

Media Release: Friday, January 8, 2016, 4:30 p.m.

Regional Municipality of Waterloo

Budget Committee

Agenda

Wednesday, January 13, 2016

3:30 p.m. Closed Meeting

3:45 p.m. Open Meeting

Regional Council Chambers

150 Frederick Street, 2nd Floor, Kitchener

1. Motion to go into Closed Session

That a closed meeting of Budget Committee be held on January 13, 2016 at 3:30 p.m. in the Waterloo County Room in accordance with Section 239 of the “Municipal Act, 2001”, for the purposes of considering the following subject matters:

a) labour relations

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

3. Opening Remarks (S. Strickland / M. Murray)

4. Budget Update (C. Dyer)

4.1	COR-FSD-16-03 , Executive Summary – Budget 2016	4
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5. Referrals from Standing Committees

5.1 Item Referred from Library Committee

That Library Committee approve the following with regard to the Region of Waterloo Library Budget, as described in Report P-LIB-15-10, dated December 16, 2015:

- a. the 2016 Library Operating Budget with a net levy of \$2,613,777 (2.82%);
- b. the 2016 Library Capital Budget; and
- c. the 2017 - 2025 Library Capital Forecast.

5.2 Anticipated Item to be Referred from A&F Committee on January 12, 2016

That the 2016 capital budget for the Regional Development Charges By-law Review be increased by \$75,000 to be funded from Regional Development Charges Reserve Funds (90%; \$67,500) and the Capital Levy Reserve Fund (10%; \$7,500).

6. Introduction to the Main Budget Motion

That the Regional Municipality of Waterloo approve the 2016 Tax Supported Operating Budget with a property tax levy of \$319,061,531 (2.02%) as amended, excluding Police Services and inclusive of the staff recommended Budget Issue Papers with no 2016 tax levy impact; and

That the Regional Municipality of Waterloo approve the 2016 Tax Supported Capital Budget and 2017-2025 Tax Supported Capital Forecast, excluding Police Services.

7. [Proposed 2016 Budget Issue Papers](#) (Section 4 of budget binder)

8. Councillors' Resolutions

9. Final 2016 Tax Supported Budget Resolutions

- [Regional Services Excluding Police Services](#) 63
- [Police Services](#) 64

10. Adjourn



Report: COR-FSD-16-03

Region of Waterloo

Corporate Services

Financial Services & Development Financing

To: Chair Sean Strickland and Members of the Budget Committee

Date: January 13, 2016 **File Code:** F05-30

Subject: **Executive Summary – Budget 2016**

Recommendation:

That the Region of Waterloo take the following action with respect to the Preliminary 2016 Tax Supported Operating Budget and the Preliminary 2016-2025 Tax Supported Capital Program:

1. Approve an increase in Regional subsidy for the Transit for Reduced Incomes Program (TRIP) to \$40 per month per pass effective July 1, 2016 and an increase to the 2016 operating budget and property tax levy for Employment and Income Support of \$32,250;
2. Approve a reduction to the 2016 property tax levy of \$23,500 for Municipal Property Assessment Corporation services;
3. Approve a reduction to the 2016 Budget for Employment Ontario of \$191,859 with a corresponding decrease in the 2016 property tax levy and direct Community Services staff to provide Regional Council with a plan to redesign employment skills programs for consideration in advance of the 2017 Budget process;
4. Approve an increase in the Waste Management tipping fee to \$77.00/tonne effective April 1, 2016, an increase in budgeted Industrial/Commercial/Institutional tonnage to 79,000 tonnes, and an increase in budgeted tipping revenue of \$306,000;
5. Amend the 2016-2025 Roads Capital Program by deferring \$190,000 in expenditures and related funding for the North Dumfries Yard Renewal (project 73004) to 2017.

Summary: Nil

Report:

The objectives of the fourth and final 2016 Budget Committee meeting are to:

1. Provide Committee members with updated and new budget information;
2. Review and approve proposed 2016 Budget Issue Papers;
3. Approve the Region's 2016 Property Tax Supported Operating Budget, the 2016 Capital Budget and 2017-2025 Tax Supported Capital Forecast;
4. Approve the 2016 Property Tax Supported Operating Budget, the 2016 Capital Budget and the 2017-2025 Tax Supported Capital Forecast for Police Services;
5. Approve the 2016 Property Tax Supported Operating Budget, the 2016 Capital Budget and 2017-2025 Tax Supported Capital Forecast for Library Services;
6. Approve a new Fees and Charges By-law; and
7. Receive information with respect to O. Reg. 284/09 (Municipal Budget Regulation)

Details of the proposed 2016 Tax Supported Operating Budgets and 2016-2025 Capital Programs were provided at previous meetings in the form of the 2016 Preliminary Program Budget Book, the Budget Issue Paper package, Budget Information Papers, and through staff presentations at Budget Committee. Additional information papers are included on this agenda.

The base budget position for Regional programs, inclusive of adjustments approved by Committee at its meeting on December 16, 2015 and minor changes in estimates represents a tax levy of \$319.514 million and a tax rate impact of 2.11%.

Additional 2016 Budget Adjustments

Since the December 16, 2015 Budget Committee, staff has identified a number of budget adjustments, the net of which reduces the 2016 property tax levy. These are described in detail in the following section and outlined in the table below:

Item	Levy impact (\$million)	2016 Tax Rate Impact
Transit for Reduced Income Program (TRIP)	\$ 0.032	0.01%
Municipal Property Assessment Corporation	(0.024)	(0.01)%
Employment Ontario	(0.192)	(0.04)%
Waste Management tipping fee revenue	(0.306)	(0.07)%
Item referred from Library Committee: 2016 Region of Waterloo Library Budget approval	0.036	0.01%
Subtotal Tax Supported Operating Budget Adjustments	\$ (0.453)	(0.10)%

Note – levies and tax impacts displayed as rounded; rounded figures may not add to total as precise figures are used for calculation purposes

1. Transit for Reduced Income Program (TRIP)

The 2016 Grand River Transit budget proposes an increase to monthly bus passes of \$3 per month from \$79 to \$82, effective July 1, 2016. Staff has reviewed the implications of this proposed increase on the TRIP budget and has identified several options for Budget Committee's consideration, as outlined in the Subsidized Transit information paper provided on page 23 of this agenda package. A summary of options is provided in the table below:

Monthly Pass	TRIP Pass	Subsidy	Change In Subsidy	2016 Impact	Annual Impact	Reduced # Passes *
\$82	\$42	\$40	\$3	\$32,250	\$64,500	1,614
\$82	\$43	\$39	\$2	\$21,500	\$43,000	1,104
\$82	\$44	\$38	\$1	\$10,750	\$21,500	566
\$82	\$45	\$37	0	0	0	0

* if the subsidy provided by the Region is increased, but the overall budget for the program remains unchanged, this column shows how many passes will have to be reduced from the current 21,500 to accommodate the increased costs.

Staff recommends increasing the Regional subsidy for the TRIP program to \$40 per month per pass effective July 1, 2016 and increasing the 2016 operating budget and property tax levy for Employment and Income Support by \$32,250. This preferred option results in no changes in the number of passes available under the program, thereby maintaining current service levels.

2. Municipal Property Assessment Corporation (MPAC)

Staff has received an updated cost for 2016 MPAC services in the amount of \$6,476,700. The current budget provision for these services is \$6,500,200. Staff recommends reducing budgeted expenditures for the difference, in the amount of \$23,500.

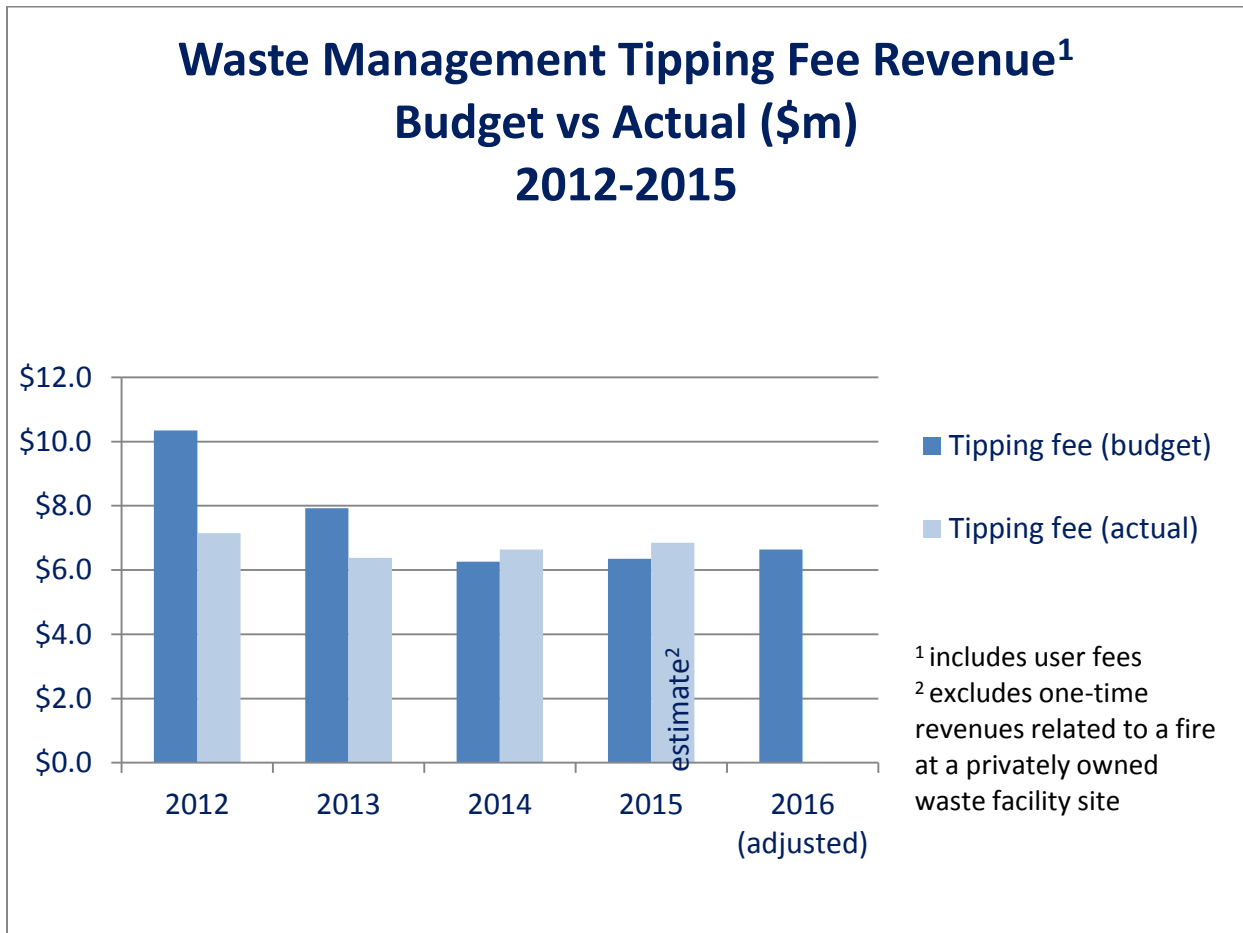
3. Employment Ontario

The Region of Waterloo is one of six Consolidated Municipal Service Managers (CMSMs) chosen to deliver Employment Ontario (EO) programs and services in Ontario and one of 11 agencies within the region that delivers the program. The Region of Waterloo provides an integrated approach for clients in need of these and other related services that the Region offers. Provincial subsidy for administration of the program has been capped for a number of years and, as a result, there have been increases to the Regional contribution to the program. In the 2016 preliminary budget, the Regional contribution is \$383,718 on program expenditures of \$1.89 million.

During its December 16, 2015 deliberations, Budget Committee requested that staff bring back options for delivering the EO program within the Provincial Subsidy envelope. An information paper is provided on page 29 of this agenda package which outlines several options for restructuring the cost of delivery of the EO program. Staff recommends that the 2016 budget for EO be reduced by \$191,859 (50% of the current Regional contribution) with a corresponding decrease to the property tax levy and that a redesign of employment skills programs be undertaken and presented for consideration in advance of the 2017 Budget process.

4. Waste Management tipping fee revenue

In 2013, Industrial, Commercial and Institutional (IC&I) Waste Management tipping fee tonnages experienced a decrease of 18.4% from 2012 levels (91,825 tonnes in 2012 vs 74,927 in 2013). In 2014, the budget was adjusted downward to 76,500 tonnes and actual tonnage was 80,500 tonnes. Estimated 2015 tonnage excluding special projects is expected to be in line with 2014 actuals.



Based on trends from the past two years and dialogue with the private sector waste management industry, staff recommends an increase in the IC&I tonnage budget to 79,000 tonnes (an increase of 2,500 tonnes) for 2016. Staff also recommends increasing the IC&I tipping fee by \$2, effective April 1, 2016 (from \$75 to \$77 per tonne). At this level, the Region remains competitive within the local market but still offers a fair and reasonable disposal fee to local business and residents. These adjustments result in an increase in anticipated 2016 tipping fee revenue of \$306,000. Accordingly, staff recommends that budgeted revenues for Waste Management tipping fees be adjusted by \$306,000, with a corresponding decrease to the 2016 tax levy.

5. Item deferred from December 16, 2015

Report COR-FSD-15-23 recommended deferring \$190,000 from 2016 to 2017 for project #73004 North Dumfries Yard Renewal. This project entails asphalt replacement and LED lighting retrofits at the site. Facilities and Transportation staff will be reviewing the future use of the site during 2016 and renewal works are being deferred until such review is completed.

6. Item referred from Library Committee

On December 16, 2015 the Library Committee approved the 2016 Budget for the Region of Waterloo Library with a total tax levy of \$2,613,777. This levy represents an approved increase of \$117,268 (4.7%) over 2015 and \$36,200 over the Region's 2016 Preliminary Budget provision. Several budget issues were approved during the December 16, 2015 meeting. Details regarding these approvals are provided in the information paper and the appended staff report to Library Committee (PDL-LIB-15-10), both of which are included on this agenda, starting on page 48.

