Present were: Chair T. Galloway, L. Armstrong, J. Brewer, T. Cowan, D. Craig, R. Deutschmann, J. Haalboom, R. Kelterborn, C. Millar, K. Seiling, S. Strickland, and C. Zehr

Members absent: B. Halloran, G. Lorentz, J. Mitchell, J. Wideman

DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT

None declared.

OPENING REMARKS (T. Galloway)

Chair T. Galloway provided opening remarks for the meeting, noting the items of business to be dealt with, scheduled presentations, and the expected approval of user rates at the December 14th meeting of the Committee.

OPENING REMARKS (M. Murray)

Mike Murray, Chief Administrative Officer, provided an overview of the material to be considered at the meeting, including new budget issues from staff and responses to previous requests from Councillors.

BUDGET UPDATE (M. Murray/A. Hinchberger)

F-11-075, Executive Summary – Budget 2012

Angela Hinchberger, Acting Chief Financial Officer, provided a presentation to the Committee on the 2012 Regional Budget, including:

- Development of base budget, including base budget review activities by staff and new budget strategies implemented;
- Proposed fee increases, subject to market conditions and affordability, and subject to Council consideration and approval;
- Details on the Regional Transportation Master Plan (RTMP), including funding for rapid transit and service enhancements to Grand River Transit (GRT);
- Uploading savings for 2012 estimated to be $1.2 million;
- Areas that will be monitored during the budget process, including:
  - Estimates of 2012 assessment growth;
  - Fuel inflation;
  - OW caseloads; and
- New budget issues - issues put forward for critical/essential items, such as emergency medical services (EMS) master plan, child care fee subsidy, affordable transportation;
  - Staff recommended new issues would add 0.21% to the budget.
The presentation is attached to the original minutes.

The Committee obtained clarification from Mike Schuster, Commissioner, Social Services, that the proposed change to the child care parent fee would be for fees charged at child care centres where there are fee-paying parents.

The Committee sought detail from A. Hinchberger with regard to the establishment of a $2.00 minimum waste management fee. She noted that currently there is no fee for waste drop-offs up to a certain weight and that the fee aims to be low enough to mitigate the potential for roadside disposal of waste.

The Committee confirmed with A. Hinchberger that issue papers mainly deal with expenditures, and that the proposed fees are listed in the agenda package and will be included in an information paper on fees and charges on the final budget day. The general increases to fees and charges are expected to be in the range of 2%, with the fees outlined in the presentation being exceptions to the general increases. M. Murray offered that staff would be able to provide more detail on fees and charges increases for the next meeting of the Committee, and ahead of the final Budget meeting.

The Committee ascertained from Rob Horne, Commissioner, Planning, Housing & Community Services, that the proposed access permit fee would be a nominal fee charged for gaining access to Regional roads, and is comparable to what is done in other regions.

The Committee confirmed with M. Murray that staff have no indication that the province would not honour its commitments to uploading, noting the pledges to continue uploading during the provincial election.

The Committee noted that upload costs for court security are allocated to the Police Services budget. The Committee asked whether there is any guidance to be obtained as to the Police Services Base Budget, and Chair T. Galloway related that the Police Services base budget would have a Regional impact of 1.19%, and with the proposed enhancements to the budget the impact would be up to 1.65%. The Committee could not recall whether the increase to the levy from the Police Services budget has ever exceeded that of the Regional budget, and requested a 10-15 year history of tax rate increases comparing the Region and Police Services, as well as the overall size of the respective budgets.

The Committee observed that the Region cannot do any line-by-line review of the Police Services budget, but rather has a role in approving the total budget amount. The Committee noted avenues for the Region to influence the Police Services budget, including moral suasion and potentially a hearing at the Ontario Civilian Commission on Police Services if there are differences of opinion on the Police budget between the Police Services Board and the Region. A member of the Committee indicated that a message should be sent to the Police Services Board with regard to the comparative size of the budget increases between the Police budget and the Regional budget. The Committee clarified the components of the prospective Police Services budget increase, including annualization of new hires and provision of security for the new courthouse for which provincial funding will be received.

The Committee questioned whether any municipality that has proceeded to a hearing at the Ontario Civilian Commission on Police Services has been successful in challenging the overall amount of the police budget, and it was observed that such challenges are infrequently successful. The Committee requested details from staff on the interaction and relationship between the Region and the Police Services Board in the respective roles of each in setting the
Police Services budget, as well as requesting details on the legal framework of that relationship to assist Regional Council in understanding the roles and legal powers of each body clearly.

Councillor Kelterborn noted that adjoining municipalities in Perth County had opted for OPP policing, and asked whether this would be an option for Wellesley as it might allow for transfers from the Ontario Municipal Partnership Fund. The Regional Chair noted the history of the OPP providing its services to various municipalities, typically to smaller municipalities in the present day, and that he believed it was unlikely that the Province would allow this when it presently has a Regional police force. The Committee requested information from staff with regard to the legal framework for the provision of police services for municipalities with their own police force vs. obtaining police services from the OPP, emphasizing that OPP provision may provide other benefits to the municipality and that municipalities not receiving OPP services pay for that service in other parts of the province.

Chair T. Galloway related that at a recent meeting of the Big 12 Police Services Boards it was evident that all the major police services in the province allocate new assessment between the municipality and police services in the same way that the Region does.

The Committee observed that the fourth run for supplementary taxes may result in relatively muted assessment growth in 2013. A. Hinchberger emphasized that some such effect may be seen, but that the assessment growth will largely be driven by new development.

The Committee noted the 1.5% increase in the budget from the approved RTMP and directed attention to the budget issue papers breaking down the detailed expenditures related to that increase. M. Murray confirmed that the 1.2% increase allocated to Rapid Transit will cover the eight recently-approved staff positions for the project, as well as capital and operating/maintenance expenditures and other items listed in the issue paper.

The Committee requested detail on the new shelters/benches for stops along the extended Route 21 to Elmira. R. Horne indicated that staff would follow up on the request.

The Committee asked whether prospective fare increases for GRT could be implemented before the July 1, 2012 date, and R. Horne responded that fare increases could be implemented earlier than usual but that the Region would have to undertake the usual notification process. M. Murray confirmed that any fare increases approved in Spring 2012 beyond those included in the budget could result in any excess being directed to the Regional surplus.

