Regional Municipality of Waterloo Strategic Planning and Budget Committee Agenda

Date: Wednesday, November 6, 2024

Regular

9:00 a.m.

Session:

Location: Council Chambers/Electronic

Should you require an alternative format please contact the Regional Clerk at Tel.: 519-575-4400,

TTY: 519-575-4605, or regionalclerk@regionofwaterloo.ca

Pages

- 1. Call to Order
- 2. Land Acknowledgement
- 3. Declarations of Pecuniary Interest under the "Municipal Conflict of Interest Act"
- 4. Grand River Conservation Authority 2025 Draft Budget Presentation For information.

5. 2025 Plan and Budget Presentation

For information.

6. Motion to go into Closed Session

Recommended Motion:

That a closed meeting of the Council be held on November 6, 2024 at 11:30 a.m. electronically, in accordance with Section 239 of the "Municipal Act, 2001", for the purposes of considering the following subject matters:

- 1. labour relations or employee negotiations;
- 7. Motion to Reconvene into Open Session

Recommended Motion:

That Council reconvene into Open Session.

8. Reports

8.1 CAO--24-007, Review of 2025 Draft Budget

For information.

- 9. Communications
- Motions Where Notice has Been Provided
 - 10.1 Councillor D. Craig Notice of Motion

Recommended Motion:

Whereas the City of Toronto and Queens Park have reached a historic

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agreement to ease Toronto's ongoing budget crisis,

And whereas the agreement includes the uploading of the Don Valley Parkway and the Gardiner Expressway,

And whereas the province will deliver 9 billion dollars to the city over the next ten years,

And whereas Ottawa has been gifted \$543 million dollars to be split between cash for capital projects and ongoing operating expenses,

Therefore be it resolved that the Region of Waterloo ask through the Regional Chair's office that our five area MPP's work in concert to request a fair and equitable monetary deal,

And that this agreement be reflective of those reached between Queens Park and the cities of Toronto and Ottawa.

11. Other Business

12. Next Meeting - November 20, 2024

13. Adjourn

Recommended Motion:

That the meeting adjourn at x:xx x.m.



About the Grand River Watershed

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



About the Grand River Conservation Authority



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

1. Protect life and minimize property damage

 Seven dams and reservoirs are actively managed to reduce flood damages and maintain flows





1. Protect life and minimize property damage

Planning and Development

- Review of Planning Act applications and other planning documents
- Permitting and compliance

2. Improve watershed health

Source Water Protection Program

- Ensure Region's drinking water systems are protected now and in the future
 - Ongoing support for municipal Source Protection Plan implementation
 - Update Grand River Source Protection Plan to reflect changes and new information



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2. Improve watershed health

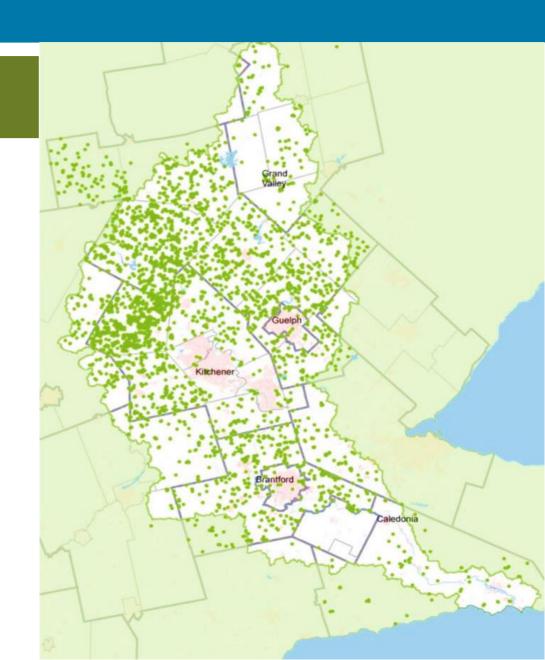
- Region provides data to the Watershed-wide Wastewater Optimization Program for annual reporting
- Several regional plants have recently been recognized through the WWOP recognition program



2. Improve watershed health

Rural Water Quality Program (RWQP) watershed-wide success since 1998:

- Over 8,000 projects completed
- \$25.0 million in grants
- Nearly \$70 million invested





2. Improve watershed health

RWQP in Region in 2024:

- 53 projects completed
- \$165,000 in grants
- Landowner contribution of \$182,000
- Total investment in water quality - \$347,000

3. Connect people with the environment

- GRCA's fee-for-use conservation areas are a vital part of the watershed's recreational infrastructure
- Outdoor Environmental Education Program connects people to nature