Region of Waterloo Library Budget Summary				
	2015 Approved Budget	2016 Budget Approved by Committee	\$ Change	% Change
Expenditure	\$2,723,083	\$2,821,196	\$98,113	3.6%
Revenue	226,574	207,419	(19,155)	(0.1)%
Property Tax Requirement	\$2,496,509	\$2,613,777	\$117,268	4.7%
Property Tax requirement included in 2016 Direct Regional Preliminary Budget		\$2,577,577		
Additional amount required in 2016 Regional Tax Supported Budget		\$36,200		

The Region of Waterloo Library is an area rated service which is levied across the four townships.

That Library Committee approve the following with regard to the Region of Waterloo Library Budget, as described in Report P-LIB-15-10, dated December 16, 2015:

- a. the 2016 Library Operating Budget with a net levy of \$2,613,777 (2.82%);
- b. the 2016 Library Capital Budget; and
- c. the 2017 - 2025 Library Capital Forecast.

7. Item anticipated to be referred from Administration and Finance Committee on January 12, 2016: Development Charges Background Study

The Administration and Finance Committee agenda for January 12, 2016 includes staff report COR-FSD-16-02 which contains recommendations with respect to a Development Charges Background Study to be undertaken in 2016. The report includes the following recommendation:

THAT the 2016 capital budget for the Regional Development Charges By-law Review be increased by \$75,000 to be funded from Regional Development Charges Reserve Funds (90%; \$67,500) and the Capital Levy Reserve Fund (10%; \$7,500) and that this recommendation be forwarded to the Budget Committee.

If approved by the Administration and Finance Committee, the staff recommendation results in the 2016 capital budget for project 60005 RDC By-law Review being increased by \$75,000 in 2016, funded from development charges and the Capital Levy Reserve Fund (CLRF). Staff will provide an update on this matter on January 13, 2016.

2016 Operating Budget Position

An updated 2016 Tax Supported Budget Continuity for Direct Regional Services, inclusive of aforementioned staff recommendations and items referred and anticipated to be referred to Budget Committee from other Regional Standing Committees is provided in the following table:

	2016 Property Tax Levy (\$million)	2016 Tax Rate Impact (note)
Opening Base Budget Position	\$319.514	2.11%
Adjustments for:		
TRIP subsidy	0.032	0.01%
MPAC	(0.024)	(0.01%)
Employment Ontario	(0.192)	(0.04%)
Waste Management tipping fee revenue	(0.306)	(0.07%)
Referred from Library Committee: Final approval of 2016 Region of Waterloo Library budget *	0.036	0.01%
Adjusted 2016 Budget position – Direct Regional Programs	\$319.062	2.02%

Note – levies and tax impacts displayed as rounded; rounded figures may not add to total as precise figures are used for calculation purposes

*area rated to the four townships

The figures above exclude the impact of any approved Budget Issue Papers and the Waterloo Regional Police Services (WRPS) Budget. A 2.02% increase for Direct Regional Programs would add approximately \$37 to the Regional tax bill for a residential property assessed at \$302,000.

2016-2025 Tax Supported Capital Program (as amended)

The proposed 2016-2025 Tax Supported capital program was provided to Committee on November 18, 2015 in the form of the 2016 Preliminary Budget Book. In December 2015 the Committee approved amendments to a number of 2016 Airport capital projects, reducing the 2016 Capital Budget for Airport by \$500,000 to \$5.3 million.

As previously mentioned in this report, staff recommends a further amendment to the 2016-2025 Capital Program to defer \$190,000 for project 73004 North Dumfries Yard Renewal project from 2016 to 2017. As well, the item anticipated to be referred from Administration and Finance relates to a proposed amendment to the 2016-2025 Capital Program (adding \$75,000 to project 60005 RDC By-law Review funded 90% from development charges and 10% from the CLRF). The resulting 2016-2025 Tax Supported Capital program, inclusive of all staff recommendations and items anticipated to be referred from other Regional Standing Committees is summarized in **Appendix A**.

In December, the Committee requested a list of all projects to be financed by the Capital Levy Reserve Fund (CLRF) in 2016. Projects are generally financed from the CLRF if they have no other source of financing, are not eligible for debenture financing or if debenture financing is not desirable. **Appendix B** provides the requested list. As outlined in the Reserve and Reserve Funds information paper starting on page 121 of the December 16, 2015 agenda package, the projected balance in the CLRF will be insufficient unless the transfer to the reserve is increased, projects are delayed or deferred to future years, or some combination of both. Staff will mitigate insufficient balances by closely monitoring project expenditures and if necessary by leaving certain projects unfinanced at the end of 2016 until the fund is replenished in 2017.

	2016	2017	2018
CLRF opening balance	\$1,610	\$0	\$0
Contributions	2,290	3,040	3,790
Proposed increase (budget issue paper)	750	750	750
Subtotal funds available	4,650	3,790	4,540
Less commitments	5,643	3,758	4,963
Less transfers to capital (to replace debt)		32	
CLRF ending balance	\$0	\$0	\$0

The purpose of the proposed CLRF budget issue paper is not to simply accumulate funds within the reserve, but rather to fund capital projects as expenditures are anticipated to be incurred. As shown in the table above, the ending reserve balance in the CLRF is expected to be zero for the foreseeable future.

2016 Regional Budget Issues

Appendix C provides a summary of [Proposed 2016 Budget Issue Papers](#), including tax levy and staffing impacts. As mentioned in the December 16 Budget report, a number of the tax supported budget issues have no impact on the property tax levy as a result of reserve funding, recoveries from the capital program or offsetting expenditure savings. These budget issue papers are as follows:

Budget issue papers with no incremental tax levy impact		
Description	BIP pkg page #	Funding Source
Convert temporary Facilities project management to permanent for capital plan delivery	1	Capital projects
Facilities maintenance efficiency	5	Contract services savings
Facilities asset planning	8	Capital projects
Convert temporary contract Solicitor to permanent	12	Capital projects
Convert two temporary contract Property Agents to permanent	17	Capital projects

Several of the proposed BIPs would impact the 2016 property tax levy. If approved, these budget issue papers would add \$2.1 million to the 2016 property tax levy and add \$1.3 million in annualization in 2017. These proposed budget issue papers are as follows:

Budget issue papers with an incremental impact on the tax levy (\$000s)			
Description	BIP pkg page #	2016 Impact	Annualized Impact
Facilities Maintenance and Reliability Planning Engineer	27	\$84	\$143
Provincial Offences Administration temporary Prosecutions Clerk – one year	30	\$63	\$0
Community Wide Climate Adaptation Plan	34	\$80	\$0
Privacy/information Management Training Program	38	\$75	\$0
Seniors' Services Quality and Risk Management Coordinator	42	\$96	\$125
Addition of one - 24 hour Ambulance	45	\$441	\$811
Implement MobilityPlus Business Plan (Year 2 from 2015 BIP)	52	\$150	\$309
Conestoga College UPASS	57	\$339	\$1,108
Transit Service to Family & Children's Services on Hanson Avenue	61	\$52	\$156
Capital Financing - increase the contribution to the Capital Levy Reserve Fund (CLRF)	63	\$750	\$750
Subtotal		\$2,130	\$3,402

Direct Regional Programs - Budget Position Including Budget Issues and Items Referred and Anticipated to be Referred from Standing Committees

The status of the revised 2016 Tax Supported operating budget for Direct Regional Programs, inclusive of proposed budget issue papers but excluding the Waterloo Region Police Services Budget is as follows:

	2016 Property Tax Levy (\$million)	2016 Tax Rate Impact (note)
Adjusted 2016 Budget position – Direct Regional Programs	\$319.062	2.02%
Proposed budget issue papers	\$2.130	0.47%
Proposed 2016 Tax Supported Operating Budget – Direct Regional Programs	\$321.192	2.48%

Note – levies and tax impacts displayed as rounded; rounded figures may not add to total as precise figures are used for calculation purposes

A resolution to approve the 2016 Tax Supported Operating Budget excluding Police Services is included on page 63 of this agenda package.

Waterloo Region Police Services

On January 6, 2016 the Police Services Board approved the 2016 Police Services Budget with a total tax levy of \$150,728,561, representing an increase of \$5.1 million (3.52%) over the 2015 tax levy for Police Services. The Police Budget results in a 2016 tax rate increase of 0.67%. Additional information and details are provided in the 2016 Police Services Budget information paper included in this agenda package on page 37. The 2016 Police Services Operating Budget is summarized below:

Waterloo Regional Police Services Budget Summary				
	2015 Approved Budget	2016 Approved Budget	\$ Change	% Change
Expenditure	\$158,696,385	\$165,549,190	\$6,852,805	4.32%
Revenue	13,086,829	14,820,629	1,733,800	13.25%
Property Tax Requirement	\$145,609,556	\$150,728,561	\$5,119,005	3.52%
Tax Rate Impact	0.58%	0.67%	--	--

The Police Services 10 year capital program totals \$82.6 million, with \$4.7 million included in 2016. Specific projects are listed in the Waterloo Regional Police Services Budget information paper included in this agenda package.

Regional Council's obligation under the "Police Services Act" is to establish an overall budget for the Police Services Board. In so doing, Council does not have the authority to approve or disapprove specific items in the budget. Resolutions to approve the 2016 Police Services Operating Budget and 2016-2025 Police Services Capital Program are included in this agenda on page 64.

2016 Tax Supported Operating Budget Position, including Police Services

The status of the revised 2016 Tax Supported Operating Budget, inclusive of all budget issue papers and Police Services, is summarized as follows:

	2016 Property Tax Levy (\$million)	2016 Tax Rate Impact (note)
Direct Regional Programs, January 13, 2016	\$321.192	2.48%
Waterloo Regional Police Services	150.729	0.67%
2016 Tax Supported Operating Position, including Waterloo Regional Police Services Budget	\$471.920	3.15%

Note – levies and tax impacts displayed as rounded; rounded figures may not add to total as precise figures are used for calculation purposes

Budget Information Papers

The January 13, 2016 Budget Committee agenda includes the following budget information papers:

- Subsidized Transit Programs
- Employment Ontario
- Region of Waterloo Library Budget
- Waterloo Regional Police Services Budget
- Fees and Charges By-law
- Municipal Budget Regulations

Corporate Strategic Plan:

The 2016 budget supports the 2015-2018 Corporate Strategic Plan.

Financial Implications:

The purpose of this report is to assist the Budget Committee in establishing the 2016 budget. A 1% change in the tax rate results in an \$18.27 annual change to the average residential property owner, based on a house assessed at \$302,000 in 2015. A 1% tax rate increase generates an additional \$4.575 million in tax revenue.

The following table outlines the tax impacts on the average Regional property and provides tax impact percentages according to area municipality, accounting for service level differences:

Average Regional Taxes for typical residence (\$302,000 CVA)

	Region	Police	Total
2015	\$1,238	\$590	\$1,827
2016	\$1,283	\$602	\$1,885
\$ change	\$45	\$12	\$58
% change	3.66%	2.08%	3.15%
2016 tax rate impact	2.48%	0.67%	3.15%

Note – levies and tax impacts displayed as rounded; rounded figures may not add to total as precise figures are used for calculation purposes

The actual tax rate impact will differ across the area municipalities in the Region. This is due to the fact that while the net cost of most programs and services is levied in a uniform manner on all properties in the seven area municipalities, there are limited exceptions where services (conventional and mobility public transit, rapid transit, and library) are area rated to specific municipalities, as set out in **Appendix D**.

Other Department Consultations/Concurrence:

All departments and the Waterloo Regional Police Service are involved in the development of the Region of Waterloo Budget.

Attachments:

Appendix A – 2016-2025 Tax Supported Capital Plan Summary

Appendix B – 2016 Projects funded from the CLRF

Appendix C – Proposed Budget Issue Papers

Appendix D – Area Rated Services

Prepared By: Cheryl Braan, Manager, Budgets and Performance Measurement

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer

Approved By: Mike Murray, Chief Administrative Officer

Appendix A – Amended 2016-2025 Tax Supported Capital Plan



Summary of Expenditure & Sources of Financing (\$000's) 2016 - 2025

	2016	2017	2018	2019	2020	2016 - 2020 Subtotal	2021 - 2025 Subtotal	2016 - 2025 Total
EXPENDITURE								
Corporate Services								
Information Technology Services	2,072	2,724	2,732	1,588	586	9,702	7,185	16,887
Facilities Management	3,092	16,313	4,823	1,087	943	26,258	2,555	28,813
Facility Asset Creation (Acquisition & Construction)	3,150	620	9,800	5,200	9,450	28,220	84,071	112,291
Facility Asset Renewal (Refurbish & Replace)	12,934	8,300	8,922	9,641	8,303	48,100	29,539	77,639
Fleet Services	814	394	530	149	167	2,054	1,283	3,337
Financial Services & Development Financing	171	148	328	268	148	1,063	504	1,567
Human Resources & Citizen Service								
Human Resources & Citizen Service	749	252	1,183	225		2,409	2,084	4,493
Planning, Development & Legislative Services								
Economic Development	827	1,260	1,260	1,208	1,467	6,022	7,594	13,616
Region of Waterloo International Airport	5,267	3,224	4,169	1,503	3,237	17,400	11,513	28,913
Planning	1,736	998	602	1,052	602	4,990	2,450	7,440
Council & Administrative Services	170	42		104	135	451	144	595
Waterloo Region Museum	1,434	2,916	9,333	3,207	541	17,431	6,222	23,653
Joseph Schneider Haus	1,215	410	130	18	100	1,873	296	2,169
McDougall Cottage	211	110		46	55	422	330	752
Region of Waterloo Library	217	182	152	132	177	860	790	1,650
Transportation & Environmental Services								
Design & Construction	210	68	12		30	320	309	629
Transportation	161,105	125,802	112,168	85,752	132,886	617,713	319,622	937,335
Waste Management	16,587	19,466	15,530	22,267	9,356	83,206	45,125	128,331
Transit Services	19,934	30,408	24,016	43,558	40,264	158,180	64,685	222,865
Rapid Transit	226,659	132,250	3,438	1,000	1,000	364,347	1,000	365,347
Community Services								
Waterloo Region Housing	7,346	11,071	10,565	9,897	9,383	48,262	34,892	83,154
Non-Profit Co-op Housing	4,242			350		4,592	350	4,942
Children's Services	4,705	2,075	2,628	209	206	9,823	1,384	11,207
Seniors' Services	727	1,344	927	428	438	3,864	7,449	11,313
Public Health & Emergency Services								
Public Health	324	324				648		648
Paramedic Services	1,373	2,276	4,621	3,910	1,054	13,234	6,362	19,596
Corporate Financial								
Capital Grants	100					100		100
TOTAL EXPENDITURE	477,371	362,975	217,867	192,797	220,527	1,471,540	637,738	2,109,277