Presentations

- EMS Master Plan

John Prno, Director, Emergency Medical Services, provided a presentation on the EMS master plan, including:

- Needs overview;
- Initiatives undertaken through master plan, including additional ambulance/equipment and traffic signal pre-emption project;
- Impacts of offload delays;
- Incidence of Code Red and Code Yellow;
- Call volume growth; and
- EMS is a high performance system operating at near capacity and stressed by uncontrollable factors;
  - 2012 proposed enhancement is necessary and justified.
The presentation is attached to the original minutes.

The Committee obtained an explanation from J. Prno with regard to the difference in the Region’s call volume growth figures in comparison to those of the Ministry of Health.

The Committee asked whether placing a nurse in the emergency department to mitigate offload delays has been effective, and J. Prno responded that hospitals are having trouble staffing the position and making the system work. He indicated that the arrangement is not functioning to the level that could be hoped for but that efforts are ongoing on the issue; the issue is complex and comprises the whole system beyond the emergency room.

The Committee questioned J. Prno as to the metrics and standards regarding response times, and he responded that the legislated standard response is 10 minutes 30 seconds, 90% of the time. He emphasized that the standard is outdated and that a new standard is being developed, with a report to Council expected in Winter 2012. The Committee asked if other municipalities have had difficulty meeting the response time standard, and J. Prno responded that some municipalities have devoted considerable resources to meeting standards and that the Ministry of Health has not charged any municipality for having not met the standard. The Committee requested a comparison of response times for comparable municipalities, and J. Prno observed that the Ontario Municipal Benchmarking Initiative (OMBI) measures would provide such comparisons except for Code Red incidence which is measured differently in different municipalities.

The Committee ascertained that in situations where the Region has fewer active ambulances than stations, staff will select the location of ambulances based on data which suggests the most optimal locations for responses. The Committee was provided an explanation of how emergency calls are prioritized based on the severity of the situation in question.

J. Prno noted for the Committee that a mini-review of the EMS master plan is expected in 2015.

The Committee learned that a group within the community is actively engaged in addressing offload delays, including the three hospital CEOs, Regional staff and representatives from community organizations. It was noted that offload delays were most prevalent at Grand River Hospital followed by St. Mary’s Hospital, and that Cambridge Memorial Hospital does not have offload delay issues owing to its continued operation as a full service hospital.

The Committee confirmed that two 12-hour shifts are being added for EMS as a result of the master plan: one shift was added in 2011 and there is a current budget issue for the second shift to be added in 2012.

The Committee recessed at 3:37 p.m. and reconvened at 3:56 p.m.

- Ontario Works

David Dirks, Director, Employment & Income Support, provided a presentation to the Committee which included:

- Current caseload and unemployment rate;
  - Present caseload is 35% higher than September 2008;
- Profile of caseload, including age of recipients, household composition, gender, educational obtainment, length of receipt of assistance, and birthplace;
Support for people enrolled in Ontario Works, includes GED programs delivered in partnership with Conestoga College;

Factors influencing caseload and costs include economic environment, cost per case, and rate increase;

Average caseload for Ontario Works is 8759 through September 2011

Estimated cost per case of $748.51 for 2012;

Financial projections and implications of possible 2012 caseload scenarios, with associated projected budgetary shortfalls funded by the Tax Stabilization Reserve Fund;

Budget risks, including caseload fluctuations, needs/entitlements of participants, provincial initiatives, and staffing support/space; and

Details of 2012 uploading, including cost sharing, anticipated savings, 1% rate adjustment - net savings of $1.2 million.

The presentation is attached to the original minutes.

The Committee learned that the federal government provides funding assistance to community agencies which provide service to Ontario Works recipients born outside Canada and the Region is linked to these programs.

The Committee questioned whether it would be reasonable to assume that caseload levels would remain flat into the future, and D. Dirks responded the drivers of caseload levels would point to a likely increase in the future.

The Committee obtained clarification on the skills gap seen in Ontario Works recipients, and D. Dirks noted that with the increasing use of technology, for example, there are workers with insufficient technical training which makes it difficult to fill available jobs. As well, the lack of a secondary school diploma also creates a gap between the person and the available positions.

The Committee ascertained from D. Dirks the impact of the loss of traditional industries in the community, as well as the impacts of the retooling of existing industry and the partnerships that the Region has entered into to assist in upgrading the skills of the workforce.

The Committee was provided a description by D. Dirks of the Region’s activities and partnerships in promoting retraining and skills upgrading. C. Zehr observed that the City of Kitchener has been working with a number of agencies as it relates to promoting similar such activities to those affected by the Schneider’s plant closing.

The Committee discussed the adequacy of the operating budget in funding Ontario Works, noting that the Tax Stabilization Reserve Fund continues to fund over expenditures. A member of the Committee suggested that planning to fund an over expenditure in Ontario Works from the reserve fund may suggest that the operating budget should be adjusted to better match the expected costs. M. Murray indicated that the reserve fund has been replenished after every year in which it was drawn from to fund Ontario Works costs, via the allocation of surpluses. A member of the Committee suggested that projecting shortfalls in reserve funds and increased debt in future years defers funding issues, and that current action to bring about increases to revenue may be acceptable and prudent in such situations.

- User Rates (Water & Wastewater)

A. Hinchberger continued her budget presentation on the subject of water/wastewater user rates, including:
Proposed wholesale rates, and retail rates in Wellesley and North Dumfries; Average cost per household in 2011 for water and wastewater; and Lower consumption from conservation initiatives has reduced volumes and in so doing creates upward pressures on rates.

Nancy Kodousek, Director, Water Services, provided a presentation to the Committee which included:

- Responsibilities and goals of Water Services;
- Highlights of operating budgets for water/wastewater, including optimization, analysis and sustainability programs;
- Major cost drivers;
- Highlights of capital budget for water/wastewater;
- Requirements under Clean Water Act;
- Impact of declining water demands since 2009 budget - 13% decrease in volumes and future expected revenue challenges; and
- Cost drivers of wastewater budget, including variable flows dependant on weather, major capital program, and significant operating cost increases in 2012 and beyond.

The presentation is attached to the original minutes.