4. Responsible and sustainable land management

- 48,000 acres of land, consisting of 493 parcels
- Land Inventory and Conservation Areas Strategy recently approved by the GRCA Board

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- 5. Compliance and implementation of the amendments to the Conservation Authorities Act.
 - GRCA staff have updated and developed policies and guidelines required to meet regulatory deliverables
- 6. Enhancing Indigenous awareness, understanding, and relationships.
 - Working with our First Nations partners to facilitate mutual learning, sharing of information, and establishing stronger working relationships

2025 Budget Challenges

- Economic environment including inflation, supply chain issues, and labour force shortages.
- Projecting Conservation Area operating revenue is challenging (impacted by consumer demand and weather conditions).
- Nature Centre program in transition. Pace of change difficult to predict.
- Aging infrastructure in the Conservation Areas and Nature Centre facilities.
- Increased demands on managing passive lands (i.e. land use decisions, hazard tree management, trespassing, infrastructure).
- Keeping pace with digital innovation and technological advancements.

Budget 2025

Major Assumptions – Operating Budget

- Compensation & Benefits (rate increases, grid movements, market adjustments, benefits) 5% increase, plus one engineering position added (funded with reserves)
- Property tax expense increased 3%
- Insurance expense increased 5% compared to actual 2024 cost
- Administrative computer charges increased 10%
- Operating expense increases range from 0% to 3%
- Increased Conservation Area Activity \$500,000 expense increase
- One-time 2024 budget expense items not included in draft #1 Budget 2025 - \$440,000

OUTCOME: Operating Expenses the teased \$806,000 (2.7%)

GRCA Budget 2024 vs Draft Budget 2025

Expenditures

	2024	2025	Incr/(Decr)	%age change	
Total OPERATING	30,098,214	30,904,688	806,474	2.7%	
	81.3%	81.4%			
Total CAPITAL	4,674,000	6,053,000	1,379,000	29.5%	
	12.6%	15.9%			
Total Special Projects	2,130,000	950,000	(1,180,000)	-55.4%	
	5.8%	2.5%			
Funding to Reserves	116,500	66,500	(50,000)	-42.9%	
	0.3%	0.2%			
TOTAL EXPENSES	37,018,714	Page 173778,1974,188	955,474	2.6%	

Expenditures

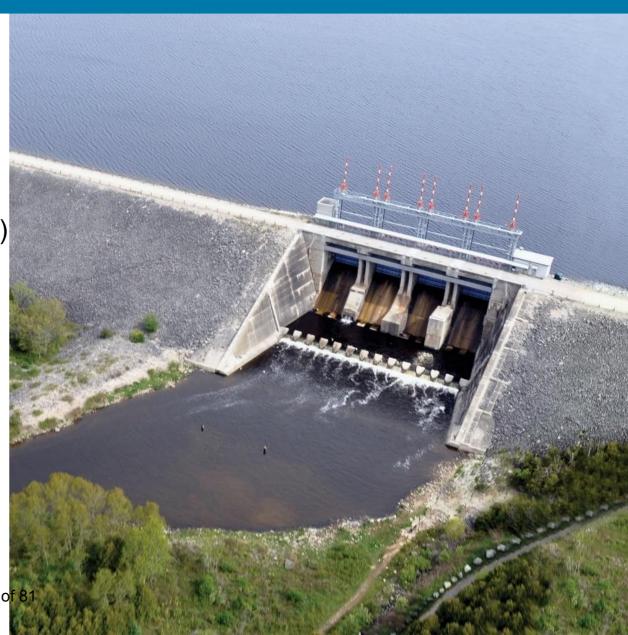
Operating Budget (\$30.9 million)

- Category 1- \$11.0 million
 - Watershed Management Dams, Flood Forecasting, Resource Planning, Conservation Land Management, Source Protection
- General Operating Expenses \$3.9 million
- Category 2 \$1.1 million
 - Sub-watershed Planning, Conservation Services
- Category 3 \$14.9M
 - > Tree Planting, Conservation Services, Environmental Education, Property Rentals, Hydro Production, Conservation Areas, Administrative Support

Expenditures

Capital Budget (\$6.1 million)

