



Regional Municipality of Waterloo

Budget Committee

Minutes

Wednesday, January 13, 2016

3:49 p.m.

Regional Council Chambers

150 Frederick Street, 2nd Floor, Kitchener

Present were: Chair S. Strickland, L. Armstrong, E. Clarke, D. Craig, S. Foxton*, T. Galloway, D. Jaworsky, K. Kiefer, G. Lorentz, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz and B. Vrbanovic

Members absent: H. Jowett

Motion to go into Closed Session

Moved by K. Redman

Seconded by K. Kiefer

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

Carried

Motion to Reconvene into Open Session

Moved by K. Kiefer

Seconded by S. Foxton

That the meeting reconvene into Open Session.

Carried

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

None declared.

Opening Remarks

Mike Murray, Chief Administrative Officer, provided opening comments and thanked staff for their hard work on the 2016 Budget.

Sean Strickland gave opening remarks and noted the Committee Chairs' recommendations, as distributed to Committee members, seeking a 2.96% increase on the 2016 Property Tax levy. He thanked staff for their efforts during the 2016 Budget.

Budget Update

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, provided a [presentation](#) to the Committee; a copy is appended to the original minutes. He gave a summary of the base budget position as of December 16, 2015 and provided an overview of the additional operating budget amendments and items referred to the Budget Committee. He provided a summary of the proposed Budget Issue Papers, including paramedic services, public transit services and the Capital Levy Reserve Fund (CLRF) contribution.

Eric Gillespie, Director, Transit Services, responded to Committee questions related to the approval process for the proposed Conestoga College UPass fee and the impact of the proposed MobilityPlus services.

C. Dyer responded to a Committee question regarding provincial funding for the Quality and Risk Management Coordinator at Sunnyside Home.

D. Craig requested a listing of Regional programs that are provincially mandated with no additional provincial funding. M. Murray advised that collecting the information will be challenging but that staff will endeavor to provide the information at a future date.

C. Dyer summarized the total cost and the tax levy impact of the proposed Budget Issue Papers if all were approved. He highlighted the proposed 2016-2025 Capital Plan amendments related to the maintenance work on the North Dumfries Yard Renewal project and the proposed Regional Development Charges By-law Review for Transit and Waste Diversion. He also summarized the Waterloo Regional Police Service budget and the impact on the Regional tax levy.

Thomas Schmidt, Commissioner, Transportation and Environmental Services, responded to Committee questions regarding the North Dumfries yard and the water treatment facility on Gibson Street.

COR-FSD-16-03, Executive Summary – Budget 2016 was received for information.

Information Papers

C. Dyer summarized the following Budget Information Papers:

- Subsidized Transit Programs
- Employment Ontario
- Fees & Charges Bylaw
- Waterloo Regional Police Service Budget
- 2016 Region of Waterloo Library Budget
- Municipal Budget Regulation

Referrals from Standing Committees

Item Referred from Library Committee

Moved by L. Armstrong

Seconded by B. Vrbanovic

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.

Carried

Item Referred from the Administration and Finance Committee

Moved by K. Seiling

Seconded by S. Foxton

That the 2016 capital budget for the Regional Development Charges By-law Review for Transit and Waste Diversion 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), as set out in Report COR-FSD-16-02, dated January 12, 2016.

Carried

Introduction of the Main Budget Motion

Moved by K. Seiling

Seconded by G. Lorentz

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.

Proposed 2016 Budget Amendments**Councillors' Resolutions**

Moved by T. Galloway

Seconded by D. Jaworsky

That the Regional Municipality of Waterloo approve a \$50,000 increase in the 2016 Provincial Offences Court Administration (POA) revenue.

Carried

Moved by T. Galloway

Seconded by E. Clarke

That the Regional Municipality of Waterloo approve a \$50,000 increase in the 2016 Grand River Transit (GRT) fare revenue.

Carried

Moved by G. Lorentz

Seconded by K. Kiefer

That the Regional Municipality of Waterloo approve a Fuel Price Strategy of \$0.92/litre and maintain a budget savings allocation of 50/50 tax levy/reserve transfer for an additional net Operating Budget reduction of \$200,000.