The Committee obtained detail on the decreases in per capita water volumes, and the impact on deferring capital projects. The Committee ascertained from N. Kodousek that the main drivers of the costs to provide water services are fixed costs including infrastructure, and there are variable consumption costs.

The Committee asked if any follow-up action to the source protection plan will occur in 2012, and N. Kodousek responded that no details on implementation of the plan, if any, have been made available.

Some members of the Committee expressed concern at the magnitude of the user rate increases, citing the economic situation and the difficulty for residents in keeping up with such increases. A member of the Committee expressed that the rate increases should be lower than that proposed, or nil. N. Kodousek observed that in the case of Wellesley and North Dumfries, the wastewater user rates are driven primarily by wholesale costs whereas for water user rates the costs are higher owing to building in the unit costs of the water system. The Committee made note that the planned upgrades to the system are substantial, and noted conflicting incentives in both encouraging lower consumption and raising user rates.

The Committee ascertained from N. Kodousek that the reserve funds do not have any funds allocated for developing new sources of water, such as a pipeline.

The Committee requested information on user rate increases and reserve fund levels in recent years to show the relationships between the two. The Committee indicated that it could be worthwhile to consider amending the user rates from those proposed.

A member of the Committee commented on the timeline for the environmental assessment for the Baden-New Hamburg Wastewater Treatment Plant, noting disappointment that it could be up to ten years before upgrades are undertaken and citing the timeline as a potential constraint on development in Wilmot.

A. Hinchberger resumed her presentation on user rates, including:
• Staff recommended rates for water/wastewater, including:
  o Rationale of benefits;
  o Household impacts of user rates;
• Capital projects and legislative/regulatory drivers; and
• Water rate options, including various possible rates and resulting debt incurred and reserve fund balances.

The Committee asked whether a formula exists to calculate whether the Region is maintaining a healthy reserve fund balance for water and wastewater projects compared to volume of sales and projected capital investment. A. Hinchberger responded in the negative, and observed that the existence of reserve funds provides a buffer for unexpected changes to such plans. Thomas Schmidt, Commissioner, Transportation and Environmental Services, noted that in assessing the risk of requiring reserves for water/wastewater, it is prudent to examine the negative scenarios so as to mitigate those vulnerabilities. The Committee requested that staff examine the possibility of developing a standard formula to assess water/wastewater reserves in relation to the Region’s risk, which could be brought forward to a future Planning and Works Committee Meeting. The Committee also requested the Region’s costs for water/wastewater with a national/international comparison.

A member of the Committee emphasized the benefits of building state of the art capital projects which will mitigate spills and help to restore wetlands, as well as improving the health of the Grand River; they suggested that the Region should be emphasizing these benefits in communications to the public when the costs of the projects are to be scrutinized.

The Committee requested information showing the Region’s debt to reserve fund ratios, with a comparison to other similar municipalities.

ADJOURN

MOVED by L. Armstrong
SECONDED by T. Cowan

THAT the meeting adjourn at 5:31 p.m.

CARRIED

COMMITTEE CHAIR, T. Galloway

COMMITTEE CLERK, M. Grivicic
2012 Regional Budget
Region of Waterloo
November 16th, 2011
2012 Regional Budget
Today's Agenda

• 2012 Base Budget Update
• Budget Issues
• Presentations
  • EMS Master Plan
  • Ontario Works
• User Rates
• Next Steps / Discussion
2012 Property Tax Budget Base Budget

Region of Waterloo
Definition:
The funding required to deliver the Council approved service levels
Early indication of higher opening position for 2012

Number of new budget strategies implemented

- Major capital review
- Tracking of on-going operating savings
- Employee suggestion initiative
- Reserve and Reserve Fund review
- Direction to find budget reductions
- Continuation of Base Budget reviews
Annual reviews yielded permanent savings of $16.2 million since 2005 (excluding 2012)

Significant proportion of fixed expenditures in base budget

Limited opportunity for further savings
$2.1 million in sustainable budget reductions for 2012

No impact on service levels

Adjustments include:

- Base Budget Reductions (maintenance costs, supplies, printing)
- Subsidy Adjustments (maximize cost sharing, EMS, E&IS)
- Increased Fees and Charges (e.g. Waste Mgmt.)
- Revenue changes (e.g. Red Light Camera)

Additional permanent savings can only be achieved through service reductions
2012 Regional Budget
Proposed Fee Increases

- 2012 Budget strategy to consider increasing user fees subject to market conditions and affordability
- Number of proposed fee increases included in base budget
- Increases are subject to Council's consideration and approval
- Details in Budget Info Paper (pg. 13 of Agenda)
2012 Regional Budget
Proposed Fee Increases

- New Access Permit Fee $10,000
- Child Care Parent Fee Increase $200,000
- Licensing Fees & Charges Increase $11,000
- Airport Carrier Landing Fee Increases (Council Approved Oct. 2011) $444,000
• GRT fare increase – budget assumes 5% per Regional Transportation Master Plan (RTMP)
• 2012 impact $450,000
• Specific fare increases to be brought forward to Council Spring 2012
2012 Regional Budget
Proposed Fee Increases

- Waste Management fee increases $625,000
- Tipping Fee increase from $72/tonne to $74/tonne (April 2012)
- Special waste fee and segregated loads increase accordingly (April 2012)
- Minimum charge $2 per landfill site visit (July 2012)
- Report to Planning & Works Committee – Dec. 6th
### 2012 Regional Budget
#### 2012 Base Budget

<table>
<thead>
<tr>
<th>Tax Rate %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Base Budget</td>
</tr>
<tr>
<td><strong>Less:</strong> Base Budget Strategies</td>
</tr>
<tr>
<td>Capital Review</td>
</tr>
<tr>
<td>Admin Review</td>
</tr>
<tr>
<td>Waste Management Revenues</td>
</tr>
<tr>
<td>Reserve Fund Review</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
</tr>
<tr>
<td>Revised Base Before RTMP</td>
</tr>
</tbody>
</table>

*Note: RTMP refers to the Region's Total Mono-Ply Revenue Management Plan.*
June 15th, 2011 Regional Council approved annual 1.5% tax rate increase for RTMP 2012 - 2018

• 1.2% per year for Rapid Transit (RT)
• 0.3% per year for GRT service enhancements
• Subject to annual budget deliberations
• Area rated to urban service areas
Regional Council also approved allocating budget reductions for debt retirement on Regional buildings (Frederick & Regina Sts) and uploading of social assistance costs to fund a portion of RT.