Appendix A – Amended 2016-2025 Tax Supported Capital Plan (continued)



Summary of Expenditure & Sources of Financing (\$000's) 2016 - 2025

	2016	2017	2018	2019	2020	2016 - 2020 Subtotal	2021 - 2025 Subtotal	2016 - 2025 Total
FUNDING & FINANCING								
Grants / Subsidies / Recoveries								
Grants & Subsidies	217,344	150,326	18,078	16,577	17,053	419,378	80,757	500,136
Recoveries	5,329	17				5,346		5,346
Development Charges								
Reserve Funds	67,642	49,106	44,962	33,400	53,352	248,463	160,559	409,021
Debentures	16,000	26,686	16,989	6,339	26,456	92,470	10,000	102,470
Property Taxes								
Reserves & Reserve Funds								
Vehicle & Equipment Reserves	7,848	15,004	10,618	10,308	11,233	55,010	58,024	113,034
Airport Capital Reserve Fund	4,394	1,174	2,840	900	2,086	11,393	7,901	19,294
Capital Levy Reserve Fund	5,643	3,758	4,963	2,942	1,193	18,498	3,331	21,830
Roads Capital Levy Reserve Fund	6,835	3,320	1,674	394	219	12,442	850	13,293
Roads Rehabilitation Capital Reserve Fund	31,700	21,342	30,166	14,791	13,306	111,303	42,568	153,871
Cycling System Capital Reserve Fund	603	603	603	603	603	3,015	3,015	6,030
Transit Capital Reserve Fund	13,634	5,164	2,818	2,315	1,767	25,698	4,912	30,610
Library Capital Reserve Fund	77	107	77	57	102	420	350	770
Building Reserve Funds	181	57	57	57	57	410	280	690
Facility Lifecycle Reserve	1,836	2,555	3,997	4,367	5,697	18,452	40,813	59,265
Brownfield Incentive Program Reserve			264	236		500	2,669	3,169
Computer Equipment Reserve	478	1,000	578	400	278	2,733	3,536	6,269
Housing General Reserve Fund	4,862	7,959	7,249	6,484	5,030	31,584	13,477	45,061
Other Reserve Funds	76	428	252	129		885		885
Contributions from Operating	2,421	2,801	2,048	2,033	2,821	12,124	13,434	25,558
Debentures	90,469	71,569	69,634	90,466	79,275	401,416	191,261	592,676
TOTAL FUNDING & FINANCING	477,371	362,975	217,867	192,797	220,527	1,471,540	637,738	2,109,277

2016-2025 capital programs are stated in 2016 dollars.

Term of debenture not to exceed ten years unless otherwise approved by Regional Council.

Appendix B – Projects funded from the CLRF in 2016

	2016 Funding
Corporate Financial	
99070 Innisfree House Grant	100,000
Council & Admin Services	
90075 Corporate Publishing Press	98,430
Cultural Services	
42026 Collections Photography & Database	200,000
42042 Directional & Road Signage	180,000
42049 Exhibit Maintenance	100,000
42052 Audio visual equipment	200,000
43003 Collections and Database	137,000
43009 Wash House	15,000
43010 Grounds and Visitor Services	100,000
43012 Site Development	200,000
43015 Marketing Materials	48,000
43016 Exhibit Cases	50,000
44004 Strategic Planning/Marketing Materials	48,000
44007 Lighting	75,000
44008 Office / Kitchen refurbishment	40,000
44010 McDougall Site Development	10,000
44011 Exhibit Cases	15,000
70300 Schneider Haus Renewal	59,000
70400 McDougall Renewal	23,000
Economic Development	
67008 Multimodal Transit Hub	599,000
99061 Environmental Site Assessment Grants	80,850
Facilities Management & Fleet Services	
90044 Accommodation Plan AHQ	450,000
90102 Facilities Business Systems	207,000
90164 Master Accommodation Planning	220,000
90132 Telematics	105,000
Financial Services and Development Financing	
60005 RDC By-law Review*	7,500
Human Resources & Citizen Service	
90036 Community Centred Service Delivery	224,000
99041 Strategy for Emee Engagement	88,000
99042 Employee Lifecycle Review	297,040
90138 Ontario Disability Act	45,000
Information Technology Services	
90061 Server / Network Upgrades	525,800
90063 Telephone Systems Upgrade	250,000
90098 WREPNET Upgrades	200,000
90117 Electronic Document Management System	150,000
90156 IT Infrastructure Replacement Electrical	71,000
90154 Data Centre Mechanical & Electrical	100,000
Public Health	
84005 Health Information Technology/Quality Assurance	324,000
Subtotal	5,642,620

* anticipated amendment from Administration and Finance Committee, January 12, 2016

Appendix C – Proposed Budget Issue Papers

Region of Waterloo Proposed 2016 Budget Issue Papers

Dept/Div	Description	Annualized Levy Impact (\$000s)	2016 operating budget impact		2016 sources of funding - capital budget			2016 Staffing Impact (FTEs)	
			Property taxes	Reserves Capital Other	Property taxes	RDC	User Rates	Perm	Temp
Budget Issue Papers - No Levy Impact									
COR/Facilities Management	Capital plan delivery - convert 2 temporary project managers to permanent	\$0						2.0	(2.0)
COR/Facilities Management	Facilities maintenance efficiency - replace external contractors with 2 permanent FTEs	\$0			\$90			2.0	
COR/Facilities Management	Facilities Asset Planning - add 1.0 permanent FTE	\$0						1.0	
PDL/Legal Services	Convert temporary contract Solicitor, Rapid transit to Permanent Solicitor, Real Property	\$0						1.0	(1.0)
PDL/Legal Services	Convert two temporary contract Property Agent positions to permanent	\$0		\$146				2.0	(2.0)
TES/Water Services	Convert Technologist, Water Efficiency from temporary to permanent	\$0					\$94	1.0	
TES/Water Services	Water capital program - temporary positions	\$0		\$150					1.7
Budget Issue Papers - 2016 Levy Impact									
COR/Facilities Management	Facilities Maintenance and Reliability Planning Engineer	\$143	\$84					1.0	
PDL/POA Court	Prosecutions Clerk II, 1 year extension	\$0	\$63						1.0
PDL/Community Planning	Community wide Climate adaptation plan	\$0	\$80						1.0
PDL/Council & Administrative Services	Develop a privacy/information management training program for corporate staff	\$0	\$75						
CSD/Seniors' Services	Quality and Risk Management Coordinator	\$125	\$96					1.0	
PHE/Paramedic Services	Addition of 1 - 24 hour Ambulance	\$811	\$441		\$63	\$566		10.5	
TES/Transit Services	Implement MobilityPlus Business Plan (Year 2 from 2015 BIP)	\$309	\$150		\$220			1.3	
TES/Transit Services	Implement Conestoga College U-PASS Service	\$1,108	\$339		\$3,681	\$819		10.5	1.0
TES/Transit Services	Transit Service to Family & Children's Services on Hanson Avenue	\$156	\$52						
Corporate Financial	Capital Financing - increase contribution to CLRF for non-debenturable projects	\$750	\$750						
Subtotal		\$3,402	\$2,130	\$296	\$4,054	\$1,385	\$94	33.3	(0.3)

Appendix C – Proposed Budget Issue Papers (continued)

Operating Impacts & Capital Financing Summary		Annualized Levy Impact	2016 Budget Impact (\$000s)				
			Operating		Capital		
Dept/Div	Description	(\$000s)	Property taxes	Reserves / Capital/ Other	Property taxes	RDC	User Rates
Contemplated Budget Issue Papers total		\$3,402	\$2,130	\$296	\$4,054	\$1,385	\$94
	2016 incremental levy impact	\$2,130					
	2017 incremental levy impact	\$1,339					
	2018 incremental levy impact	(\$67)					
	Subtotal	\$3,402					
Capital Financing:							
	Property tax levy						
	Debentures				\$3,681	\$819	
	Reserves				\$373	\$566	\$94
	Subtotal				\$4,054	\$1,385	\$94

Appendix D – Area Rated Services

Service	Net cost of service levied to municipalities denoted with ✓						
	Cambridge	Kitchener	Waterloo	N. Dumfries	Wellesley	Wilmot	Woolwich
Conventional GRT route to Elmira							✓
Urban Conventional GRT service	✓	✓	✓				
Urban GRT Mobility service	✓	✓	✓				
Rural GRT Mobility service				✓	✓	✓	✓
Rapid Transit	✓	✓	✓				
Library Services				✓	✓	✓	✓
All other Regional Services	✓	✓	✓	✓	✓	✓	✓
Police Services	✓	✓	✓	✓	✓	✓	✓
	Budget impact is uniform across the three Cities			Budget impact is uniform across these three Townships			
2016 Budget Impact (based on current position, inclusive of budget issues and Police Services)	3.22%			2.77%			2.66%
2016 Budget Impact, Regional Average	3.15%						



Region of Waterloo

2016 Budget

Information Paper

Subsidized Transit Programs

Budget Committee Date: January 13, 2016

Summary of Subsidized Transit Programs

On a monthly basis, the Region of Waterloo provides an average of 2,130 bus passes and 9,160 bus tickets to the working poor or social assistance recipients through a number of programs, as set out below:

Program / Description	2016 Budget
<p>Transit for Reduced Income Program (TRIP)</p> <p>Discounted adult bus pass program sponsored by the Region of Waterloo</p> <ul style="list-style-type: none"> • Eligibility: Employed/unemployed individuals with an income below the Low Income Cut-off • Region funds program • Program is delivered jointly by Grand River Transit, two community agencies and Employment and Income Support. • TRIP committee functions in an on-going advisory capacity (e.g., discussion of budget allocations, marketing, promotions) • There is no legislative requirement for this program • \$150,000 of cost is funded by gas tax revenue and the balance is 100% Regional Funding • 2015 subsidy is \$37 per pass per month. The cost of an adult monthly bus pass in 2015 was \$79. Individuals pay \$42 per month • Current waiting list is 476 individuals 	<p>\$796,300</p> <p>Average 1,790 passes per month</p>

Program / Description	2016 Budget
<p>Employment Programs</p> <p>Region provides free bus passes and tickets to Ontario Works and Ontario Disability Support Program participants to enable participation in employment programs such as Community Participation</p> <ul style="list-style-type: none"> • Eligibility: recipient must be an Ontario Works or Ontario Disability Support Program participant engaged in an approved program as part of their Ontario Works or Ontario Disability participation requirements • Cost shared with the Province (2016: 94.2%/ 5.8%) 	<p>\$265,000</p> <p>Average 80 passes and 1,700 tickets per month</p>
<p>Transit Affordability Pass Program (TAPP)</p> <p>Region provides free transit passes to OW recipients who are upgrading their education (to grade 12 or equivalent) or completing English as Second Language (ESL) program</p> <ul style="list-style-type: none"> • Eligibility: OW recipients, enrolled in an educational or ESL program • Region funds program and Grand River Transit (GRT), Employment and Income Support and Transit Services jointly deliver it • There is no legislative requirement for this program • Cost shared with the Province (2016: 94.2%/ 5.8%) 	<p>\$257,000</p> <p>Average 260 passes per month</p>
<p>Discretionary Benefits</p> <p>Region provides free bus tickets to Ontario Works participants to attend meetings with caseworkers</p> <ul style="list-style-type: none"> • Discretionary benefits are cost shared with the Province (2016: 94.2%/ 5.8%) to a program maximum amount based on caseload, then 100% Regional Funding 	<p>\$200,000</p> <p>Average 6,200 tickets per month</p>

Program / Description	2016 Budget
<p>Discounted Bus Tickets</p> <p>Social service agencies are able to purchase Grand River Transit adult tickets at a reduced rate for participants of their program/service</p> <ul style="list-style-type: none"> • Eligibility: agencies eligible to receive these tickets work with people on a limited income, including social assistance recipients • Participants may apply at local agencies for the reduced tickets • Region funds program and Grand River Transit and Employment and Income Support jointly deliver the program. • There is no legislative requirement for this program. • 100% Regional Funding 	<p>\$25,000</p> <p>Average 1,260 tickets per month</p>
Total	\$1,543,300

2016 TRIP Pass Cost

At the December 16, 2015 Budget Committee meeting, staff proposed an increase in the cost of a monthly bus pass to \$82 from \$79 effective July 1st, 2016 (page 109 of the December 16 budget package). If no change is made to the Regional subsidy for the program, currently \$37 per month, the cost of a bus pass under the TRIP program would increase to \$45 from the current \$42 and the number of passes would be reduced by the numbers shown in the chart below. If Council wanted to increase the subsidy, the 2016 budget TRIP could be increased and the number of passes would be maintained at the current level of 21,500 passes per year. Alternatively, the budget for TRIP could be maintained at the current level, and the number of passes available could be reduced.

The following table summarizes the impact on the TRIP program based on different options for TRIP pass subsidy rates:

Monthly Pass	TRIP Pass	Subsidy	Change In Subsidy	2016 Impact	Annual Impact	Reduced # Passes *
\$82	\$42	\$40	\$3	\$32,250	\$64,500	1,614
\$82	\$43	39	2	\$21,500	\$43,000	1,104
\$82	\$44	38	1	\$10,750	\$21,500	566
\$82	\$45	37	0	0	0	0

* if the subsidy provided by the Region is increased, but the overall budget for the program remains unchanged, this column shows how many passes will have to be reduced from the current 21,500 to accommodate the increased costs.

To maintain the current number of passes and fix the TRIP cost at the current \$42.00, the subsidy would have to increase by \$3.00 per pass. The 2016 impact of this would be \$32,250 and the annualized impact is \$64,500.