* S. Foxtton left the meeting at 5:00 p.m.

J. Mitchell offered an amendment to set the fuel rate at \$0.90/litre. The Committee discussed the impact and the risk of reducing the rate. C. Dyer outlined the planned use

of the projected savings and advised of the potential impacts on future budgets once fuel prices return to more normal levels.

Moved by J. Mitchell

Seconded by J. Nowak

That the fuel cost of the Fuel Price Strategy be amended to \$0.90/litre.

Motion lost

The original motion on the Fuel Price Strategy was carried, unanimously.

Moved by G. Lorentz

Seconded by K. Redman

That the Regional Municipality of Waterloo approve \$96,000 for the full-time position of a Quality and Risk Management Coordinator at Sunnyside Home.

Carried

Moved by G. Lorentz

Seconded by J. Nowak

That the Regional Municipality of Waterloo approve \$441,000 for the addition of one 24-hour ambulance.

Carried

Moved by T. Galloway

Seconded by K. Redman

That the Regional Municipality of Waterloo approve \$150,000 for the implementation of the MobilityPlus Business Plan.

Carried

Moved by T. Galloway

Seconded by J. Mitchell

That the Regional Municipality of Waterloo approve \$339,000 for the implementation of the Conestoga College UPass.

Carried

Moved by T. Galloway

Seconded by K. Redman

That the Regional Municipality of Waterloo approve \$52,000 for the implementation of transit service to Family and Children's Services on Hanson Avenue, Kitchener.

Carried

J. Mitchell introduced a motion to approve the Budget Issue Paper for the Community-wide Climate Adaptation Plan. The Committee discussed area municipal funding for the Plan, as well as amending the funding source of the request to be from the Tax Stabilization Reserve Fund.

Moved by J. Mitchell

Seconded by K. Redman

That the Regional Municipality of Waterloo approve the Budget issue Paper for \$172,000 over 2016-2018 for the Community-wide Climate Adaptation Plan to be funded from the Tax Stabilization Reserve Fund.

Carried

Rob Horne, Commissioner, Planning, Development and Legislative Services, responded to a Committee question related to the Budget Issue Paper for a POA Clerk.

B. Vrbanovic introduced a motion for increased funding to community groups. The Committee discussed the funding source, if approved, and the decision made by Regional Council in October 2015 to freeze all funding to community groups at current levels.

A recorded vote was requested.

Moved by B. Vrbanovic

Seconded by D. Jaworsky

That the Regional Municipality of Waterloo approve a 1.5% one-time funding increase for grants to organizations, to be funded from the Tax Stabilization Reserve Fund.

Motion lost

Yeas: L. Armstrong, D. Craig, D. Jaworsky, J. Nowak, S. Shantz and B. Vrbanovic

Nays: E. Clarke, T. Galloway, K. Kiefer, G. Lorentz, J. Mitchell, K. Redman, K. Seiling and S. Strickland

S. Strickland advised the Committee that a report will be coming back on the matter of Regional funding to community groups.

2047262

Moved by G. Lorentz

Seconded by K. Kiefer

That the Regional Municipality of Waterloo approve an increased transfer from the Operating Budget to the Capital Levy Reserve Fund of \$500,000.

Carried

S. Strickland summarized the approved budget amendments, including those brought forward from Committee meetings and other approved proposals by the Committee Chairs. He noted the impact on the proposed figures in the original main motion on the 2016 Tax Supported Operating Budget, excluding Waterloo Regional Police Service.

A recorded vote was requested on the amended main motion.

Moved by K. Seiling

Seconded by G. Lorentz

That the Regional Municipality of Waterloo approve the 2016 Tax Supported Operating Budget with a property tax levy of \$320,339,531 (2.29%) 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, as amended, excluding Police Services.

Carried, as amended
Unanimously

Yeas: L. Armstrong, E. Clarke, D. Craig, T. Galloway, D. Jaworsky, K. Kiefer, G. Lorentz, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz, S. Strickland and B. Vrbanovic

Moved by K. Seiling

Seconded by G. Lorentz

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.

Carried

Moved by K. Seiling

Seconded by G. Lorentz

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".