- Average impact (0.5%) per year 2012 – 2018
- Debt retirement for 2012 is $591,000 or (0.16%)
2012 Regional Budget
Upload Savings

• Provincial plan to upload 3 programs

• Ontario Disability Support Program (ODSP) 2008 to 2011 ($22.8 million)

• Ontario Works (OW) Caseload 2010 to 2018 ($12.1 million) – back end loaded

• Court Security - 2012 to 2018 ($3.5 million)

• Only dealing with savings for 2012
2012 Regional Budget
Upload Savings

• Total savings for 2012 is $1.2 million (0.32%)

• Savings generated from change in cost sharing ratio for OW

• Ratio for 2012 is 82.8% / 17.2%

• Court security savings ($0.5m for 2012) included in Police Services Budget
### 2012 Regional Budget Including RTMP

<table>
<thead>
<tr>
<th>Description</th>
<th>Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening Base Budget</td>
<td>1.29%</td>
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<tr>
<td>Less: Base Budget Strategies</td>
<td>-1.07%</td>
</tr>
<tr>
<td>Revised Base Budget Before RTMP</td>
<td>0.22%</td>
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<tr>
<td>Approved Commitments RTMP</td>
<td>1.50%</td>
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<tr>
<td>Less: Upload Savings</td>
<td>-0.32%</td>
</tr>
<tr>
<td>Less: Debt Retirement</td>
<td>-0.16%</td>
</tr>
<tr>
<td>Net Impact for RTMP</td>
<td>1.02%</td>
</tr>
<tr>
<td>Base Budget Including RTMP (Before New Issues or Police)</td>
<td>1.24%</td>
</tr>
</tbody>
</table>
• **Current estimate is for 1.8% growth in 2011 for 2012**

• **Current assessment growth is 1.62%**

• **4th Supplementary tax run done in early November**
  • Results of 4th run by late November
  • Final roll in early December

• **Assessment growth is shared between Regional Programs (1.24%) & Police Services (0.56%)**
2012 Regional Budget
History Of Assessment Growth

* estimate
2012 Regional Budget
Fuel Inflation

- Fuel prices very volatile – hard to establish budget
- Budget Committee established fuel price at 95 cents /litre in 2011 Budget
- Region paying $1.03 to $1.05 /litre in 2011
- Staff have increased the budgeted price for fuel to $1.00 /litre from 95 cents
- Fuel Prices will be monitored and reported to Committee during budget process
Region Of Waterloo
GRT Fuel Cost

Fuel Cost - Ultra Low Sulphur Diesel

Month

$ per litre

Average Region Price
Budgeted Price
• **OW Caseload increased significantly in 2009**

• **OW caseload fairly constant in 2010, increasing slightly in 2011**

• **Tax Stabilization Reserve Fund (TSRF) funded over expenditure for 2009 & 2010**

• **TSRF sufficient to fund OW over expenditures for 2011/2012**

• **Continue to monitor – update and scenarios for 2012 part of OW presentation and noted in Info Paper (pg. 9 of Agenda)**
2012 Regional Budget

Monthly Caseload

Ontario Works

Note: ODSP is no longer the Region’s responsibility
Program Summaries have been mailed out which provide all the base budget details for all Regional Programs
<table>
<thead>
<tr>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>Revised Base Budget Before RTMP</td>
<td>0.22%</td>
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<tr>
<td>Base Budget Including RTMP (Before New Issues or Police)</td>
<td>1.24%</td>
</tr>
</tbody>
</table>
2012 Regional Budget
New Budget Issues

- **Budget Issues** are service expansion requests
- **New budget issues** required for critical / essential expansion including:
  - **EMS Master Plan**
  - **Child Care Fee Subsidy**
  - **Affordable Transportation / Low Income Persons**
- **Staff recommend allowance of 0.21% for new issues**
2012 Regional Budget
New Budget Issues

Issues are Summarized into 2 groups:

• Appendix A: Operating Budget Issues
  (Property Tax Impact 0.21%)

• Appendix B: One Time / Capital Budget
  issues (no 2012 Property Tax Impact)
• Summary of requested operating budget issues by Strategic Focus Area - $1.426 million
• Staff recommended funding $806,000 or 0.21%
• Some recommended issues have no tax levy impact as funded from RTMP Reserve Fund, User Rates, Provincial Funding

• Key issues include:
  • Affordable Transportation for persons with low income
  • EMS Master Plan / staffing
  • Child Care Fee Subsidy
## 2012 Regional Budget
New Budget Issues – Levy Impact
($000's)

<table>
<thead>
<tr>
<th>New Issue</th>
<th>2012 Request</th>
<th>2012 Recommended</th>
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<tbody>
<tr>
<td>Funding For Community Sustainability Initiatives</td>
<td>$200</td>
<td>---</td>
</tr>
<tr>
<td>Affordable Transportation for Person with Low Income</td>
<td>305</td>
<td>150</td>
</tr>
<tr>
<td>EMS Master Plan Optimized Staffing</td>
<td>144</td>
<td>144</td>
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<tr>
<td>Child Care Fee Subsidy Funding</td>
<td>392</td>
<td>392</td>
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<tr>
<td>HNSA Co-ordinator Senior Services</td>
<td>20</td>
<td>20</td>
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<tr>
<td>Capital Financing</td>
<td>365</td>
<td>100</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$1,426</strong></td>
<td><strong>$806</strong></td>
</tr>
</tbody>
</table>

= 0.21% tax rate impact
Appendix B includes budget issues to be added to 2012 capital program and forecast.

Funded by debentures, capital levy, RTMP Reserve Fund or other.

No impact on 2012 tax levy.