Options

The following table summarizes four options with respect to changing the subsidy for the TRIP pass. Once the subsidy level has been determined, the change can be funded by either decreasing the number of passes available in the program (with no change to the Region's budget), or increasing the Region's budget and maintain the current number of passes available.

Option	Subsidy change *	Subsidy per pass	TRIP Pass Cost *	2016 Financial Impact to Region	
				Decrease in # passes available if no change to budget	Increase to 2016 budget to maintain 21,500 passes
1	No change	\$37.00	\$45 (+\$3.00)	None	None
2	\$1	\$38.00	\$44 (+\$2.00)	283	\$10,750
3	\$2	\$39.00	\$43 (+\$1.00)	552	\$21,500
4	\$3	\$40.00	\$42 (no change)	807	\$32,250

* Current Regional subsidy is \$37 per pass per month; current TRIP pass is \$42/month

Recommendation

It is recommended that option #4 above be approved. Report COR-FSD-16-03 includes a recommendation to take the following action:

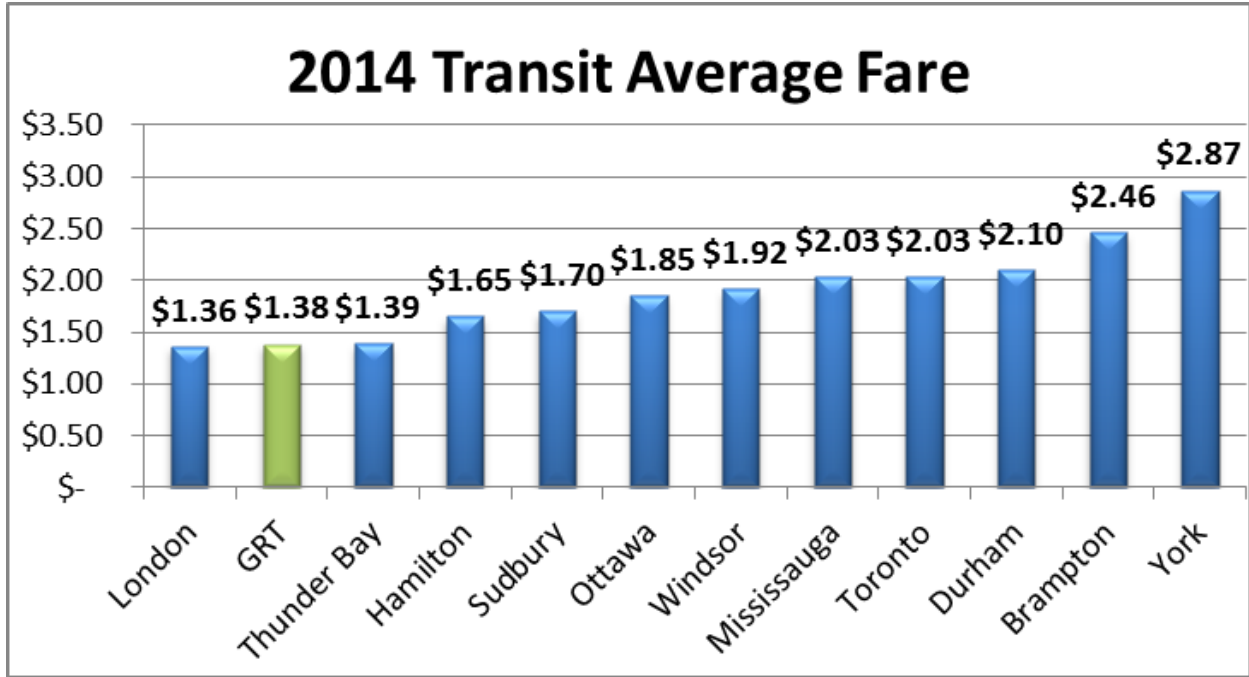
“Approve an increase in Regional subsidy for the Transit for Reduced Incomes Program (TRIP) to \$40 per month per pass effective July 1, 2016 and an increase to the 2016 operating budget and property tax levy for Employment and Income Support of \$32,250”

Review of Subsidized Transit Programs

During 2016 Regional Staff, with input from the community advisory group, will review all of the subsidized transit programs to ensure that they are sustainable in the long run, and that they are delivered in an integrated and consistent way. This review will be completed in advance of the 2017 budget process.

GRT Fare Information

Region staff monitors GRT performance relative to comparable Ontario municipalities. In 2014, the last year for which data is available, GRT’s average fare was the second lowest among the comparable municipalities. Average Fare is calculated by dividing the total annual ridership by annual passenger revenue.



After implementing the recommended 2016 fare change, staff anticipates that the average GRT fare would increase to \$1.45.

Recommended 2016 GRT fares are shown in the table on the following page, with actual 2015 fares from GRT and comparable Ontario municipalities. The recommended 2016 cash fare and adult ticket price would be slightly higher than the average of these municipalities, while the GRT Adult Monthly Pass would be lower than the average.

Municipality	Adult Monthly Pass	Adult Ticket	Cash Fare	Reduced Monthly Pass	Reduced Ticket
Toronto	\$141.50	\$ 2.80	\$ 3.00	\$ 112.00	\$1.95
York Region	\$136.00	\$ 3.40	\$ 4.00	\$ 57.00	\$2.10
Mississauga	\$125.00	\$ 2.90	\$ 3.50	\$ 57.00	\$1.90
Brampton	\$118.00	\$ 2.80	\$ 3.75	\$ 50.00	\$1.55
Durham Region	\$112.00	\$ 3.00	\$ 3.50	\$ 45.00	\$2.00
Ottawa	\$103.25	\$ 3.20	\$ 3.55	\$ 41.75	\$2.14
Average	\$ 95.14	\$ 2.60	\$ 3.12	\$ 54.80	\$1.93
Hamilton	\$ 94.60	\$ 2.15	\$ 2.75	\$ 23.50	\$1.80
Median	\$ 92.00	\$ 2.60	\$ 3.00	\$ 53.50	\$1.90
Windsor	\$ 87.00	\$ 2.30	\$ 2.75	\$ 44.00	\$1.80
GRT: Recommended 2016 Fares	\$ 82.00	\$ 2.66	\$ 3.25	\$ 70.00	\$2.31
Sudbury	\$ 82.00	\$ 2.40	\$ 3.00	\$ 49.00	\$1.80
London	\$ 81.00	\$ 1.90	\$ 2.75	\$ 57.50	\$1.43
Thunder Bay	\$ 75.50	\$ 2.43	\$ 2.65	\$ 54.00	\$2.43



Region of Waterloo Community Services Employment and Income Support

2016 Budget

Information Paper

Employment Ontario

Budget Committee Date: January 13, 2016

Background

Employment Ontario is the continuation of a previous Federal Employment Program that was moved to the provincial Ministry of Trades, Colleges & Universities (MTCU). In 2010, the Region of Waterloo was one of six Consolidated Municipal Services Managers (CMSM) chosen to deliver Employment Ontario (EO) programs and services in Ontario. Since its inception, EO has been funded by the MTCU with additional property tax funding from the Region. Administration costs (i.e. staffing and office rental) have been capped by both the Federal Government and the MTCU for a number of years. As a result, cost increases have been funded by the Region through the property tax levy, in order to maintain the level of service to clients who experience significant barriers to employment.

The Employment Ontario program offers a “one stop shop” for employment and training. The Region of Waterloo “brand” implies organization, competency, stability, inclusion and acceptance for all. Clients and employers associate the Region with high service standards.

Service Review

In 2014 Regional Council undertook a Service Review which was conducted by KPMG. Five key areas for detailed analysis were identified, one of these being the EO program. KPMG completed a thorough review of the EO program and made the recommendation that the Region of Waterloo not renew the EO contract as of April 1, 2016. After public consultation, additional input from staff, and Council debate, Council voted to take no action with respect to the KPMG recommendation.

Departmental Plan

Following the Service Review, staff undertook a review of all employment programs to ensure they meet the needs of the participants and employers while successfully delivering on the targets established by the funding Ministries. The review will result in efficiencies within the design of the new model that will require fewer resources from the Region than what is currently provided for in the 2016 Budget. The redesigned employment program, expected to be completed in the summer of 2016 will be the subject of a report to Council in advance of the 2017 budget.

During the December 16, 2016 Budget Committee deliberations, staff was requested to report back on how EO could be operated without a Regional property tax contribution.

Three (3) Year Financial History

The following table summarizes the financial history of the EO program for 2014, 2015 and the 2016 Budget currently under consideration by Budget Committee:

	<u>2014</u>	<u>2015</u>	<u>2016 Budget</u>
Employment Ontario	\$ 1,141,682	\$ 1,252,153	\$ 1,268,906
Provincial Subsidy	<u>754,285</u>	<u>868,435</u>	<u>885,188</u>
Net Regional Levy	<u>\$ 387,397</u>	<u>\$ 383,718</u>	<u>\$ 383,718</u>

Options for EO Program in 2016

Consistent with planning that is underway in the Community Service Department and Budget Committee's subsequent direction, staff offers the following options for Budget Committee's consideration.

Option #1: Restructure the EO Program to immediately reduce expenditures by 100% of the Regional contribution (\$383,718), thereby reducing the property tax levy by the same amount.

Implication: This option would require restructuring both EO and the Ontario Works Employment programs on a very aggressive schedule and would result in the potential lay off of staff with associated ripple effects on the organization due to bumping. Further it could result in significant unplanned expenditures.

Option #2: Restructure the EO Program during 2016, reduce the property tax levy by 50% of the Region's contribution (\$191,859) in the 2016 Budget, and reduce the property tax levy by the remaining 50% in 2017.

Implication: Similar to Option #1, the EO program would be restructured to remove the Region's contribution to the program, but the savings would be realized over two years. Specifically, the 2016 budget reduction would be achieved through a reduction in the EO staffing level obtained through attrition. Using current vacancies and projected retirements, staff reductions could be managed which would minimize any labour relation implications. Savings to the Region's property tax levy would be realized in 2016 and the balance in 2017.

Option #3: Restructure the EO Program during 2016, reduce the property tax levy by 50% of the Region's contribution (\$191,859) in the 2016 Budget, and retain the remaining half to implement program changes proposed for the 2017 budget process.

Implication: Similar to Option #2, the 2016 budget reduction could be achieved through staff attrition. For 2017, Budget Committee could direct staff to undertake a review of the purpose of all Employment programs and could approve changes during the 2017 budget process. The Community Services Department would submit redesign options of all Employment Programs and Employment Skills Development Programs in the summer of 2016 for Council to consider in advance of the 2017 budget cycle.

Staff Recommendation

It is recommended that option #3 above be approved. Report COR-FSD-16-03 includes a recommendation to take the following action:

“Approve a reduction to the 2016 Budget for Employment Ontario of \$191,859 with a corresponding decrease in the 2016 property tax levy and direct Community Services staff to provide Regional Council with a plan to redesign employment skills programs for consideration in advance of the 2017 Budget process.”



Region of Waterloo

Corporate Services

Financial Services & Development Financing

2016 Budget

Information Paper

Fees & Charges By-Law

Budget Committee Date: January 13, 2016

Section 391 of the “Municipal Act” permits municipalities to establish and maintain a list of services subject to fees or charges. By-law Number 15-019, a By-law to Establish Fees and Charges for the Regional Municipality of Waterloo, has been adopted to fulfill this requirement. This by-law is reviewed annually to incorporate new or revised fees adopted by Regional Council.

As part of the 2016 budget process, all service areas reviewed their fees and charges and, where appropriate, are proposing changes to certain fees. On December 16, 2015 staff presented an information paper outlining proposed changes to the Fees and Charges By-law for 2016 (pages 105-110 of December 16, 2015 Budget Committee agenda). Appendix A provides a list of those proposed fee changes.

One addition has been made to the December 16, 2015 proposal. As outlined in report CSD-FSD-16-03, staff recommends an increase to the Waste Management IC&I tipping fee by \$2, effective April 1, 2016 (from \$75 to \$77 per tonne). At this level, the Region remains competitive within the local market but still offers a fair and reasonable disposal fee to local business and residents.

As user rates for Water and Wastewater are approved by separate by-laws, they are not included in this schedule.

The 2016 Grand River Transit (GRT) budget proposes an increase to monthly bus passes of \$3 per month from \$79 to \$82, effective July 1, 2016. Staff has reviewed the implications of this proposed increase on the TRIP budget and has identified several options for Budget Committee’s consideration, as outlined in the Subsidized Transit information paper provided on page 23 of this agenda package. Staff recommends increasing the Regional subsidy for the TRIP program to \$40 per month per pass effective July 1, 2016 and increasing the 2016 operating budget and

property tax levy for Employment and Income Support by \$32,250.

A resolution to repeal the current Fees and Charges By-law and pass a new Fees and Charges By-law will be included along with the General Budget Resolutions for Budget Committee on January 13, 2016.

