td>1.92%</td>
</tr>
<tr>
<td>2020</td>
<td>1.77%</td>
</tr>
<tr>
<td>2021</td>
<td>1.30%</td>
</tr>
</tbody>
</table>

Average: 1.64%
## 2021 NON-TAX REVENUES

<table>
<thead>
<tr>
<th>Budgeted non-tax revenues ($ millions)</th>
<th>2020 Budget</th>
<th>2021 Budget</th>
<th>Budget Change</th>
<th>User Fee Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public transit fares</td>
<td>$43.4</td>
<td>$23.0</td>
<td>($20.4)</td>
<td>No proposed changes</td>
</tr>
<tr>
<td>POA revenue</td>
<td>7.4</td>
<td>6.6</td>
<td>(0.8)</td>
<td>n/a</td>
</tr>
<tr>
<td>Red light camera fines</td>
<td>1.5</td>
<td>1.1</td>
<td>(0.4)</td>
<td>n/a</td>
</tr>
<tr>
<td>Waste Management tipping fees</td>
<td>7.8</td>
<td>8.4</td>
<td>0.6</td>
<td>Tipping fee increase from $82/T to $85/Ton April 1, introduction of new asbestos fee</td>
</tr>
</tbody>
</table>
# 2021 Operating Budget - Options to Inflation

A budget increase at the rate of projected inflation (1.5%) equates to $5.9M - options could include:

<table>
<thead>
<tr>
<th>Reduced reliance on the Tax Stabilization Reserve</th>
<th>Enhance or accelerate levy funding of strategic investments in 2021</th>
<th>Replace some 2021 reserve funding for strategic investments with levy $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021 budgeted contribution from TSR of $6.7M</td>
<td></td>
<td>e.g. $20M in 2021/22 Housing Capital Reserve funding for Affordable Housing</td>
</tr>
</tbody>
</table>

2021 Budget
2021 REGIONAL TAX SUPPORTED BUDGET
KEY POINTS

- Council budget direction has been met
- Levy increase of $5.1M equivalent to estimated assessment growth
- Strategic purpose of inflationary increase
- Material COVID impact and federal/provincial funding support
- New Strategic Investments
- Implementation of Service Review
- Detailed management review to identify budget efficiencies
# 2021 Budget Timetable

<table>
<thead>
<tr>
<th>Purpose of the Budget Committee Session</th>
<th>User Rate Budgets</th>
<th>Tax Supported Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>User Rate Operating Budget and Capital Program&lt;br&gt;GRCA presentation</td>
<td>Nov. 25, 2020</td>
<td></td>
</tr>
<tr>
<td>2021 Plan and Budget Overview</td>
<td></td>
<td>Nov. 25, 2020</td>
</tr>
<tr>
<td>Special Council meeting – Service review</td>
<td></td>
<td>Dec. 2, 2020</td>
</tr>
<tr>
<td>Approval of User Rate Budgets (Budget Committee and Council)</td>
<td></td>
<td>Dec. 16, 2020</td>
</tr>
<tr>
<td>Tax Supported Budget update: Detailed Budget Review&lt;br&gt;  • Departmental budget presentations&lt;br&gt;  • Police Services presentation&lt;br&gt;  • Public input meeting</td>
<td></td>
<td>Dec. 16, 2020</td>
</tr>
<tr>
<td>Final Budget Day:&lt;br&gt;  • Approval of 2021 Tax Supported Operating and Capital Budgets&lt;br&gt;  • Approval of 2021 User Fees and Charges</td>
<td></td>
<td>Jan. 20, 2021</td>
</tr>
</tbody>
</table>