Issue papers are mechanism to add specific new projects to first 4 years of capital forecast or amend existing forecast.
2012 Regional Budget
New Budget Issues

- Budget Issue Package distributed with agenda
- Budget Issues Papers detail request, cost, FTE's and implications of not approving
- Staff recommendation noted at end of issue paper
<table>
<thead>
<tr>
<th></th>
<th>Tax Rate Impact</th>
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</thead>
<tbody>
<tr>
<td>Base Budget Including RTMP</td>
<td>1.24%</td>
</tr>
<tr>
<td>Potential New Budget Issues</td>
<td>0.21%</td>
</tr>
<tr>
<td>Potential Tax Rate Regional Programs (excluding Police)</td>
<td>1.45%</td>
</tr>
</tbody>
</table>
Region
Police
Final Tax Rate

1.45%
??
???
2012 Regional Budget
Next Steps

- Police and GRCA to attend December 14th
- Approve User Rates On December 14th
- Updates on assessment growth, OW caseload and fuel
Questions / Discussion

Region of Waterloo
Region of Waterloo

User Rates
2012 Regional Budget
User Rates

- Water Rate
- Wastewater Rate
- Retail Water and Wastewater rates for North Dumfries and Wellesley
- Approval of User Rates planned for December 14th – effective March 1st 2012
• Water operating budget increasing by 0.3% in 2012

• Water 10 year capital program equals $482 million (same as last year)

• Level of debenture financing is decreased from $13 million to $6 million
• 2011 Average Cost Per Household $165.37

• 2011 forecast Water Rate Plan to increase rates by 6.9% through 2013 then reduce to 2.9% by 2017

• Water consumption continues to be a challenge from a rate setting perspective – volumes decreased by 13% since 2009
2012 Regional Budget
Wastewater Rate

- Wastewater 2012 operating budget is increasing by 2.7% for operations

- Key cost drivers - 3 new processes
  - New Hespeler Pumping Station
  - New Manitou Biosolids Facility
  - Ultraviolet disinfection at Waterloo

- Wastewater 10 year capital program equals $715 million - essentially unchanged from prior year

- Level of debenture financing is decreased from $137 million from $113 million
2011 Average cost per household $147.92

Wastewater rate plan presented for 2011 called for rate increase of 7.9% until 2018 then to 5.9% in 2019

Capital program continues to be the key cost driver for future Wastewater rate increases
2012 Regional Budget
Water Rate options (2011 - 2021)

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<tr>
<th>Year</th>
<th>Budget 2011</th>
<th>Option 1</th>
<th>Option 2</th>
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<tr>
<td>2011</td>
<td>0.7000</td>
<td>0.8000</td>
<td>0.9000</td>
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## 2012 Regional Budget
### Water Rate Options

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<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2021 Reserve Fund Balance</th>
<th>Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommended 2011 Forecast</strong></td>
<td>6.9%</td>
<td>6.9%</td>
<td>5.9%</td>
<td>$16.7 m</td>
<td>$ 6 m</td>
</tr>
<tr>
<td><strong>Option 1</strong></td>
<td>5.9%</td>
<td>5.9%</td>
<td>5.9%</td>
<td>$10.2 m</td>
<td>$13 m</td>
</tr>
<tr>
<td><strong>Option 2</strong></td>
<td>4.9%</td>
<td>4.9%</td>
<td>4.9%</td>
<td>$ 5.0 m</td>
<td>$30 m</td>
</tr>
</tbody>
</table>

Recommended
2012 recommended water rate per 2011 forecast: +6.9%

- Provides flexibility for volume reductions
- Maintain low debt levels
- Best position to address future impacts (Clean Water Act and Master Water Supply Plan Update)

- Average household impact for 2012 recommended rate is $11.41
- Recommendation shown on page 250 of Program Budget Book
• Additional information included on pg. 20 of Budget Agenda Package

• Water Services has one issue paper (joint with Finance) – Stockkeeper at Mannheim (pg. 27 BIP)

• Detailed budget information included in Program Budget Book starting on pg. 233
2012 Regional Budget
Wastewater Rate options (2011 - 2021)

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget 2011</th>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>0.6000</td>
<td>0.6000</td>
<td>0.6000</td>
</tr>
<tr>
<td>2012</td>
<td>0.7000</td>
<td>0.7000</td>
<td>0.7000</td>
</tr>
<tr>
<td>2013</td>
<td>0.8000</td>
<td>0.8000</td>
<td>0.8000</td>
</tr>
<tr>
<td>2014</td>
<td>0.9000</td>
<td>0.9000</td>
<td>0.9000</td>
</tr>
<tr>
<td>2015</td>
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<td>1.0000</td>
<td>1.0000</td>
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<tr>
<td>2016</td>
<td>1.1000</td>
<td>1.1000</td>
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<tr>
<td>2018</td>
<td>1.3000</td>
<td>1.3000</td>
<td>1.3000</td>
</tr>
<tr>
<td>2019</td>
<td>1.4000</td>
<td>1.4000</td>
<td>1.4000</td>
</tr>
<tr>
<td>2020</td>
<td>1.5000</td>
<td>1.5000</td>
<td>1.5000</td>
</tr>
<tr>
<td>2021</td>
<td>1.6000</td>
<td>1.6000</td>
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</table>

Recommended
## 2012 Regional Budget
### Wastewater Rate Options

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2021 Reserve Fund Balance</th>
<th>Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Recommended 2011 Forecast</strong></td>
<td>7.9%</td>
<td>7.9%</td>
<td>7.9%</td>
<td>$32.8 m</td>
<td>$113 m</td>
</tr>
<tr>
<td><strong>Option 1</strong></td>
<td>7.9%</td>
<td>7.9%</td>
<td>6.9%</td>
<td>$24.5 m</td>
<td>$133 m</td>
</tr>
<tr>
<td><strong>Option 2</strong></td>
<td>6.9%</td>
<td>6.9%</td>
<td>6.9%</td>
<td>$20.7 m</td>
<td>$147 m</td>
</tr>
</tbody>
</table>

*Recommended option: Option 1*
2012 Regional Budget
Recommended Wastewater Rate

• 2012 recommended water rate per 2011 forecast: +7.9%

• Best position to address impacts from major capital program

• Lower debt levels

• Average household impact for 2012 recommended rate is $11.69

• Recommendation shown on pg. 254 of Program Budget Book
2012 Regional Budget
Wastewater Rate

• Additional information on pg. 23 of budget package
• Wastewater has no issue papers
• Detailed budget information included in Program Budget Book starting on pg. 223
2012 Regional Budget
Water and Wastewater Retail Rate