Appendix A – Proposed Changes to Fees and Charges By-Law

Description	Current Fee	Effective Date	Proposed Fee
PLANNING, DEVELOPMENT & LEGISLATIVE SERVICES			
Airport Services (Region of Waterloo International Airport)			
Automobile Parking (Includes H.S.T.)			
Tenant Parking (monthly)	\$35.00 / month	Feb 1 -16	\$40.00 / month
Car Rental Agencies - Reserved Spots	\$65.00 / month	Feb 1 -16	\$70.00 / month
Special Events Parking Permit	\$3.50 / vehicle	Jan 14 - 16	\$4.00 / vehicle
Regular Parking - Hourly	\$3.50	Jan 14 - 16	\$4.00
Regular Parking - Daily	\$7.00	Jan 14 - 16	\$8.00
Regular Parking - Weekly	\$49.00	Jan 14 - 16	\$56.00
Aviation Fuel Surcharge			
Jet Fuel	\$0.04 / litre	Jan 14 - 16	\$0.045 / litre
Landing Fees per 1,000 kg or part thereof (3,000 kg and up)			
3,000 - 21,000 kg.	\$6.25 / 1,000 kg.	Jan 14 - 16	\$6.50 / 1,000 kg.
21,001 - 45,000 kg.	\$6.25 / 1,000 kg.	Jan 14 - 16	\$6.50 / 1,000 kg.
Greater than 45,000 kg.	\$6.25 / 1,000 kg.	Jan 14 - 16	\$6.50 / 1,000 kg.
Helicopters	\$6.25 / 1,000 kg.	Jan 14 - 16	\$6.50 / 1,000 kg.
Land Lease Development Fees			
Airport Sewage User Charge	\$5.00 / cubic metre	Jan 14 - 16	\$6.00 / cubic metre
Lease Rates			
Hangar Rent	\$4.50 / sq. ft.	Jan 14 - 16	\$4.60 / sq. ft.
Joseph Schneider Haus			
Advanced Ticket Sales			
Lifelong Learning Workshops and Lectures - Prices vary depending on program, supplies, etc.	New	Jan 14 - 16	Varies
Special Events - Some special events are priced differently than general admission	New	Jan 14 - 16	Varies
McDougall Cottage			
Advanced Ticket Sales			
Lifelong Learning Workshops and Lectures - Prices vary depending on program, supplies, etc.	New	Jan 14 - 16	Varies
Special Events - Some special events are priced differently than general admission	New	Jan 14 - 16	Varies
TRANSPORTATION AND ENVIRONMENTAL SERVICES			
Design & Construction			
Plotter Fees			
Regular monochrome plot on bond	\$0.40 per sq. ft.	Jan 14 - 16	Delete
Colour plot	\$0.90 per sq. ft.	Jan 14 - 16	Delete
Plot on mylar	\$1.40 per sq. ft.	Jan 14 - 16	Delete
Plot an image up to 36" wide	\$50.00	Jan 14 - 16	Delete
Transportation			
Removal and replacement of sound barrier and associated structures	New	Jan 14 - 16	Cost plus 5% admin fee
Waste Management			
Waterloo and Cambridge Sites			
General Refuse/Garbage	\$75.00/M.T.	Apr 1 - 16	\$77.00/M.T.

Appendix A – Proposed Changes to Fees and Charges By-Law

Description	Current Fee	Effective Date	Proposed Fee
Transit Services - Grand River Transit (G.R.T.)			
Cash			
Cash Fare (exact change only)	\$3.00	Jul 1 - 16	\$3.25
Tickets			
Adult Tickets - strip of 5	\$12.85 (\$2.57 each)	Jul 1 - 16	\$13.30 (\$2.66 each)
Reduced Tickets - strip of 5 Seniors (65+), elementary and high school students	\$11.15 (\$2.23 each)	Jul 1 - 16	\$11.55 (\$2.31 each)
Passes			
Adult Monthly Pass (Note: 1)	\$79.00	Jul 1 - 16	\$82.00
College Pass (per 4 month term)	\$267.00	Jul 1 - 16	\$280.00
Conestoga College Pass (Per 4 month term) includes Photo I.D. (Note: 3)	\$227.00	Jul 1 - 16	\$238.00
Day Pass/Sunday/Holiday Family Pass	\$7.50	Jul 1 - 16	\$7.75
Reduced Monthly Pass: (Notes: 1, 2) Seniors, elementary and high school students	\$67.00	Jul 1 - 16	\$70.00
Student Summer Pass (July and August) (Note: 1)	\$113.00	Jul 1 - 16	\$118.00
UPass (Universal Transit Pass) for undergraduate and graduate students at Wilfred Laurier University and University of Waterloo undergraduate students, as per signed agreements (Note: 4)	\$81.15	Jul 1 - 16	\$85.20
Notes:			
(1) Photo I.D. charge of \$5.00 required - one-time fee for Adult and Senior Reduced Monthly			
(2) Reduced fares are available to seniors, elementary and high school students.			
(3) 15% discount from regular College Pass - would be in effect until U-Pass approved			
(4) Prices set in 2015-2020 Agreement (TES-TRS-15-07)			
COMMUNITY SERVICES			
Seniors' Services - Sunnyside Home			
Community Alzheimer Program (income based)			
Regular Day Program	\$15.00	Apr 1 - 16	\$15.50
Extended Day Program	\$20.00	Apr 1 - 16	\$20.50
Lunch Visit (meal)	\$7.25	Apr 1 - 16	\$7.75
Facility Rental			
Family Celebration Room - Supportive Housing	\$22.50	Apr 1 - 16	\$23.00
Classroom rental - Supportive Housing	\$32.50	Apr 1 - 16	\$33.00
Wellness Meeting Room	\$16.50	Apr 1 - 16	\$17.00
Franklin Meeting Room	\$16.50	Apr 1 - 16	\$17.00
Kenneth Meeting Room	\$16.50	Apr 1 - 16	\$17.00
Kenneth Administration Room	\$16.50	Apr 1 - 16	\$17.00
Kenneth Classroom/Boardroom	\$22.50	Apr 1 - 16	\$23.00
Chapel	\$22.50	Apr 1 - 16	\$23.00
Chapel - Meeting Room	\$22.50	Apr 1 - 16	\$23.00
Heritage Hall - up to 50 people	\$32.50	Apr 1 - 16	\$33.00
Heritage Hall - 51 to 100 people	\$56.00	Apr 1 - 16	\$57.00
Telephone/Television			
Telephone - Residents	\$30.00 / month + long distance	Apr 1 - 16	\$30.50 / month + long distance
Telephone - Convalescent Care per month	\$41.00 / month + long distance	Apr 1 - 16	\$41.50 / month + long distance
Telephone - Convalescent Care (less than 30 days)	\$2.50/day + long distance	Apr 1 - 16	Delete
Telephone - Convalescent Care (less than 15 days)	New	Apr 1 - 16	\$3.00/day + long distance
Cable Television - Residents	\$29.50 / month	Apr 1 - 16	\$30.00 / month
Cable Television - Convalescent Care per month	\$41.00 / month	Apr 1 - 16	\$41.50 / month
Miscellaneous			
Seniors Day Program (meal)	\$7.40 / meal	Apr 1 - 16	\$7.75 / meal
Loaves & Fishes Program	\$7.40 / meal	Apr 1 - 16	\$7.75 / meal

Appendix A – Proposed Changes to Fees and Charges By-Law

Description	Current Fee	Effective Date	Proposed Fee
Children's Services			
Region of Waterloo Children's Centres			
Infant (6+ hours)			
One Day	\$67.30	Feb 1 - 16	\$69.30
Three Days	\$201.90	Feb 1 - 16	\$207.90
Four Days	\$269.20	Feb 1 - 16	\$277.30
Five Days	\$336.50	Feb 1 - 16	\$346.60
Toddler (6+ hours)			
One Day	\$45.75	Feb 1 - 16	\$47.10
Three Days	\$137.20	Feb 1 - 16	\$141.30
Four Days	\$183.00	Feb 1 - 16	\$188.40
Five Days	\$228.75	Feb 1 - 16	\$235.50
Toddler (<6 hours)			
One Day	\$35.00	Feb 1 - 16	\$36.05
Three Days	\$105.00	Feb 1 - 16	\$108.15
Four Days	\$140.00	Feb 1 - 16	\$144.20
Five Days	\$175.00	Feb 1 - 16	\$180.25
Preschool (6+ hours)			
One Day	\$42.40	Feb 1 - 16	\$43.70
Three Days	\$127.20	Feb 1 - 16	\$131.10
Four Days	\$169.60	Feb 1 - 16	\$174.80
Five Days	\$212.00	Feb 1 - 16	\$218.50
Preschool (<6 hours)			
One Day	\$31.95	Feb 1 - 16	\$32.90
Three Days	\$95.85	Feb 1 - 16	\$98.70
Four Days	\$127.80	Feb 1 - 16	\$131.60
Five Days	\$159.75	Feb 1 - 16	\$164.50
Supportive Housing			
Lunch Visit (meal)	New	Apr 1 - 16	\$6.00
PUBLIC HEALTH & EMERGENCY SERVICES			
Infectious Diseases, Dental & Sexual Health			
Vaccine Preventable Diseases			
Thermometer (cold chain)	\$76.60	Feb 1 - 16	\$85.00
Health Protection Division			
File Searches (Payable in Advance)			
Food Premise File Search	\$88.00	Feb 1 - 16	\$96.00
Food Premise File Search and Inspection	\$165.00	Feb 1 - 16	\$180.00
Septic System File Search	\$88.00	Feb 1 - 16	\$96.00
Paramedic Services			
Special Event Coverage			
Single Paramedic plus vehicle	\$81.00 / hour, \$323.00 minimum	Apr 1 - 16	\$82.00 / hour, \$329.00 minimum
Two Paramedics plus vehicle	\$138.00 / hour, \$552.00 minimum	Apr 1 - 16	\$141.00 / hour, \$563.00 minimum
Special Event Coverage - short notice (OT) - or Full Time Staff			
Single Paramedic	\$109.00 / hour, \$437.00 minimum	Apr 1 - 16	\$112.00 / hour, \$446.00 minimum
Two Paramedics	\$198.00 / hour, \$791.00 minimum	Apr 1 - 16	\$202.00 / hour, \$807.00 minimum
Request for Information			
Ambulance Call Reports (Fee is per Request; not hourly)	\$87.75	Apr 1 - 16	\$89.50



Region of Waterloo Waterloo Regional Police Services

2016 Budget

Information Paper

Waterloo Region Police Services Budget

Budget Committee: January 13, 2016

Preliminary information relating to the Waterloo Regional Police Service (WRPS) 2016 budget was presented to the Police Services Board (PSB) on November 4, 2015. At that time, the preliminary budget was \$151.457 million, which represented an increase of \$5.848 million or 4.02% over the 2015 levy for Police Services. On December 2, 2015, the PSB approved in principle the draft 2016 operating budget of \$150.893 million, which represented an increase of \$5.284 million or 3.63% over the 2015 levy for Police Services. Based on assessment growth of 1.41%, the tax rate impact of this levy increase for Police Services was 0.71%. On January 6, 2016, the PSB approved further reductions totalling \$164,783 that relate to PAVIS staffing and a delay in the hiring of two of the ten requested civilian positions. The PSB also approved a final 2016 property tax levy of \$150.729 million, which represents an increase of \$5.119 million or 3.52% over the 2015 levy for Police Services and a tax rate impact of 0.67%, based on assessment growth of 1.41%.

The following table summarizes the impact of the PSB approved 2016 WRPS operating budget as compared to the 2015 approval.

Waterloo Regional Police Services Budget Summary				
	2015 Approved Operating Budget	PSB approved 2016 Operating Budget (January 6)	\$ Change	% Change
Expenditure	\$158,696,385	\$165,549,190	\$6,852,805	4.32%
Revenue	13,086,829	14,820,629	1,733,800	13.25%
Property Tax Requirement	\$145,609,556	\$150,728,561	\$5,119,005	3.52%
Tax Rate Impact	0.58%	0.67%	--	--

A copy of the January 6, 2016 PSB report is attached to this Information Paper. The following is an excerpt from the draft minutes of the PSB meeting on January 6, 2016:

Chair T. Galloway referred to the motion from the December 2, 2015 Board Meeting where the 2016 Operating Budget was approved in principle. Report 2016-017 was being tabled as of this date to receive final approval.

Chief B. Larkin informed the Board that, following the 2016 Budget presentation to Regional Council, salaries and benefits were revisited, and additional savings of \$164,783 were achieved. The Board asked for clarification around the savings. Chief B. Larkin indicated that the savings stem from revisiting PAVIS staffing and delaying the hiring of two of the requested ten civilian staff.

The recommendation as set out in Report 2016-017 was amended to reflect the savings and the question put:

Moved by K. Seiling

Seconded by K. Kiefer

That the Waterloo Regional Police Services Board approve the Waterloo Regional Police Service 2016 Operating Budget with a net levy of \$150,728,561 being a tax rate impact of 0.67%; and

That the Waterloo Regional Police Services Board approve the Ten Year Capital Forecast, 2016-2025, as shown in Appendix B.



WATERLOO REGIONAL POLICE SERVICES BOARD

People Helping People

HEADQUARTERS
Finance

To: The Chair and Members of the Waterloo Regional Police Services Board

Date: January 6, 2016

Subject: Proposed 2016 Budget - Waterloo Regional Police Service

Recommendation:

THAT the Waterloo Regional Police Services Board approve the Waterloo Regional Police Service 2016 Operating Budget with a net levy of \$150,893,344 being a tax rate impact of 0.71%; and

THAT the Waterloo Regional Police Services Board approve the Ten Year Capital Forecast, 2016 – 2025, as shown in Appendix B.

Summary:

The 2016 Proposed Budget report provides the Police Services Board (PSB) a budget position, as of this date. The Senior Leadership Team (SLT) have performed comprehensive reviews of their initial branch and program submissions, acknowledging that, not unlike 2014 and 2015, 2016 will be another challenging year.

As at November 4, the proposed 2016 Operating Budget included a net levy base budget increase of 3.56% inclusive of \$4.5 million in staffing costs for projected cost of living adjustments, benefits, contractual progressions, and the annualization of four additional civilian positions. Staffing costs account for 92.0% of the proposed 2016 base net levy. The base budget also included an increase in other operating expenses of approximately \$1.5 million. These tax supported increases include but are not limited to sick leave, staff training, firearm and arsenal supplies, body armour and equipment replacement, licensing, legal and consulting fees as well as Regional interdepartmental charges for facilities and fleet maintenance and insurance coverage.

Revenue depicts a net increase of \$846,486 however \$297,850 of this amount is a proposed reserve funding offset to budgeted operating expenditures. The true net revenue increase totals \$548,636. On a gross basis, revenue would have been higher by \$545,000, however, due to the Ministry of Community Safety and Correctional Services (MCSCS) reviewing its grant funding, with a plan to develop an outcomes-based model, the previously approved Provincial Anti-Violence Intervention Strategy (PAVIS) funding has been reduced for 2015, effectively ending December 31st with no commitment to renewed funding for 2016. \$545,000 of PAVIS funding has been removed from base revenue for 2016.

To effectively support areas of identified operational and administrative shortcomings, the Service's SLT recommended the addition of 10 civilian staff at the cost of \$664,317, effective April 1, 2016. These additional staff positions have been vetted by Senior Command from an original list of 20. The requested personnel are comprised of five Communicators, a Financial Analyst, a Health and Safety Coordinator, an Occupational Health Nurse, an IT Project/Business Manager and a Mobile Workstation Technician.