Carried

Moved by T. Galloway

Seconded by K. Kiefer

1. That the Regional Municipality of Waterloo approve the Waterloo Region Police Service 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 Service 2016 Tax Supported Capital Budget and 2017-2025 Tax Supported Capital Forecast as recommended by the Police Services Board on January 6, 2016.

Carried

S. Strickland provided closing remarks.

Adjourn

Moved by K. Redman

Seconded by L. Armstrong

That the meeting adjourn at 5:47 p.m.

Carried

Committee Chair, S. Strickland

Committee Clerk, S. Natolochny

2016 Budget Update



Region of Waterloo

Presentation to Budget Committee

January 13, 2016

Budget Information

- Links to Regional website

- Preliminary budget book:

[http://www.regionofwaterloo.ca/en/regionalGovernment/resources/Budget/2016 Preliminary Budget Book.pdf](http://www.regionofwaterloo.ca/en/regionalGovernment/resources/Budget/2016%20Preliminary%20Budget%20Book.pdf)

- Budget Issue Papers:

[http://www.regionofwaterloo.ca/en/regionalGovernment/resources/Budget/2016 Budget Issue Papers.pdf](http://www.regionofwaterloo.ca/en/regionalGovernment/resources/Budget/2016%20Budget%20Issue%20Papers.pdf)

- January 13, 2016 Committee agenda (staff report and information papers):

<http://www.regionofwaterloo.ca/en/regionalGovernment/resources/Budget/C12016-0113.2.pdf>



2016 Budget Schedule

Oct. 21: Budget Committee overview

Nov. 13: Distribute Budget Book

Nov. 18: Budget Committee Detailed Review and Public Input

Dec. 16: Committee approval of user rate budgets, Public Input, WRPS and GRCA

Jan. 13/16: Committee and Council approval of Tax Supported Budget, fees & charges



Region of Waterloo

Today's order of business

Staff recommended budget adjustments



Items referred from Committees



Main budget motion, incl. budget issue papers with no levy impact



Councillor motions: base budget adjustments and issue papers with levy impact



Approve operating and capital budgets for Region and Police



Approve fees and charges



Direct Regional Tax Supported 2016 Operating Budget

2016 operating budget amendments

Transit for
Reduced
Income
Program
(TRIP)

Municipal
Property
Assessment
Corporation
(MPAC)

Employment
Ontario

Waste
Management
tipping fee,
tonnage and
revenue

Library
Budget

Subsidized Transit - TRIP

GRT adult pass fare increase of \$3/month from \$79 to \$82 effective July 1, 2016

Options:

- Increase subsidy to program from tax levy
- Increase TRIP pass cost borne by client
- Some allocation between these two options

Staff recommend increasing Regional subsidy to \$42 per month per pass from \$39 effective July 1, 2016 and increasing the operating budget and property tax levy by \$32,250 for Employment and Income Support



Municipal Property Assessment Corporation (MPAC)

MPAC's updated
2016 cost =
\$6,476,700

Current 2016
Budget Provision
= \$6,500,200

Staff recommend
reducing the tax
levy by the
difference =
\$23,500

Employment Ontario (EO)

Staff recommends the following for the Employment and Income Support operating budget:

Reduce 2016 budget for EO by \$191,859

Direct Community Services staff to provide Regional Council with a plan to redesign employment skills programs for consideration in 2017



Waste Management Tipping Fee

Region of Waterloo

2015
favourable
variance for
ICI tonnage
and revenue



Modest fee
increase of
\$2/tonne
anticipated to
have little
impact on
proposed
2016 tonnage



Staff
recommends:

- Increase fee from \$75 to \$77 on April 1, 2016
- Increase budgeted tonnage to 79,000 tonnes
- Increase tipping fee revenue budget by \$306,000

Region of Waterloo Library



- Property tax requirement = \$2.6 million; levy increase of \$117,268 (4.7%)
- Service enhancements approved by Library Committee Dec. 16/15 = \$36,200
- Information paper on page 48 of the agenda



Region of Waterloo Library

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		

Note: the levy increase figure noted on page 48 of the agenda package (first paragraph, third line) should be \$117,768, not \$120,656.