- Water and Wastewater retail rates for North Dumfries and Wellesley harmonized in 2008
- Retail water rate is recommended to increase by 9.9% in 2012 (same as planned in 2011)
- Retail rate increase required for wholesale water increase and to fund operating expenses on a sustainable basis
Retail wastewater rate is recommended to increase by 7.9% in 2012 (same as planned in 2011)

Retail wastewater rate increase is required for wholesale wastewater increase

Additional information included on pg. 26 of agenda package and 225 of the Program Budget Book

Retail rates comparable to area municipalities – pg. 27 of agenda package
<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
<th>Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>November 16th</td>
<td>Detailed Budget Review -Day One</td>
<td>1:00 - 5:30 pm</td>
</tr>
<tr>
<td></td>
<td>- Review Base Budget</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Review User Rates</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Public Input</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Budget Delegations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6:00 pm</td>
<td></td>
</tr>
<tr>
<td>December 14th</td>
<td>Detailed Budget Review -Day Two</td>
<td>12:00 - 5:00 pm</td>
</tr>
<tr>
<td></td>
<td>- Associated Agencies (Police &amp; GRCA)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Develop preliminary final position 2012</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Approval of user rates</td>
<td></td>
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<tr>
<td></td>
<td>Public Input</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Budget Delegations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>6:00 pm</td>
<td></td>
</tr>
<tr>
<td>January 18th, 2012</td>
<td>Final Budget Approval</td>
<td>3:00 - 6:00 pm</td>
</tr>
</tbody>
</table>
EMS Budget Issue Presentation

November 16, 2011
EMS Master Plan Needs Overview

• In 2007, Council "adopted in principle" and subject to the annual budget process, a 25 year staffing requirement to maintain the current legislated 10 min 30 sec response time target.

• 30.5 FTEs required through 2016 with enhancements beginning in 2011 (6.0 FTEs added in July 2011).

• 5.5 FTEs scheduled/requested for 2012.
Other Master Plan Initiatives

- 2 of 3 additional stations approved for time frame (Conestoga College and Downtown Kitchener) are now operational. Bridgeport/Eastbridge site search continues.
- Additional ambulance/equipment to accommodate 2011 and 2012 enhancements in place.
- Traffic Signal Pre-Eemption project installations now underway after lengthy contract delays.
- Enhanced dispatch technology imminent with EMS-TIF project approval.
EMS System Pressures

• Continuing call volume growth
• Hospital Offload Delays
• "Three Moments" of Deployment
• High Unit Hour Activity levels
• Overnight coverage pressures
• Increasing Response Times
• Code Reds and Yellows
"Three Moments" of Deployment

Adequate ambulance coverage now requires:

• Enough ambulances to service the number of new calls received each hour, and

• Enough ambulances at any time to meet the established response time target (a minimum of 5), and

• Enough ambulances to offset those resources lost to hospital offload delay.
Historical First "Two Moments"

2010 Calls and Staffed Vehicles by Hour of Day

<table>
<thead>
<tr>
<th>Hour of Day</th>
<th>RERUs</th>
<th>Ambulances</th>
<th>2010 Calls/Hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>1</td>
<td>9</td>
<td>2.53</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>9</td>
<td>2.46</td>
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<tr>
<td>2</td>
<td>1</td>
<td>8</td>
<td>2.36</td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>8</td>
<td>2.49</td>
</tr>
<tr>
<td>4</td>
<td>1</td>
<td>7</td>
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<td>5</td>
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<td>6</td>
<td>1.88</td>
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<td>6</td>
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<td>7</td>
<td>2.37</td>
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<tr>
<td>7</td>
<td>1</td>
<td>8</td>
<td>3.24</td>
</tr>
<tr>
<td>8</td>
<td>2</td>
<td>10</td>
<td>4.1</td>
</tr>
<tr>
<td>9</td>
<td>2</td>
<td>12</td>
<td>4.79</td>
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<td>10</td>
<td>2</td>
<td>12</td>
<td>5.71</td>
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<td>11</td>
<td>2</td>
<td>12</td>
<td>5.59</td>
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<td>5.5</td>
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<td>14</td>
<td>2</td>
<td>12</td>
<td>5.38</td>
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<td>15</td>
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<td>12</td>
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<td>16</td>
<td>1</td>
<td>12</td>
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</tr>
<tr>
<td>18</td>
<td>1</td>
<td>12</td>
<td>5.35</td>
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<tr>
<td>19</td>
<td>1</td>
<td>12</td>
<td>5.22</td>
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<td>12</td>
<td>3.85</td>
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<td>1</td>
<td>12</td>
<td>3.36</td>
</tr>
<tr>
<td>23</td>
<td>1</td>
<td>10</td>
<td>3.26</td>
</tr>
</tbody>
</table>
Hospital Offload and "Time in Hospital"

• Offload Delay defined as any instance where transfer of care from EMS to hospital extends longer than 30 minutes.
• Ongoing and growing 35% year-over-year.
• Individual delays now over 8 hours and instances of 10 vehicles on offload delay simultaneously.
• 90th percentile "time in hospital" has grown from 45 mins in 2000 to over 73 mins in 2010.
• 28 mins X 31,000 patients = 14,500 extra hours of ambulance utilization annually (1.65 ambulance yrs)
Region of Waterloo Offload Delay Losses in Ambulance Days

<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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</thead>
<tbody>
<tr>
<td>2011</td>
<td>30.66</td>
<td>35.64</td>
<td>31.06</td>
<td>27.33</td>
<td>25.29</td>
<td>23.54</td>
<td>27.67</td>
<td>20.9</td>
<td>20.61</td>
<td>22.7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2009</td>
<td>17.43</td>
<td>14.51</td>
<td>17.69</td>
<td>17.32</td>
<td>12.53</td>
<td>14.23</td>
<td>9.27</td>
<td>7.89</td>
<td>12.2</td>
<td>24.07</td>
<td>16.03</td>
<td>17.34</td>
</tr>
</tbody>
</table>
October 25th Example

- Difficult coverage daytime with Code Red and extended Code Yellow.
- Without offload delays, coverage would never have dropped below 5 available vehicles.