The addition of 10 civilian positions increased the net levy budget to 4.02% from a base of 3.56%. With a projected assessment growth rate of 1.5%, at that time, the tax levy impact was calculated to be 0.81%. At the Board's request, staff was asked to see what could be done to achieve a 0.1% reduction in the tax rate impact.

The most recent information from MPAC is pointing to assessment growth at 1.41% therefore increasing the tax rate impact as at November 4th to 0.83% from 0.81%. To achieve a reduction to a tax rate impact of 0.71%, the budget has been reduced by an additional \$564,146 from the budget presented on November 4th.

Report:

The 2016 base budget is the amount of funding required to deliver the Board's objectives and priorities with respect to the previously approved level of service for 2015. It does not include funding for new initiatives or expansion requests that could not be found within the current base. Adjustments to the base budget include a proposed COLA increase for salaries inclusive of contractual grade and step advancements, the annualization of prior years' approved hires, changes to benefit costs, sick leave, training requirements, licensing, legal and consulting fees, and Regional interdepartmental charges for facilities and fleet maintenance and insurance coverage.

The Police Service has successfully utilized base budget reviews to bring forward budget increases that allow for the legislative provision of adequate and effective police services. The annual intent and challenge is to identify sustainable reductions of non-essential items and services. This can prove to be difficult with an emergency services budget whose staffing costs are 92% of the base net levy total. The base budget has been vetted through a comprehensive review process that involved analyzing all expense and revenue categories for the past three years plus current as compared to actuals, including additions for mandatory and non-discretionary expenses. To effectively reduce the base budget could require consideration of service level reductions. The result of the base budget review is depicted in Appendix A, which identifies the expense and revenue categories by object code level and the corresponding adjustments being proposed. Each object code consists of numerous separate expense accounts. Appendix A1 identifies a summary of the main expense code cost drivers.

The following table depicts the summary transition of the 2016 base and expansion budget as of December 2, 2015:

Budget Position January 1, 2015 (Approved)	\$145,609,556
Add: Base Budget Expenditure Adjustments to date	6,030,103
Deduct: Projected Revenue Increase Adjustment for 2016	<u>(846,486)</u>
Total Preliminary Net Levy Base Budget Increase of 3.56%	\$150,793,173

Add: Expansion Requests (10 Civilians)	<u>\$ 664,317</u>
Net Levy Budget Increase at November 4 th of 4.02%	\$151,457,490
Deduct: Net of Deferrals, Equipment Cuts and Reserve Funding	<u>(564,146)</u>
Net Levy Budget Increase at December 2 nd of 3.63%	<u>\$150,893,344</u>

In comparison, the following are the final approved net levy budget increases for the last four years:

Year to Year	Net Levy Budget Increase	Net Tax Rate Impact
2011 to 2012	6.10%	1.30%
2012 to 2013	7.31%	1.74%
2013 to 2014	4.26%	0.81%
2014 to 2015	3.23%	0.58%
<i>2015 to 2016</i>	<i>3.63%</i>	<i>0.71%</i>

The Waterloo Regional Police Service (WRPS) continues to utilize analytics to measure the demands of our community on our ability to provide services and make responsive adjustments to meet performance goals and expectations. Quantifiable measures allow the Service to respond in the most effective and efficient manner, to meet or improve upon performance goals with transparency and accountability.

During 2015 the WRPS, in partnership with the Waterloo Regional Police Association, undertook a second analytical study of its recently implemented front-line deployment model and accompanying shift schedule. The intent was to create a model / schedule that was more conducive to ensuring the community is provided with the optimal level of police services that best reflects the needs of the community and promotes officer wellness. The new shift schedule and zone deployment model will be implemented January 3, 2016 and will continue to be monitored for effectiveness. Accordingly, there are no requests for additional police officers in 2016. A master staffing and facilities plan is to be tabled mid-2016 that will speak to proposed requirements for 2017 forward.

Staffing expansion requests for 2016 are limited to 10 civilian personnel deemed a priority in support of Communications, Human Resources, Information Technology and Finance. These 10 were vetted from a list of 20 proposed additions to operations and support staff.

The Ten Year Capital Budget Forecast has been extensively reviewed with all affected areas within the Service and meetings have been had with Regional Finance personnel to plan adjustments and deferrals. Discussions centered around planned investments in IT infrastructure, facilities renewal, equipment and fleet replacements and how best to finance the proposed expenditures. Even though long term interest (borrowing) rates remain at near historical lows, we continue to review which funding methodology is most

efficient and cost effective given the current economic environment. The Ten Year Capital Budget is shown in Appendix B.

Strategic Business Plan:

To ensure the Service's vision of financial budgeting is aligned with accountability and responsible spending.

Financial Implications:

The budget report as presented proposes a preliminary 3.63% net levy increase. With a final assessment growth rate of 1.41%, the tax rate impact is 0.71% or \$12.97 per residential household assessed at \$302,000.

Attachments:

Appendix A – 2016 Base and Expansion Budget Summary
Appendix A1 – Summary of Major Cost Drivers
Appendix A2 – Grant and Secondment Contributions and Recovery
Appendix B – Ten Year Capital Budget Forecast

Prepared By: Joseph A. Steiner, Director of Finance
Susan Wilson, Finance Manager

Approved By: Bryan M. Larkin, Chief of Police

WATERLOO REGIONAL POLICE SERVICE
Base Budget
2016

Appendix A

	2015 Approved Budget	2016 Base Budget	2016 Expansion Requests	2016 Proposed Budget	2016 \$ Change	% Budget Change
EXPENDITURES						
Salaries & Wages	107,188,772	108,358,139	378,619	108,736,758	1,547,986	1.44%
Wages - Grant or Secondment		1,870,734		1,870,734	1,870,734	
Benefits	27,070,069	27,990,874	106,284	28,097,158	1,027,089	3.79%
Benefits - Grant or Secondment		469,178		469,178	469,178	
Staffing Costs	134,258,841	138,688,925	484,903	139,173,828	4,914,987	3.66%
Other Allow & Benefits	1,731,020	2,178,711		2,178,711	447,691	25.86%
Office Supplies	183,850	178,650		178,650	(5,200)	(2.83%)
Materials & Supplies	2,890,713	3,161,779		3,161,779	271,066	9.38%
Maintenance & Repairs	2,055,365	1,887,547		1,887,547	(167,818)	(8.16%)
Small Equipment	2,512,233	1,978,349		1,978,349	(533,884)	(21.25%)
Services	1,022,960	857,115		857,115	(165,845)	(16.21%)
Fees	1,227,368	1,875,046		1,875,046	647,678	52.77%
Rents	853,600	912,376		912,376	58,776	6.89%
Financial Expenses	4,209,960	3,863,071		3,863,071	(346,889)	(8.24%)
Communication Costs	1,598,947	1,537,681		1,537,681	(61,266)	(3.83%)
Meetings & Travel	405,375	458,038		458,038	52,663	12.99%
Grant Recoverable Expenses	7,970	295,710		295,710	287,740	
Interdept'l Charges From	3,467,306	3,820,441		3,820,441	353,135	10.18%
Interfund Trfs (Vehicle Reserve)	1,514,721	2,140,252		2,140,252	625,531	41.30%
Interfund Trfs (RDC)		601,414		601,414	601,414	
Interfund Trfs (Insurance)	756,156	793,965		793,965	37,809	5.00%
Other Operating	24,437,544	26,540,145	0	26,540,145	2,102,601	8.60%
Total Expenditures	158,696,385	165,229,070	484,903	165,713,973	7,017,588	4.42%
REVENUES						
General Police Revenue	3,130,500	3,038,300		3,038,300	(92,200)	2.95%
CPP/Ministry Grants	6,095,339	6,750,364		6,750,364	655,025	(10.75%)
Grant Recoverable Funding	2,072,148	1,898,762		1,898,762	(173,386)	8.37%
PRIDE Revenue	1,696,342	1,730,539		1,730,539	34,197	(2.02%)
Miscellaneous Revenue	92,500	97,500		97,500	5,000	(5.41%)
Interfund Contributions (RDC)		601,414		601,414	601,414	
Interfund Contributions (Reserves)		703,750		703,750	703,750	
Total Revenue	13,086,829	14,820,629	484,903	14,820,629	1,733,800	(13.25%)
NET LEVY	145,609,556	150,408,441	484,903	150,893,344	5,283,788	3.63%

**Waterloo Regional Police Service
2016 Budget – Major Cost Drivers**

Appendix A1

Salaries, Wages & Benefits:

Salaries, Wages (inclusive of 2015 / 2016 COLA projection)	\$3,418,720
Benefits (statutory and contractual retiree coverage)	1,496,267

Other Allowances:

Sick Leave (potential of 22 Uniform / Civilian retirements)	400,000
Staff Training (Mandated and / or Legislated)	48,961

Materials & Supplies:

Firearm and Arsenal Supplies	152,804
Uniforms and Clothing (Body Armour Replacement)	75,418
Janitorial, Materials and Investigative Supplies	42,345

Fees:

License & Communication Fees – Net of Equipment Maintenance Adjustment	406,483
Consulting Fees	238,250

Meetings & Travel:

52,663

Interdepartmental Charges From Region:

Facilities Management Overhead Allocation	127,128
Fleet Management Overhead Allocation	4,373
Fleet Maintenance	62,823
Facilities Rent Allocation	104,997
Lifecycle Provision for Facilities	51,699

Interfund Transfers: Vehicle & Insurance Reserve Funds

37,809

Total of Major Cost Drivers

\$6,720,740

**Waterloo Regional Police Service
Grant & Secondment Recovery
2016**

Appendix A2

<u>Grant / Secondment</u>	<u>Position</u>	<u>Salary & Benefits & Allowances</u>	<u>Grant Recoverable Expenses</u>	<u>Grant Recoverable Funding</u>	<u>Funding Shortfall</u>
Ontario Police College Training Ministry of Public Safety & Security	SECONDMENT	\$ 128,002		\$ (128,002)	\$ -
Ontario Police College Training Ministry of Public Safety & Security	SECONDMENT	\$ 158,886		\$ (148,392)	\$ 10,494
Ontario Police College Training Ministry of Public Safety & Security	SECONDMENT	\$ 129,578		\$ (129,578)	\$ -
Ministry of Community Safety & Correctional Services	SECONDMENT	\$ 183,271		\$ (183,271)	\$ -
		\$ 599,737		\$ (589,243)	\$ 10,494
ROPE (Repeat Offender Parole Enforcement) - OPP & MCSCS	SURVEILLANCE CST.	\$ 132,855		\$ (76,696)	\$ 56,159
PATS (Provincial Anti Terrorism) - OPP & MCSCS	INTELLIGENCE CST.	\$ 139,639		\$ (89,116)	\$ 50,523
CISO - System Refresh			\$ 87,000	\$ (87,000)	\$ -
		\$ 272,494	\$ 87,000	\$ (252,812)	\$ 106,682
HCEIT (Hate Crime Extremism Investigative Team)	N/A		\$ 199,510	\$ (199,510)	\$ -
		\$ -	\$ 199,510	\$ (199,510)	\$ -
PAVIS (Provincial Anti-Violence Intervention Strategy)	INTELLIGENCE SGT.				
	INTELLIGENCE CST.				
	INTELLIGENCE CST.				
	Electronic Surv Analyst				
	Social Media Investigative Assistant	\$ 564,077			\$ 564,077
		\$ 564,077	\$ -	\$ -	\$ 564,077
Sexual Exploitation - OPP & MCSCS ICSE-VI	VICTIM IDENT/CHILD EXPLOIT CST	\$ 136,247	\$ 9,200	\$ (111,935)	\$ 33,512
		\$ 136,247	\$ 9,200	\$ (111,935)	\$ 33,512
Sexual Exploitation - OPP & MCSCS ICSE-Tech	VICTIM IDENT/CHILD EXPLOIT CST				
Sexual Exploitation - OPP & MCSCS ICSE-Tech	VICTIM IDENT/CHILD EXPLOIT CST	\$ 137,095		\$ (115,000)	\$ 22,095
		\$ 137,095		\$ (115,000)	\$ 22,095
TOTAL Misc Provincial Grants		\$ 1,709,650	\$ 295,710	\$ (1,268,500)	\$ 736,860
AFO (Provincial Firearms Officer)	FIREARMS/SEIZED PROPERTY CST	\$ 137,800		\$ (137,800)	\$ -
AFO (Provincial Firearms Officer)		\$ 137,800	\$ -	\$ (137,800)	\$ -
GRT	SECONDMENT	\$ 158,886		\$ (158,886)	\$ -
WRPA President	WRPA PRESIDENT	\$ 174,690		\$ (174,690)	\$ -
University of Waterloo Police	SECONDMENT	\$ 158,886		\$ (158,886)	\$ -
TOTAL Misc Secondments		\$ 492,462	\$ -	\$ (492,462)	\$ -
GRAND TOTAL		\$ 2,339,912	\$ 295,710	\$ (1,898,762)	\$ 736,860