Proposed Budget Issue Papers

No Levy Impact

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



Tax Supported Operating Budget

	2016 Property Tax Levy (\$million)	2016 Tax Rate Impact
Opening Base Budget Position	\$319.514	2.11%
Adjustments for:		
TRIP Subsidy	0.032	0.01%
MPAC	(0.024)	(0.01%)
Employment Ontario	(0.190)	(0.04%)
Waste Management tipping fee revenue	(0.306)	(0.07%)
Referred from Library Committee*	0.036	0.01%
Budget Issue Papers – No Levy Impact	--	--
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



Budget Issue Papers



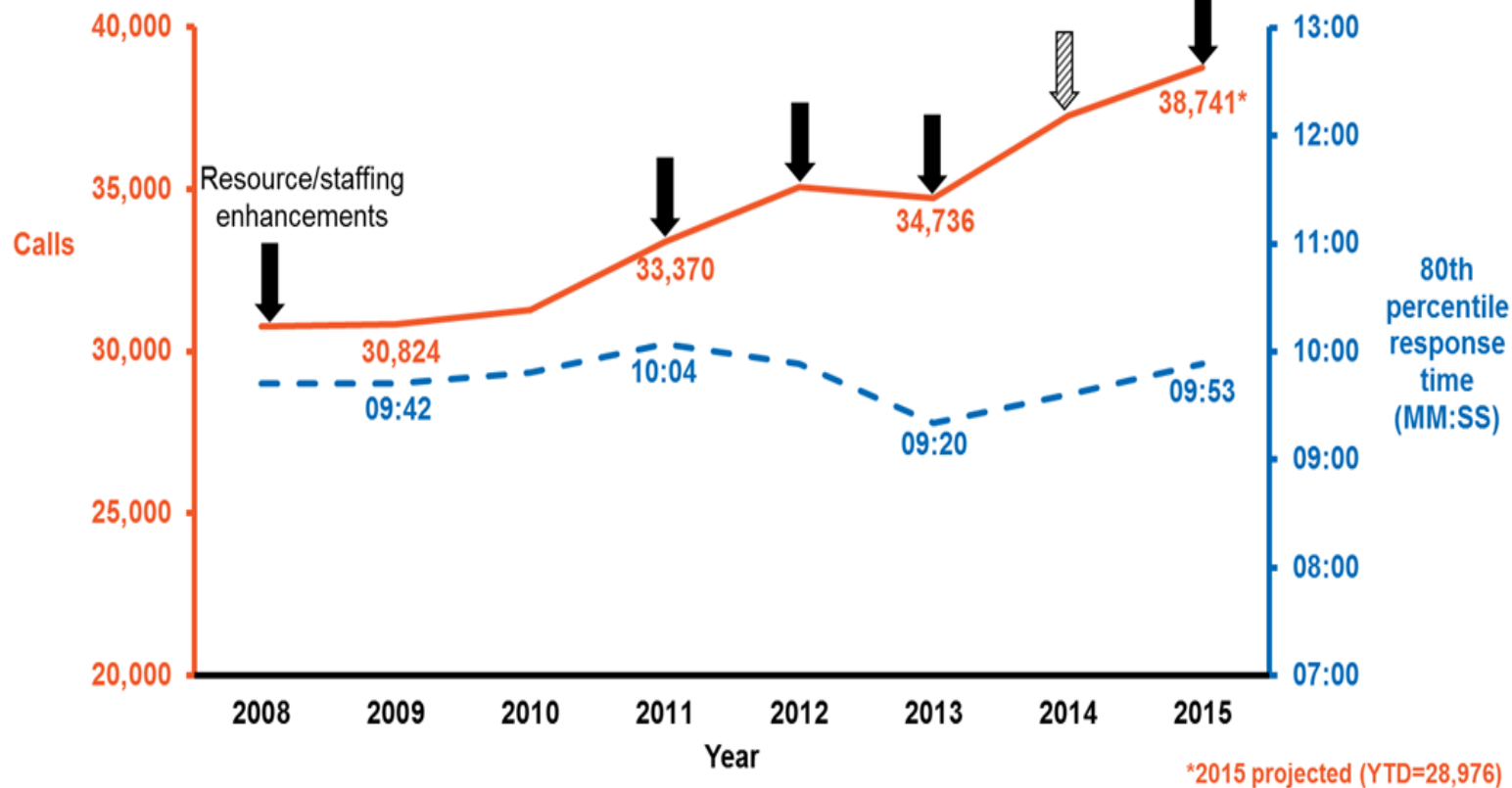
Paramedic Services (p.45)