October 25, 2011 Impact of Offload Delays on Coverage Levels

<table>
<thead>
<tr>
<th></th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
</tr>
</thead>
<tbody>
<tr>
<td>New/Extended Calls</td>
<td>3</td>
<td>4</td>
<td>8</td>
<td>6</td>
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<td>5</td>
<td>4</td>
<td>5</td>
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<td>3</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>OLDs</td>
<td>2</td>
<td>5</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Remaining</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>6</td>
<td>9</td>
<td>7</td>
<td>11</td>
<td>13</td>
<td>11</td>
<td>9</td>
</tr>
</tbody>
</table>
Call Volume Growth

- Ongoing difficulty with accuracy of MOH data.
- MOH data shows all calls dispatched to potential patients.
- EMS Pro shows all patient contacts.
- 11% (MOH) – 18% (EMS Pro) call volume growth over 6 years

<table>
<thead>
<tr>
<th>Year</th>
<th>Calls</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>26343</td>
</tr>
<tr>
<td>2006</td>
<td>26810</td>
</tr>
<tr>
<td>2007</td>
<td>27797</td>
</tr>
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<td>2008</td>
<td>29021</td>
</tr>
<tr>
<td>2009</td>
<td>29698</td>
</tr>
<tr>
<td>2010</td>
<td>30992</td>
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</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Calls</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>31479</td>
</tr>
<tr>
<td>2006</td>
<td>31910</td>
</tr>
<tr>
<td>2007</td>
<td>32985</td>
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<td>2008</td>
<td>34517</td>
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<tr>
<td>2009</td>
<td>34797</td>
</tr>
<tr>
<td>2010</td>
<td>34866</td>
</tr>
</tbody>
</table>
Emergency Response Time

- Legislated Standard (1996) is less than 10 minutes 30 seconds, 90% of the time.
- Continues to climb with less availability... 2 minutes 3 seconds higher than Standard during 2011 YTD.
- New Regionally approved standard required by October 2012. Development work ongoing with U of W.
Unit Hour Activity/Utilization

• Measure of how busy an EMS System is, expressed as a number between zero and one.
• At the theoretical value of one, all ambulance crews are tied up with a patient or on a call all the time.
• Staff need to be busy enough to maintain skills, but also have time to complete forms and meal breaks, and be available to respond to new 9-1-1 calls.
• Fine balance between crews sitting around and no coverage.
Unit Hour Activity/Utilization

• UHA/UHU at .32-.35 is most efficient and cost-effective (High Performance Model). Higher values stress performance and staff, i.e., response times are impacted, overtime increases at end of shift, meal breaks are missed, etc.

• Over .35 utilization 13 hours a day during 2010, peaking at .54
Overnight Coverage

• Unlike Fire, staffing/coverage adjusted to projected call volumes by time of day.

• Daily coverage varies from 16 ambulances and 2 RERUs at peak, to 9 ambulances at midnight and as few as 7 between 0400-0600.

• Highest frequency of Code Red instances (55% of total) now occur between 0000-0600.

• Highest risk of inability to respond immediately to emergencies occurs overnight.
Code Reds and Yellows

- Code Yellow indicates coverage is at bare minimum: 3 vehicles/550,000. 10:1 Ratio of Yellows to Reds.
- Code Red is absolutely no ambulances available for the next emergency call.
- Reds now stabilized (May-Oct) 10/month, 1 hr max, 20 min avg.

2011 Code Red Instances

<table>
<thead>
<tr>
<th>Month</th>
<th>Maximum in Minutes</th>
<th>Number</th>
<th>Mean in Minutes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan</td>
<td>92</td>
<td>23</td>
<td>27</td>
</tr>
<tr>
<td>Feb</td>
<td>246</td>
<td>32</td>
<td>30</td>
</tr>
<tr>
<td>Mar</td>
<td>57</td>
<td>21</td>
<td>20</td>
</tr>
<tr>
<td>Apr</td>
<td>67</td>
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<tr>
<td>May</td>
<td>44</td>
<td>10</td>
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<tr>
<td>Jun</td>
<td>61</td>
<td>11</td>
<td>23</td>
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<tr>
<td>July</td>
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<td>9</td>
<td>19</td>
</tr>
<tr>
<td>Aug</td>
<td>71</td>
<td>5</td>
<td>25</td>
</tr>
<tr>
<td>Sept</td>
<td>73</td>
<td>10</td>
<td>26</td>
</tr>
<tr>
<td>Oct</td>
<td>61</td>
<td>7</td>
<td>16</td>
</tr>
</tbody>
</table>
Local System Summary

- Lowest EMS cost in OMBI (56% of average) balanced by lower call volume (62% of average).
- High Performance System operating at near capacity and stressed by uncontrollables.
- 2012 Enhancement necessary and justified.

**OMBI 2010 EMS Cost per 1,000 Population**

<table>
<thead>
<tr>
<th>City</th>
<th>2010</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Durham</td>
<td>52703</td>
<td>47526</td>
</tr>
<tr>
<td>Halton</td>
<td>42024</td>
<td>41111</td>
</tr>
<tr>
<td>Hamilton</td>
<td>58532</td>
<td>58682</td>
</tr>
<tr>
<td>London</td>
<td>51680</td>
<td>49889</td>
</tr>
<tr>
<td>Ottawa</td>
<td>63789</td>
<td>60286</td>
</tr>
<tr>
<td>Sudbury</td>
<td>104996</td>
<td>99178</td>
</tr>
<tr>
<td>Th. Bay</td>
<td>70400</td>
<td>67716</td>
</tr>
<tr>
<td>Toronto</td>
<td>57435</td>
<td>50018</td>
</tr>
<tr>
<td>Waterloo</td>
<td>33304</td>
<td>31161</td>
</tr>
<tr>
<td>Windsor</td>
<td>70425</td>
<td>71645</td>
</tr>
<tr>
<td>York</td>
<td>43245</td>
<td>43025</td>
</tr>
<tr>
<td>Average</td>
<td>58958</td>
<td>56385</td>
</tr>
</tbody>
</table>
Questions?
2012 Social Assistance Costs

November 16, 2011
David Dirks, Director
Employment & Income Support
2012 Budget Presentation

- Ontario Works benefit costs
- Caseload experience
- Planning assumptions
- Financial implications and monitoring
Ontario Works Caseload

- October: 8,517 cases
- Linked to unemployment rate (6.8%)
- 1.6% higher than October 2010
- 35% higher than September 2008
2009-11 Caseload