Waterloo Regional Police

Appendix B

Ten Year Capital Forecast (\$000's)
2016 - 2025

	Carryforward	2016 Request	Total 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2016 - 2025 Total
EXPENDITURES													
PROGRAM AREA CAPITAL													
50000 Police Vehicles and Equipment		2,260	2,260	2,143	2,107	2,296	2,267	2,575	2,483	2,680	2,671	2,700	24,180
50003 PRIDE V		1,150	1,150	3,609	4,400	2,650	2,300	3,850	3,000	4,500	2,000	2,500	29,959
50004 Police Vehicles-Growth					144		144		144		144		574
50011 Voice Radio HW and SW Upgrades	253	917	1,170	1,082					1,219				3,471
50012 Training and Range Facilities	264	566	830					699					1,529
50013 Mobile Workstations	750		750			1,561							2,311
50015 Central Communications Centre	1,269		1,269	1,643									2,912
50022 Replacement of North Division	510		510										510
50032 Pistol Replacement						292	292						584
50034 Specialty Vehicle						697							697
50036 Central Division Renovations	1,196		1,196										1,196
50037 Expand/Renov Reporting Centre	210		210	200	50			100					560
50039 Central Division					2,040								2,040
50040 Expansion of Reporting Centre					663								663
50043 Renovation of Investigative Service Unit				750	1,500								2,250
50044 HQ Renovations		250	250	750									1,000
TOTAL PROGRAM AREA CAPITAL	4,451	5,144	9,595	10,177	10,903	7,495	5,002	7,224	6,845	7,180	4,814	5,200	74,436
FACILITIES MANAGED CAPITAL RENEWAL													
75011 Police Central Division Renewal		85	85	250	75	50	25						485
75012 Firearms Training Facility Renewal					43				29	23			95
75013 Police South Division Renewal				144	64	87	139	425	283	133	121	173	1,569
75014 Police North Division Renewal				12	17	12	12	75	248	167	98	231	860
75016 Police Headquarters Renewal	218	46	264	710	912	369	104	179	554	124	202	289	3,707
75017 Police Investigative Services Renewal		6	6	12			12	75	248	167	98	116	734
75018 Police Reporting Centre Renewal				364	179	75	17	64		46			745
TOTAL FACILITIES MANAGED CAPITAL RENEWAL	218	137	355	1,492	1,273	598	309	818	1,362	660	519	809	8,195
TOTAL EXPENDITURES	4,669	5,281	9,950	11,669	12,176	8,093	5,311	8,042	8,207	7,840	5,333	6,009	82,631
SOURCES OF FINANCING													
Grants and Subsidies		460	460	1,444	1,760	1,060	920	1,540	1,200	1,800	800	1,000	11,984
Reserve and Reserve Funds													
3980065 Facility Lifecycle Reserve	218	137	355	218	361	229	309	818	1,362	660	519	809	5,640
3980111 Debentures 10 yrs (RDC)					2,507								2,507
3981300 Police Equipment Reserve	750		750										750

Waterloo Regional Police

Appendix B

Ten Year Capital Forecast (\$000's)
2016 - 2025

	Carryforward	2016	Total										2016 - 2025
		Request	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
3981310 Police General Reserve	210	690	900	450	450	450	450	550	450	450			4,149
3982340 Police Vehicles & Equipment Reserve		2,260	2,260	2,143	2,107	2,296	2,267	2,575	2,483	2,680	2,671	2,700	24,180
3985400 RDC RF Police	204		204	263	144		144		144		144		1,041
Debentures	3,288	1,733	5,021	7,152	4,848	4,059	1,222	2,559	2,569	2,250	1,200	1,500	32,380
TOTAL SOURCES OF FINANCING	4,669	5,281	9,950	11,669	12,176	8,093	5,311	8,042	8,207	7,840	5,333	6,009	82,631



**Region of Waterloo
Corporate Services
Financial Services & Development Financing**

2016 Budget

Information Paper

2016 Region of Waterloo Library Budget

Budget Committee Date: January 13, 2016

On December 16, 2015 the Library Committee approved the 2016 Budget for the Waterloo Regional Library with a total tax levy of \$2,613,777. This represents an increase of \$120,656 over 2015 and \$36,200 more than presented in the 2016 Preliminary Budget Book.

The staff report (PDL-LIB-15-10) contains details of the 2016 Operating Budget and 2016-2025 Capital Plan and this report is attached as **Appendix A**. 2016 Region of Waterloo Library budget resolutions as approved by the Library Committee are attached as **Appendix B**. The following table outlines the budget and staffing impacts of Library Committee's approval:

Status of Region of Waterloo Library Budget	2016 Property Tax Levy (\$millions)	2016 FTE Impact
Opening 2016 base budget position per Preliminary Budget Book	\$2,577,577	
Approved by Library Committee, December 16, 2015 (per report PDL-LIB-15-10):		
Reorganization	0	0.6 Perm
Baden Staffing	10,200	0.2 Perm
Funding for electronic databases	11,000	
Funding for materials	15,000	
2016 Region of Waterloo Library Budget, as approved by Library Committee	\$2,613,777	0.8 Perm

Region of Waterloo**Planning, Development and Legislative Services****Cultural Services**

To: Chair Les Armstrong and Members of the Library Committee

Date: December 16, 2015 **File Code:** R09-90

Subject: 2016 Library Budget Report

Recommendation:

That Library Committee approve the following with regard to the Region of Waterloo Library Budget as described in Report PDL-LIB-15-10, dated December 16, 2015:

- a) The 2016 Library Operating Budget with a net levy of \$ _____ (___ %);
- b) The 2016 Library Capital Budget;
- c) The 2016-2025 Library Capital Forecast;

And That the matter is referred to Budget Committee.

Summary:

The proposed 2016 Region of Waterloo Library (RWL) Base Operating Budget and 2016-2025 Capital Program are presented to Library Committee for consideration and approval. The 2016 Base Operating Budget has a net property tax levy of \$2,577,577 which represents an increase of \$84,456 or 3.39% over 2015. The proposed 2016-2025 Library Capital Plan expenditures total \$1.8 million, with \$365,000 in expenditure proposed in 2016. Sources of funding for the proposed 2016-2025 capital plan include Regional Development Charges (\$750,000), Library Capital Reserve Funds (\$918,000) and the Library Vehicle Reserve (\$130,000).

The 2016 operating budget increase includes adjustments for salary and benefit cost increases, annualization of positions approved in 2015 and job evaluation results that occurred during 2015 for branch staff. Facilities interdepartmental charges have decreased overall due to savings resulting from moving out of rented space for the New Dundee branch. Rural assessment growth for all four Townships is 1.96% in 2015 for the 2016 budget and taking this growth into account, the net tax impact for Library Services is 1.4%. For an average household valued at \$302,000 in 2015, the increase

represents an increase of \$1.05 on the average property tax bill for a total average household cost of \$76.24.

Four budget issue requests, with a total cost of \$36,200 and an increase of 0.8 FTEs, are proposed in this report for Library Committee's consideration. If all were approved, the tax impact after assessment growth would be 2.82% or \$2.12 per Township household.

Report:

Preliminary 2016 Operating Budget

The preliminary 2016 Base Operating Budget for the RWL is shown in the Program Summary provided in Attachment 1. This summary also shows the 2015 estimated actual costs and budget variance. Key elements of the Program Summary are discussed below.

For 2015, actual staffing costs are projected to be 7.5% below budget due, in part, to staff turnover and a six-month delay in filling the two new positions Library Committee approved for 2015.

The 2016 Base Operating Budget includes adjustments for salary and benefit cost increases, the results of job evaluations for library branch staff implemented in 2015, and annualization of the staffing positions approved in 2015. Increases in Facilities related interdepartmental charges have been reduced overall due to the elimination of rent for the New Dundee branch. The Base Operating Budget includes \$44,500 for initiatives funded from the Taylor Bequest (approved and carried forward from 2015 budget), and \$13,345 in grants from the Ontario Library Capacity Fund.

The proposed 2016 RWL Base Operating Budget has a net property tax levy of \$2,577,577, which is an increase of \$84,456 or 3.39% over 2015. Rural assessment growth for all four Townships is 1.96% in 2015 and the 2016 RWL levy increase represents a tax impact of 1.4%. For an average household valued at \$302,000 in 2015, the budget increase represents an increase of \$1.05 on the average property tax bill for an average household cost of \$76.24 in 2016.

New Initiatives Implemented in 2015

The approved 2015 RWL budget allowed for the creation of one new staff position, Supervisor of Programming, and for the existing position of Technical Support Assistant to be expanded to the full time role of Coordinator, Library Technologies. Staff retirements and other vacancies prompted a full organization review and re-structuring,

which delayed the filling of both positions until the end of 2015.

The staff reorganization specifically provides for one part time Branch Supervisor to specialize in Community Outreach. This will enable an in depth study of current service levels and potential service models for communities without a physical library branch.

Electronic signage to display branch programming and other events has been purchased for each branch, at an approximate total cost of \$15,000.

Other initiatives in 2015 that did not have a Library levy impact include:

- New technology, including small robots and maker kits has been integrated into events for children and teens (Provincial Capacity Fund grant)
- Artist in Residence program at Ayr Branch (Taylor bequest funds)
- Quiet study rooms at the Ayr Branch (Taylor bequest funds)
- Expanded online collections such as electronic magazines and music
- The RWL contribution to renovations at the New Dundee branch that were specific to library needs.

Proposed 2016-2025 Capital Program

The proposed RWL 2016-2025 Year Capital Program is provided in Attachment 2. This report has been adjusted to include carry-forwards for funds not spent in 2015.

Recommended capital expenditures in 2016 include:

- Branch furnishings - New Hamburg, Elmira, St. Jacobs
- Branch development - potential accessibility improvements and staff accommodation at headquarters
- Ayr branch projects - exterior digital sign, scanning of local history documents

Further amendments to the 2016-2025 Library Capital Program may be brought forward to Library Committee during 2016. These amendments could arise from 2016 discussions with Township staff about the library branch facilities, the planned shared-use facility in Breslau, and the need to re-configure the RWL Headquarters building to better accommodate new staffing needs.

The RWL materials budget has been funded, in large part, by revenue from Regional Development Charges (RDC) on Township residential growth. As outlined in the Annual Adequacy of Regional Development Charge Collections Review report (COR-FSD-15-17 dated October 27, 2015), staff has undertaken a detailed analysis of capital plan financing options as a result of lower than anticipated RDC collections. This included a review of all RDC reserve funds, projected collections in order to assess capital

program affordability over the next 10 years, and the timing of growth-related capital projects. Staff is recommending that any potential RDC shortfalls in 2015 and 2016 be interim funded from the Library Capital Reserve fund. The Library Capital Reserve fund will be repaid when the applicable RDC are collected. Staff will continue to explore a number of additional strategies in the first half of 2016 and will report back to Committee with recommendations for financing future capital program updates. The Library Capital Reserve fund has a sufficient balance to cover this interim financing.

Proposed 2016 Budget Issue Requests

a) Reorganization

As a result of the Library reorganization, a portion of a part-time Branch Supervisor has been re-purposed to hours for Library Assistants. This represents an increase to the staffing complement of 0.6 FTE, at no increase to the budget.

Operating Cost	\$0
FTE	0.6
Priority	High

b) Baden Staffing

Baden is one of the fastest growing areas in the Region, and demands on its library branch have been increasing steadily. Currently RWL’s fourth busiest branch, Baden has experienced an 11% growth in circulation, and a 62% rise in program attendance, since 2010.

At 1680 ft², Baden is one of the smaller branches in the system. The branch was last renovated in 2012 with the addition of an accessible washroom and a second staff computer nook. Although staff has maximized use of the space with shelving and moveable furniture, the branch is frequently filled to capacity with both books and people.

Several community members have written to the Township of Wilmot requesting a larger library space, but the building’s current footprint cannot be expanded, and an alternate location is not currently available. Wilmot Township is undertaking a facilities study in 2017 to evaluate current and future building needs.

To improve public service in the short term, it is proposed that additional staffing hours be assigned to the Baden branch. Multiple staff working at the same time will help to shorten wait times and alleviate congestion at the desk, improving the overall quality of service for the public. It is proposed that an addition of 6 staff hours be added to the busiest times of each week.

Annualized operating cost (salary + benefits)	\$10,200
FTE	0.2
Priority	High

c) Funding for Electronic Databases

For the years 2013 to 2015, the Ministry of Tourism, Culture and Sport has funded access to a core suite of electronic databases for all Ontarians. RWL was able to offer these databases at no additional cost, as well as extra databases funded through the operating budget. In June 2015, the Ministry announced that as of January 1, 2016, funding would no longer be provided for the core suite of databases, and Ontario public libraries must fund all database purchases from their own budgets.

To ease the transition, the Province extended the acceptable expenses under the Ontario Library Capacity Fund (OLCF) grant to include electronic databases. RWL received \$13,345 from the OLCF for 2015-16, and this funding has been put towards database subscriptions for 2016. As this grant was not sufficient to cover the cost of databases formerly funded by the Ministry, low-use databases have been cancelled for 2016, and some higher-cost databases have been replaced with comparable, lower-cost products. However, despite the OLCF grant and these cost-saving measures, an additional \$11,000 is needed to cover the remaining costs of essential database subscriptions for 2016. There is also no guarantee that RWL will receive another OLCF grant in the future.

To maintain access to high-demand databases, it is proposed that additional funding be added to the operating budget for electronic databases. In order to provide the most current information possible, most RWL reference material is now available exclusively through electronic databases; for example, RWL no longer purchases print encyclopaedias, but instead provides access to World Book online. Additionally, electronic databases provide unique sources of information not readily available in print (e.g., Ancestry Library Edition, Canadian Points of View) and use of high-demand databases increased approximately 59% between 2013 and 2014. Increasing the operating budget for electronic databases would allow RWL to preserve access to highly-desired and used resources and to maintain patron satisfaction.

Annual operating cost	\$11,000
FTE	0
Priority	High

d) Funding for Materials (Print and Electronic)

Overall print circulation has held relatively steady since 2014. However, certain parts of

the collection, such as children's picture books and adult express reads (high-demand novels), have shown increased circulation since last year, by five percent and 13% respectively. Electronic circulation is also up by approximately 16% from 2014. Patron use indicates that the amount of new material purchased for both print and electronic collections should be maintained or increased in future years.

In 2015, the RWL has spent approximately \$145,000 on print materials to acquire 10,049 new items. This total is approximately \$34,000 less than was spent in 2014 due to funds being reallocated to cover the cost of electronic database subscriptions for 2016 and due to lower than anticipated development charge collections. This reduction in spending translated to approximately 2,700 fewer print items being purchased in 2015 than were purchased in 2014. In 2015, \$21,300 was spent to purchase 570 new eBook and eAudiobook titles, while in 2014, \$23,400 was spent and 548 new titles were purchased. A greater number of items were purchased in 2015 in order to meet ongoing patron demand for a wider variety of downloadable titles and to reduce wait times for electronic content. If funding for materials continues to decrease, the quality of RWL's collection, and the ability to meet patron demand, may be compromised.