- Master Plan from 10 years ago recommended 2 – 24 ambulances in 2016
- Master Plan currently under review
- Call volumes and response times increasing
- Request is for addition of a full-day of ambulance coverage: 3 vehicles and 10.5 permanent FTEs
- 2016 levy impact = \$441,000; annualization in 2017 = \$370,000
- Use of TSRF to mitigate operating impact due to lag in subsidy funding
- 90% of capital costs for three vehicles are eligible for RDC funding, interim funding from equipment reserve



Budget Issue Papers

Call volume has increased 26% since 2008, while response times have increased 2%.
Adding staff improved response times and offsets impact of call volume increases.





Budget Issue Papers



Public Transit

Mobility Plus business plan (pg. 52 of BIP pkg)

- Implementation of specialized transit services business plan
- 2,500-3,500 unaccommodated urban requests annually
- Two additional vehicles and 1.3 FTE operators
- Funded by fare revenue and property taxes
- 2016 levy impact = \$150,000; annualization in 2017 = \$159,000

Conestoga College U-Pass (pg. 57 of BIP pkg)

- Request from Council; originally considered in 2013
- Additional 14,000 service hours
- 10.5 permanent FTEs
- Operating costs funded by pass revenue and tax levy
- 9 new debt-financed buses (debt charges funded by RDC and property taxes)
- 2016 levy impact = \$339,000; annualization in 2017/2018 (\$769,000)

Transit service to Family & Children's Services (Hanson Ave.) (pg. 61 of BIP pkg)

- Request from Council
- Additional 3,000 service hours
- Funded by ridership revenue and the property tax levy
- 2016 levy impact = \$52,000; annualization in 2017 = \$104,000



Budget Issue Papers

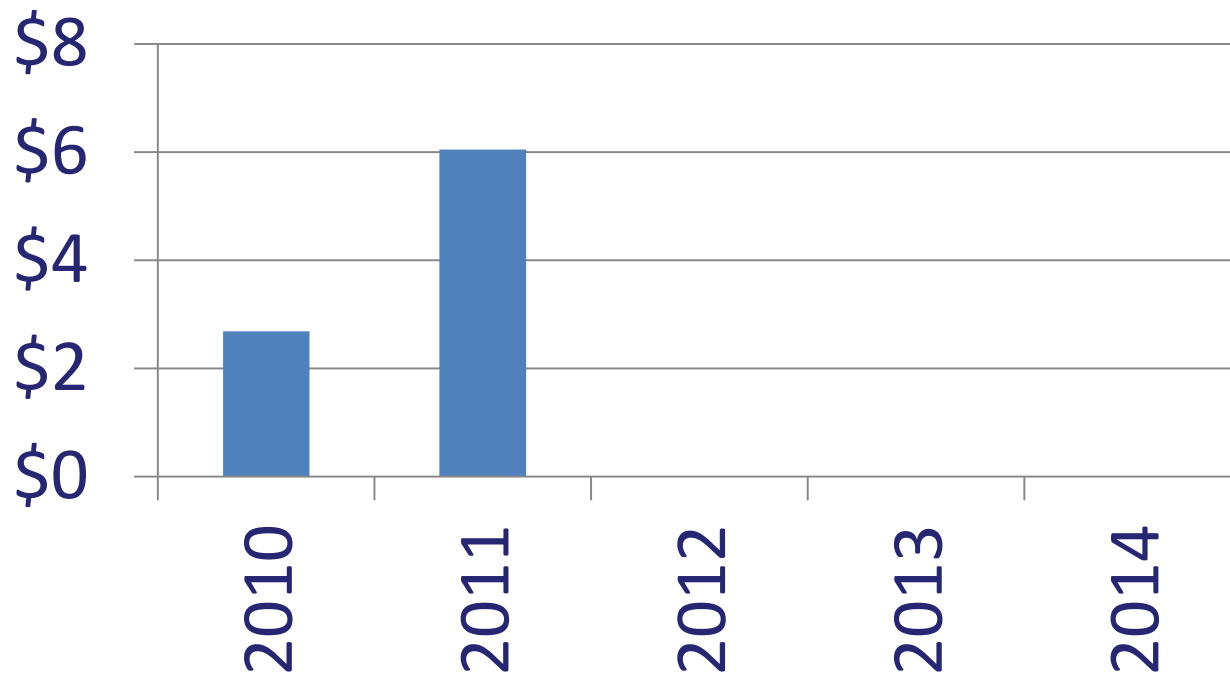
Capital Levy Reserve Fund (p. 63)