Caseload

Jan-2009

Jan-2010

Jan-2011

Caseload

Jan-2009

Jan-2010

Jan-2011
Caseload Profile

- 8,765 cases, 11,212 dependents (Sept. 2011)
- 40% < 18 years
- 20% < 6 years
- 16% between 18 – 24 years
- 14% > 45 years
• 56% are single persons
• 33% sole-support parents
• 55% of adults are female
• 51% of adults less than grade 12
• 59% receive assistance less than 12 months
• 25% born outside Canada
Influencing Factors

• Economic Environment
  – Job losses/unemployment
  – Employment Insurance
  – Skills gap
• Cost per case (including benefits)
• Rate increase
• January 2011 Caseload 8,560
• September Caseload 8,765 Cases
• YTD Average 8,759 (to Sept. 2011)
• Income Support monthly Cost per Case:
  2012 OW Payments $ 669.49
  2012 Benefits $ 79.02
**TOTAL** $748.51
## Financial Implications

<table>
<thead>
<tr>
<th>Illustration</th>
<th>One</th>
<th>Two</th>
<th>Three</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Caseload</td>
<td>8,759</td>
<td>9,000</td>
<td>9,400</td>
</tr>
<tr>
<td>Shortfall ($ millions)</td>
<td>$4.6</td>
<td>$5.0</td>
<td>$5.6</td>
</tr>
</tbody>
</table>
Funding Over Expenditure

• Over expenditure for OW caseload to be funded by Tax Stabilization Reserve Fund (TSRF)

• If caseload remains at current levels the TSRF will be sufficient to fund the over expenditure in 2013
Ontario Works

• 100 Cases = $155,000 per annum
• Caseload fluctuations
• Needs and entitlement of participants
• Initiatives by Province
• Staffing support/space
Ontario Works

- 82.8:17.2 Cost Sharing
- $1,337,000 Savings
- 1% Rate Adjustment - $121,000
- Net Savings $1,216,000
- Included in Base Budget
2012 Monitoring

- Periodic Financial Reporting
- Monthly updates to Community Services Committee
Water and Wastewater

2012 Update
Water Services

Responsibilities

- Provide water supply & wastewater treatment
- Provide distribution & collection services in North Dumfries & Wellesley

Goals

- Provide safe water
- Protect environment
- Be responsive to customer needs
- Provide efficient reliable & responsible service
- Achieve regulatory compliance
Water Operations – Highlights

- Operating budget: $33 million (0.3% increase)
- Optimization & Sustainability Programs
  - Achieved program savings
  - Enhanced analytical monitoring program
  - Chemical treatment optimization
  - Energy reductions due to lighting and equipment conversions
  - Right sizing of fleet and maintenance

Direct Operational Costs = Rate of Inflation
[85% Fixed Costs]
2012–2021 Capital Budget: $482 million

- Treatment – Middleton WSS & West Montrose EA
- Reservoir – New Zone 6 water tower
- Water Supply (increase & restore)
  - Maple Grove Area WSS
  - Waterloo North WSS
  - Cambridge East Source Upgrade
- Water Efficiency programs ongoing including Water Loss Investigation & WET (Water Efficient Technology) programs

2011/2012 Budget Process resulted in $100 M deferred capital projects
Water – Clean Water Act

2012–2013 technical investigations
- Tier 3 water budget (supply sustainability)
- Water quality issues (nitrate, road salt, TCE)
- Source water quality and water level monitoring

Proposed Source Protection Plan (August 2012)
- Education/awareness/incentive programs
- Risk management plans
- Specific actions
- Prescribed instruments
Impacts of declining water demands since 2009 budget:
- 13% decrease in volume
- 20% loss in revenue ($11 Million/year)
- Optimization and Reduction in Operating Costs
- Significant deferral of Capital Projects

Revenue challenges:
- Resulted in continued pressure on water rate
- Future impacts of Clean Water Act
- Future impacts of Water Supply Master Plan Update
Wastewater Operations – Highlights

- Operating Budget: $32 Million (2.7% increase)
- OCWA 5 year contract
  - Completed first year
    - Increased maintenance activities/asset protection
    - Enhanced chemical treatment to improve effluent quality
- Administration of 5 Biosolids contracts
- Commissioning new infrastructure
  - Manitou Biosolids Handling Facility
  - Hespeler Pump Station
  - SCADA at Galt & Preston WWTPs
  - UV System at Waterloo WWTP
Wastewater Capital – Highlights

- 2012 –2021 Capital Budget: $715 Million
- Projects include major treatment upgrades to:
  - Waterloo WWTP
  - Kitchener WWTP
  - Hespeler WWTP
  - Elmira WWTP

- Growth Related
  - Master Plan for Woolwich
  - Environmental Assessment
    - East Side Lands PS
    - Hespeler WWTP
    - Baden–New Hamburg WWTP
Wastewater – Kitchener WWTP

- $304 Million in upgrades
- Improve effluent & water quality in the Grand River
- Improve equipment reliability & sustainability

Ongoing in 2012:
- Upgrade Plant #2
- Isolation lagoon
- Dewater biosolids at Manitou
- Construction of UV disinfection
$99 Million in Upgrades to treatment plant

Improve Equipment Reliability & Sustainability

Improve effluent & water quality in the Grand River

Ongoing in 2012:

- Construction of new blower building
- Construction of new headworks – dewatering facility
Wastewater Budget

- Variable wastewater flows dependent on weather
  - Impact on revenues

- Driver for rate increase:
  - Major capital program
  - Resulting in significant operating cost increases in 2012 and future years

![Wastewater Demands](chart)

<table>
<thead>
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<th>Year</th>
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</tbody>
</table>
Water Distribution

- Operating budget – 2.0 % increase
  - Include wholesale water costs (6.9 %)

- Capital budget – $4.1 M
  - Includes water meter replacement

- Key drivers in water distribution
  - Improvements to maintenance program
  - Water meter replacement
Wastewater Collection

- Operating budget – 2.8% increase
  - Include wholesale wastewater costs (7.9 %)
  - Include billing costs

- Capital budget – $2.6 M
  - Investment in sanitary sewer and pump stations

- Key drivers in wastewater rate
  - Investment in infrastructure
Water Services

Thank you

Questions?