The cost of purchasing library materials has increased over the past few years. In addition to increased demand, other factors include the value of the Canadian dollar (since most items are priced in US dollars) and the high cost of eBooks.

In comparison to other county library systems, RWL is average with respect to titles per capita. RWL holds 2.41 titles per capita, while Huron, Middlesex, Oxford and Wellington Counties hold 5.76, 1.98, 2.79 and 2.24 titles per capita, respectively. If RWL is to maintain a suitable standing with respect to titles per capita, it is important that the materials budget be built up to support ongoing new purchases.

Annual operating cost	\$15,000
FTE	0
Priority	Medium

New Initiatives Summary

The financial impact of these potential budget issue requests is shown in Attachment 3. The four proposed 2016 budget issues would add \$36,200 to the Library Services levy. The total budget increase for base and new initiatives is \$120,656 or 2.82% after assessment growth. The impact on the average property tax bill for a household valued at \$302,000 in 2015 is an increase of \$2.12 and a total cost of \$76.24.

The RWL cost per capita of \$39.46 is relatively low in comparison to other county library systems. The cost per capita for Huron, Middlesex, Oxford and Wellington County

libraries is \$40.77, \$39.29, \$71.20 and \$56.16 respectively. The proposed budget issue requests would help to maintain the high quality of RWL service to Township residents while keeping costs in line with similar county library systems.

Other 2016 Initiatives (No Impact on 2016 Budget)

- 2nd Artist in Residence program at Ayr Branch
- Increased teen and tween programming
- Expanded technology training for all ages

Corporate Strategic Plan:

The proposed Region of Waterloo Library 2016 budget supports the Corporate Strategic Plan Objectives 5.2: Provide excellent citizen-centered services and 5.4: Ensure regional programs and services are efficient, effective and provide value for money.

Financial Implications:

The preliminary RWL 2016 Base Operating Budget is \$2,577,577 an increase of \$84,456 compared to 2015, which represents an increase of \$1.05 per Township household or 1.4% after Township assessment growth of 1.96%. The proposed 2016 budget issue requests include additional spending in 2016 of \$36,200. The total proposed Operating Budget increase is \$120,656 (2.82% after assessment growth) or \$2.12 per Township household.

Other Department Consultations/Concurrence:

This report has been prepared jointly by Finance and Cultural Services staff.

Attachments:

Attachment 1 – Preliminary 2016 Library Base Operating Budget
Attachment 2 – Proposed 2016-2025 Library Capital Program
Attachment 3 – 2016 Proposed Budget Issue Requests Summary

Prepared By: Lucille Bish, Director, Cultural Services

Approved By: Rob Horne, Commissioner, Planning, Development and Legislative Services

Attachment 1 – Preliminary 2016 Library Base Operating Budget



Region of Waterloo Library

Divisional Budget Details								
(\$000s)								
	2015	2015			2016	Budget	%	Budget
	Budget	Estimated	Variance	Notes	Budget	Change	Change	Notes
		Actual						
Expenditures								
Compensation	\$ 2,030	\$ 1,878	\$ 152	A1	\$ 2,126	\$ 96	4.7%	B1
Other operating	369	369	-		369	-	0.0%	
Interdepartmental charges	245	245	-		217	(28)	(11.4%)	B2
Transfers to reserves	79	79	-		74	(5)	(6.3%)	
Net expenditures	\$ 2,723	\$ 2,571	\$ 152		\$ 2,786	\$ 63	2.3%	
Revenues								
Provincial grants & subsidies	123	123	-		120	(3)	(2.4%)	
Fees & charges	44	38	(6)		43	(1)	(2.3%)	
Contribution from Reserve	60	15	(45)	A2	45	(15)	(25.0%)	B3
Revenue subtotal	\$ 227	\$ 176	\$ (51)		\$ 208	\$ (19)	(8.4%)	
Property tax levy	\$ 2,496	\$ 2,395	\$ 101		\$ 2,578	\$ 82	3.3%	
Cost to the average household	\$ 75				\$ 77			

Budgeted Staff Complement (FTEs)				
	2015	2016	Change	Notes
Permanent	28.8	28.8	-	
Temporary	2.1	1.8	(0.3)	C1
Total	30.9	30.6	(0.3)	
Recoveries				
From reserves	1.0	0.7	(0.3)	C1
From capital projects	-	-	-	
Total recoveries	1.0	0.7	(0.3)	

NOTES

**Actuals variance notes**

- A1 Savings due to impact of job vacancies, delayed hiring and associated benefit cost savings. Not sustainable in 2016.
A2 Delayed hiring for contract position to be paid for from Taylor bequest (Ayr branch)

Budget notes

- B1 Compensation per contracts/estimates, annualization of technology assistant (.3FTE), and library supervisor (1.0 FTE)
B2 Reduction in facilities managed building costs partially due to reduction in external rents (New Dundee branch)
B3 Completion of programming related to Ayr Branch (funded from Taylor bequest)

Complement notes

- C1 Completion of programming related to Ayr Branch (funded from Taylor bequest)

December 16, 2015

Report: PDL-LIB-15-10

Attachment 2: Proposed 2015-2026 Library Capital Program



Region of Waterloo Library

Ten Year Capital Budget and Forecast (\$000's)
2016 - 2025

	2016	2017	2018	2019	2020	2016 - Subtotal	2021 - Subtotal	2016 - Total
EXPENDITURE								
Program Area Capital								
20002 Library Holdings Acquisitions	62	62	62	62	62	310	310	620
20009 Other Branch Furnishings	20	20	20	20	20	100	100	200
20014 Equipment Replacement Vehicles	65					65	65	130
20015 Branch Development	53		20		20	93	40	133
20020 Electronic Exterior Branch Signage	25					25		25
20021 Ayr Branch Projects	90					90		90
20022 Purchasing Materials	50	50	50	50	50	250	250	500
Total Program Area Capital	365	132	152	132	152	933	765	1,698
Facilities Managed Capital Renewal								
70001 Library Renewal		50			25	75	25	100
Total Facilities Managed Capital Renewal		50			25	75	25	100
TOTAL EXPENDITURE	365	182	152	132	177	1,008	790	1,798
FUNDING & FINANCING								
Development Charges								
Reserve Funds	75	75	75	75	75	375	375	750
Property Taxes								
Reserves and Reserve Funds								
3980160 Library Capital RF	225	107	77	57	102	568	350	918
3982130 Library Vehicle Reserve	65					65	65	130
TOTAL FUNDING & FINANCING	365	182	152	132	177	1,008	790	1,798

Report amended to reflect carry-forwards for funds not spent in 2015

Attachment 3 – 2016 Proposed Budget Issue Request Summary

**Waterloo Regional Library
2016 Draft Budget Plan**

	<u>2016</u>	<u>2016%</u>	<u>Cumulative %</u>
Operating			
Base adjustment (after assessment)	84,456	1.40%	1.40%
Issues:			
<u>Priority</u>			
1 Reorganization (.6 FTE)	0	0.00%	1.40%
2 Baden Staffing (.2 FTE)	10,200	0.40%	1.80%
3 Funding for electronic databases	11,000	0.43%	2.23%
4 Funding for materials	15,000	0.59%	2.82%
	<u>36,200</u>	<u>1.42%</u>	<u>2.82%</u>
 Total Increase in Net Levy:	 <u>120,656</u>	 <u>2.82%</u>	 <u>2.82%</u>
Revised Net Levy:	2,613,777		
Increase in FTE	0.80		
Assumption:			
Township Assessment Growth	1.0196		
Increased Cost per Household	\$2.12		
Total Cost per Household	\$77.31		

Appendix B

The Regional Municipality of Waterloo**Library Committee****Summary of Recommendations to Budget Committee**

That Library Committee approve the following with regard to the Region of Waterloo Library Budget, as described in Report P-LIB-15-10, dated December 16, 2015:

- a. the 2016 Library Operating Budget with a net levy of \$2,613,777 (2.82%);
- b. the 2016 Library Capital Budget; and
- c. the 2017 - 2025 Library Capital Forecast.

December 16, 2015



Region of Waterloo

Region of Waterloo

Corporate Services

Financial Services & Development Financing

2016 Budget

Information Paper

Municipal Budget Regulation

Budget Committee Date: January 13, 2016

In 2009, the Province amended the “Municipal Act” (the “Act”) to incorporate changes to municipal financial reporting and budget requirements. The Act requires that municipalities prepare balanced budgets which include all of the annual expenses of the municipality. Previously, all of these expenses were recorded on a modified-cash basis where assets, such as roads, bridges and water plants, were budgeted and expensed as purchased and long-term liabilities, such as post-closure expenses for landfills or post-employment benefits, were budgeted and funded at the amounts required to satisfy current obligations.

The annual expenses of the municipality incorporate tangible capital asset (TCA) accounting, as required by Public Sector Accounting Board (PSAB) Standard 3150. PSAB 3150 requires recording the historical cost of tangible capital assets and the related annual amortization expense on municipal financial statements. Amortization is the amount of a tangible capital asset which is consumed through use of that asset by a municipality during the year. For example, a road with an expected life of 50 years would have one-fiftieth of its historical cost recorded as amortization in a year.

The expense for long-term liabilities, such as the landfill post-closure and post employment benefits is recorded as the change in the estimate of full future costs as calculated in the current year.

These expenses, while they provide valuable information, are not the basis used by most municipalities to determine the annual budget and tax levy. The Act requires that Council be informed of the impact of not including these expenses in the annual operating budget. Specifically, Ontario *Regulation 284/09* permits municipalities to exclude the following expenses from the budget process:

- Amortization expenses (related to tangible capital assets);
- Post employment benefits expenses (related to early retirements and disability benefits, Workers Compensation payments, sick leave and life insurance payments); and
- Solid waste landfill closure and post-closure expenses.

Tangible Capital Assets

For budget purposes, the Region prepares a ten year capital program which includes expenditures and funding sources for the assets it plans to build or acquire. The funding sources include development charges, long term financing (debentures), federal or provincial government subsidies, and transfers from the operating budgets and capital reserves. The operating budget includes these transfers to capital and also the principal and interest repayments on debt issued to acquire assets. These tax levy amounts provide for the purchase and replacement of assets as required, and generally exceed the related amortization. Amortization is the expense related to historical cost of assets consumed during the year, and due to inflation, is less than the amount required to replace assets.

Post-Employment Benefits

Post-employment benefits represent the cost to provide benefits in the future that have been earned by employees' service-to-date and include vested sick leave, health, dental, and life insurance. The future liability is calculated each year for financial statement purposes. The amount recorded for financial statement purposes is the amount that is expected to be paid out over the future benefit period and the net change in the future liability from year to year is included on the Income Statement.

For budget purposes, the Region estimates the amount of cash required to fund current year obligations of these benefits and this amount is provided in the current year user rate and tax supported operating budgets.

Landfill Closure and Post-Closure Costs

Landfill closure and post-closure costs are the costs which will be incurred to close active landfill sites and to monitor and remediate any closed landfills into the future. The future liability is calculated each year for financial statement purposes. The amount recorded for financial statement (i.e. balance sheet) purposes is the amount that is expected to be paid out over the future period and the net change in the future liability from year to year is included on the Income Statement.

For budget purposes, the Region budgets for the closure related costs and annual maintenance and monitoring of closed landfill sites on a cash basis.

The table which follows illustrates the amounts budgeted and included in the financial statements for the above items in the 2014 fiscal year. The 2015 amounts for changes in the outstanding liability will be available when the 2015 financial statements are completed. For comparison purposes 2016 budget figures are also shown.

Table 1: Estimated Effect of Budgeting for Non-Cash Expenditures (\$000's)

	2014 Budget	2014 Income Statement	Difference	2016 Budget
Transfers to Capital from Operating	\$88,632			\$111,506
Principal Repayments	\$41,182			\$44,853
Amortization		\$91,704		
Total	\$129,813	\$91,704	\$38,109	\$156,359
Post-Employment Benefits	\$4,242	\$15,511	(\$11,269)	\$5,566
Landfill Post-Closure Costs	\$0	\$12,974	(\$12,974)	\$0

Table 1 illustrates that the amount of taxes raised through the operating budget for transfers to capital to fund capital acquisitions and major refurbishments exceeds the amortization expense for accounting purposes. This is expected as the amount required to fund asset replacements in the future would typically exceed amortization based on historical costs.

Summary

The Region, similar to most municipalities in Ontario and in accordance with the Act, continues to budget on a modified cash basis to determine the tax levy and user rate requirements needed to fund the operations of the Region and its ten year capital program.

A resolution to receive this report is included in the General Budget resolutions on page 63 of this agenda.

Region Of Waterloo2016 Tax Supported Budget Resolutions
Regional Services Excluding Police Services

January 13, 2016

1. That the Regional Municipality of Waterloo approve the 2016 Tax Supported Operating Budget with a property tax levy of \$ (%), excluding Police Services, as amended by Budget Committee on December 16, 2015 and January 13, 2016.
2. That the Regional Municipality of Waterloo approve the 2016 Tax Supported Capital Budget and 2017-2025 Tax Supported Capital Forecast, excluding Police Services, as amended by Budget Committee on January 13, 2016.
3. That the Regional Municipality of Waterloo repeal By-law Number 15-019 (as amended), being a By-law to Establish Fees and Charges for the Regional Municipality of Waterloo and that a new Fees and Charges By-law be passed including the new and adjusted fees and charges listed on the January 13, 2016 Budget Committee Agenda.
4. That the Regional Municipality of Waterloo receive the Information Paper titled "Municipal Budget Regulation" included in the January 13, 2016 Budget Committee Agenda for information, as required by *Ontario Regulation 284/09*.

Region Of Waterloo

2016 Tax Supported Budget Resolutions
Police Services

January 13, 2016

1. That the Regional Municipality of Waterloo approve the Waterloo Region Police Services 2016 Tax Supported Operating Budget with a property tax levy of \$150,728,561 as recommended by the Police Services Board on January 6, 2016.
2. That the Regional Municipality of Waterloo approve the Waterloo Regional Police Services 2016 Tax Supported Capital Budget and 2017-2025 Tax Supported Capital Forecast as recommended by the Police Services Board on January 6, 2016.