- Recommendation to increase the CLRF contribution in 2016 by \$750,000
- Minimize debt financing for projects in a variety of program areas with limited or no capital reserves



Budget Issue Papers

**Operating budget surplus to CLRF
(\$millions)**





Region of Waterloo

Budget Issue Papers

Capital Levy Reserve Fund Projection

	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



Region of Waterloo

Budget Issue Papers

Facilities Maintenance and Reliability Planning Engineer (p.27)

- 2011 Program Review focused on Facilities maintenance and operations; resulted in a new business model
- FM now has full responsibility for all Regional buildings
- Moving from the former ad-hoc approach to a planned and preventative approach to building maintenance
- New position is proposed to develop standards, optimize processes, achieve efficiencies and cost reductions
- Capacity is needed to undertake planning activities
- 2016 levy impact = \$84,000; annualization in 2017 = \$59,000



Budget Issue Papers

Provincial
Offences Act
temporary
Prosecutions
Clerk – one year
(p. 30)

- Address current workload
- Comply with Memorandum of Understanding with the Province
- 2016 levy impact = \$63,000

Community Wide
Climate
Adaptation Plan
(p. 34)

- Increased number of extreme weather events since 2012
- Identified as an action in the Corporate Strategic Plan
- Develop a plan with area municipalities to deal with severe weather events and improve community resilience
- 2016 levy impact = \$80,000



Budget Issue Papers

Corporate Privacy Program (p.38)

- To address changes in legislation and expectations with respect to personal information
- Needed to mitigate risk of privacy breach
- 2016 levy impact = \$75,000; annualization in 2017 = \$50,000

Seniors' Services Quality and Risk Management Coordinator (p.42)

- To administer the legislatively mandated quality program at Sunnyside Home
- The number of residents presenting with complex medical needs increased by almost 9% in 2014
- Set quality standards and reduce risks
- 2016 levy impact = \$96,000; annualization in 2017 = \$29,000



Region of Waterloo

Proposed Budget Issue Papers

Levy Impact

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

Proposed 2016 Tax Supported Operating Budget

	2016 Property Tax Levy (\$million)	2016 Tax Rate Impact
Adjusted 2016 Budget position, Direct Regional Programs	\$319.062	2.02%
Proposed budget issue papers with levy impact	\$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



Direct Regional Tax Supported 2016-2025 Capital Plan

Proposed 2016-2025 capital plan amendments

**Item deferred from Dec.
16/15 Budget**

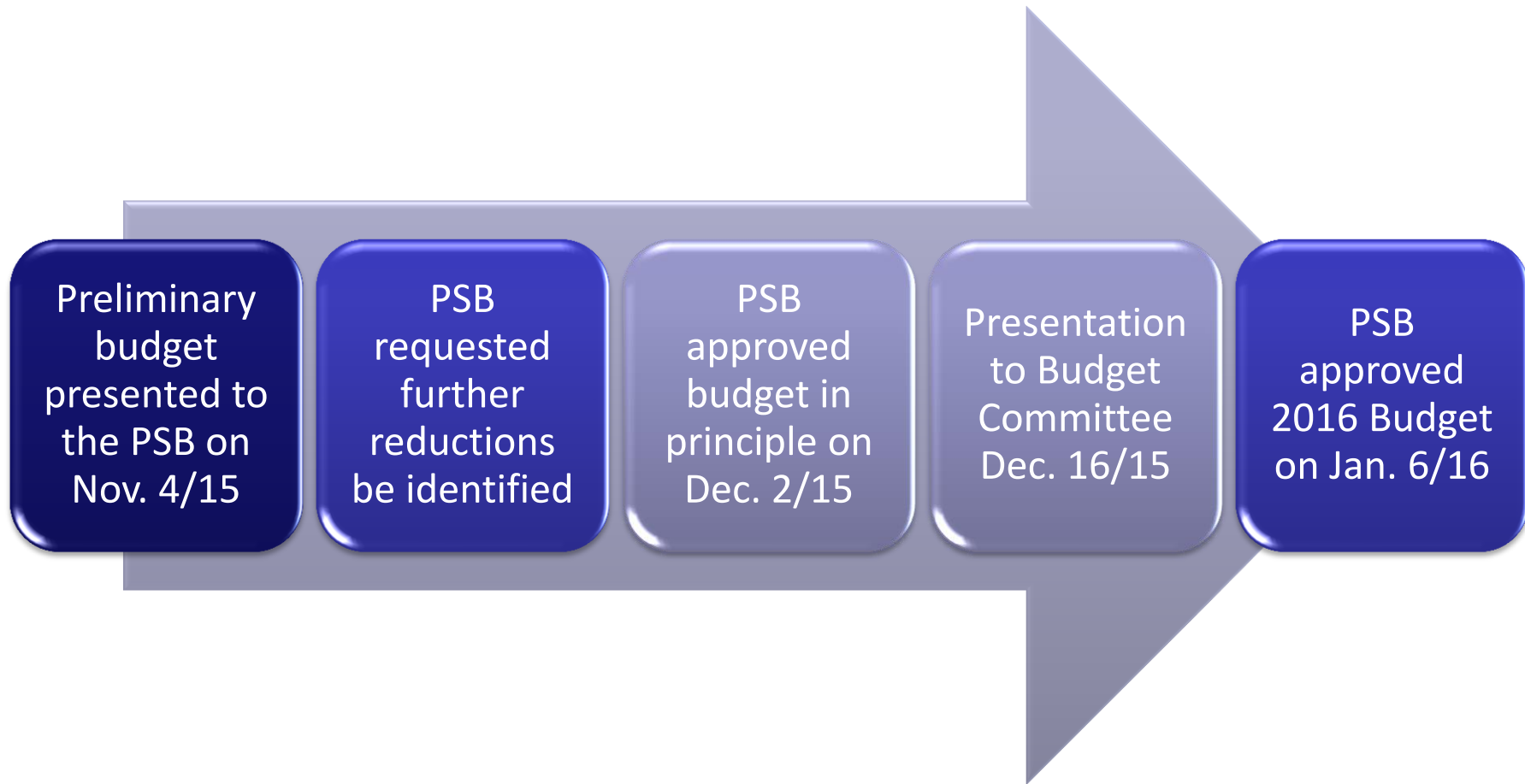
Committee: deferral of
\$190,000 from 2016 to
2017 for North Dumfries
Yard Renewal

Item referred from
**Administration and
Finance:** Development
Charges Background
Study – add \$75,000 to
2016 funded 90% from
RDC and 10% from CLRF



Region of Waterloo

Waterloo Region Police Services





Region of Waterloo

Waterloo Region Police Services



- Property tax requirement = \$150.7 million; a levy increase of \$5.1 million (3.52%)
- Tax rate impact of 0.67%
- Information paper on page 37 of agenda



WRPS Preliminary 2016 Budget

Waterloo Regional Police Services Budget Summary				
	2015 Approved	2016 Final Budget Approved by PSB	\$ Change	% Change
Expenditure	\$158.7	\$165.5	\$6.9	4.32%
Revenue	13.1	14.8	1.7	13.25%
Property Tax Requirement	\$145.6	\$150.7	\$5.1	3.52%
Tax Rate Impact	0.58%	0.67%	--	--



2016 Tax Supported Operating Budget including Police Services

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



Region of Waterloo

Today's order of business

Staff recommended budget adjustments



Items referred from Committees



Main budget motion, incl. budget issue papers with no levy impact



Councillor motions: base budget adjustments and issue papers with levy impact



Approve operating and capital budgets for Region and Police



Approve fees and charges