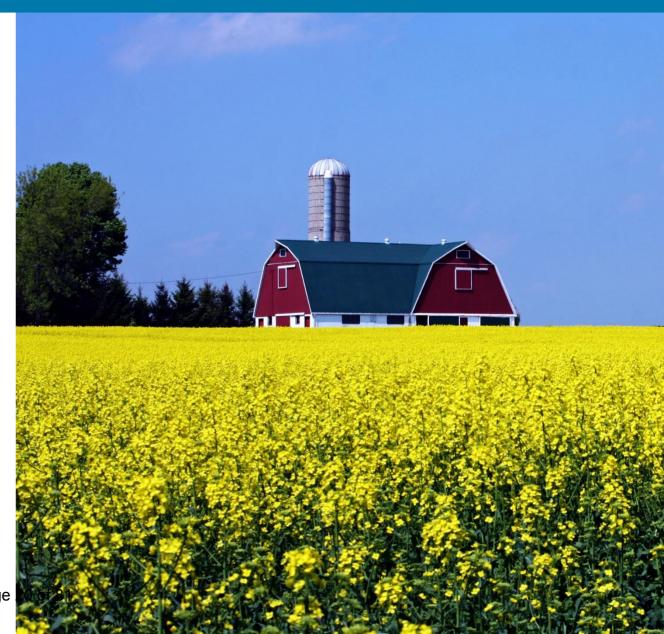
- Category 1- \$3.3M
 - Water Management Capital (\$3.0 million) (Maintenance and repairs to dikes and dams)
 - Gauges and Hardware (\$300,000)
- General Operating Expenses -\$750,000
 - Motor Pool expenses funded with reserve (\$320,000)
 - Information Systems funded with reserve (\$430,000)
- Category 3 \$2.0M
 - Conservation Areas



Expenditures

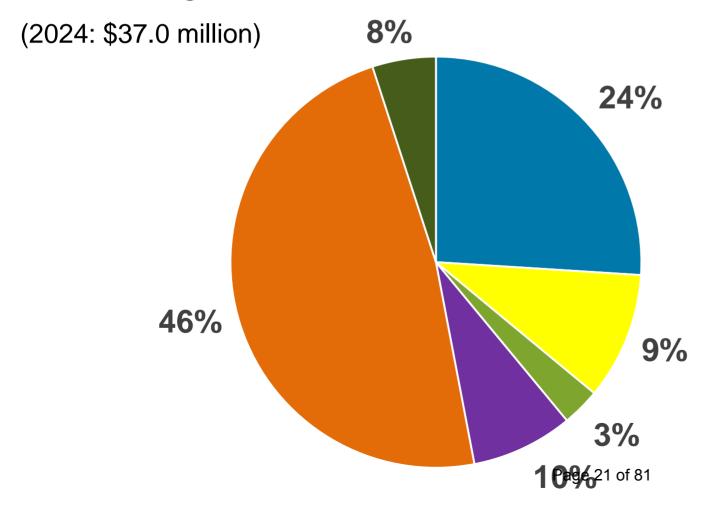
Special Projects (\$950,000)

- Category 2 \$870,000
 - > Rural Water Quality Grants
 - > Species at Risk
- Category 3 \$80,000
 - > Mill Creek
 - Brant/Brantford Water Festival



Revenue by Category

2025 Budget: \$38.0 million



- Category 1 Municipal Apportionment
- General Operating Expenses Municipal Apportionment
- Category 2 Municipal Apportionment
- Government Grants
- Self Generated
- Reserves

Municipal Funding Increases

Overall:

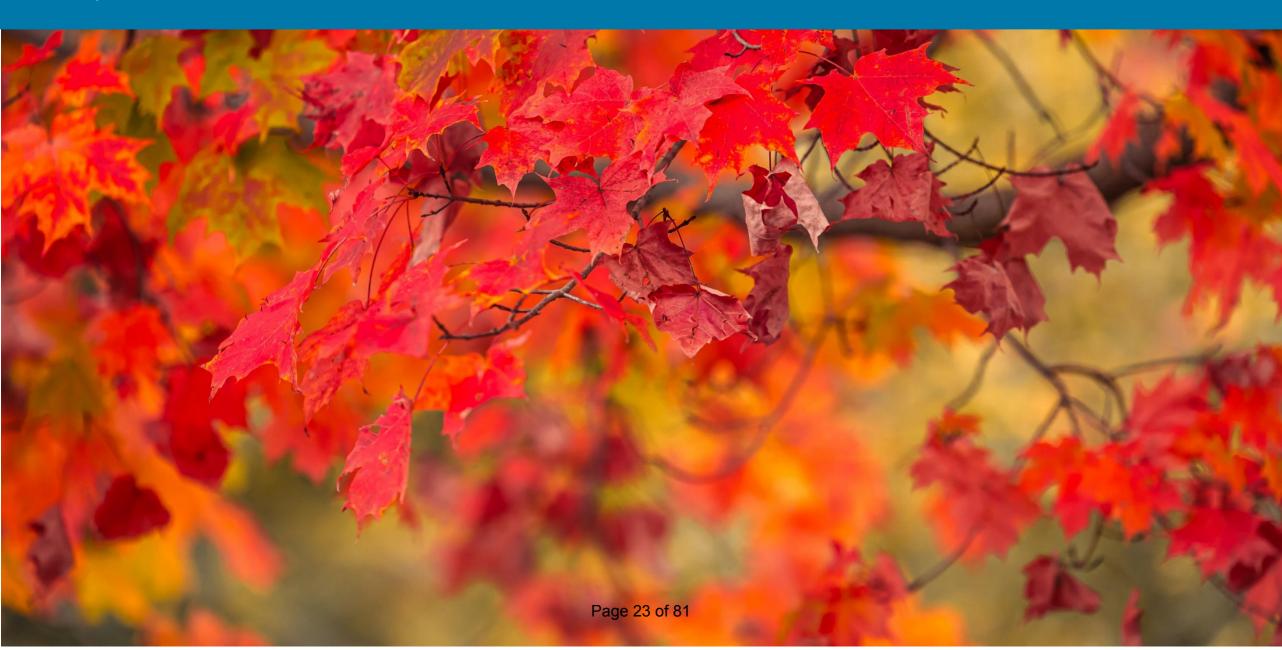
- 2023 3.5%
- 2024 2.5%
- 2025 3.5%

Region of Waterloo:

- 2025 **3.7%** increase = \$6,960,138 (municipal apportionment)
- 2024: \$6,710,728



Questions?





growing with care



Plan and Budget 2025

2025 Budget Committee Review Schedule

	Date	Draft agenda
√	Oct 16	2025 Plan and Budget Overview — Setting the Stage
√	Oct 30	Detailed budget review (Presentation of the 2025 Preliminary Budget Book)
✓	Nov 6	Detailed reviews continue: public input meeting #1
	Nov 7	Detailed reviews carry over (if required)
	Nov 20	Police Services Budget presentation
	Nov 27	Operating and Capital Program Review and Follow ups; public input meeting #2
	Dec 2	Deadline for submission of Councillor motions
	Dec 11	Final Budget Day



Purpose of This Plan and Budget Meeting

1. Intro to the day ahead

How the day is structured, budget status reminder, recap on the decisions made at last meeting

2. Focus Areas: Homes for All and Climate Aligned Growth Opportunities

- Focus area context
- Operating and capital highlights, including expansions
- User rates and fee highlights

3. Deliberation of service expansions

Recommendations for consideration as part of final budget day (related to Homes and Climate)



Strategic Plan 2023-2027





Homes for all

We will invest in affordable homes and economic opportunity for all that are part of inclusive and environmentally sustainable communities.

- · Move quickly to create affordable, accessible, and equitable housing
- · Eliminate chronic homelessness and reliance on traditional shelter models
- · Invest in upstream solutions to reduce housing and economic precarity
- · Unlock Region-owned land that supports community growth



Equitable services and opportunities

Through collaboration and innovative design, we will provide equitable, accessible services across Waterloo Region that support the social determinants of health, safety and complete communities as we grow.

- · Ensure services are inclusive, accessible, culturally safe and appropriate
- · Design equitable Regional services that meet local community needs
- Explore new models of service through community collaboration and partnerships

Climate aligned growth



· Use a climate adaptation lens to re-imagine infrastructure, land and services for growth

communities can thrive. Through intentional collaboration and

creativity, we will support sustainable community growth.

- · Foster car alternative options through complete streets and extended alternative transportation networks
- · Steward our natural environment and shared resources as we grow

Resilient and future ready organization



The Region of Waterloo is a great place to work, where everyone is valued, feels they belong and where they have the supports and tools they need to do a great job. We will be prepared for the future by providing a safe space for bold ideas and experimentation, based on data and other ways of knowing.

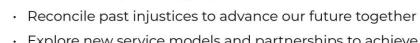
- · Foster an empowered, people-centred culture
- · Explore new service models and partnerships to achieve fiscal resilience and better service

Plan and Budget 2024





Region of Waterloo





Direction Provided by A&F Committee on June 4, 2024

- Regional Council direct staff to return with a budget that has less than an 8 per-cent tax rate increase, prioritizing potential funding reductions in areas that should be funded by higher levels of government
- Regional Council direct staff to compile a comprehensive review of funding provided by the Region to external organizations and conduct analysis on whether it matches a strategic priority area within the Region of Waterloo's Strategic Plan, Growing With Care
- Regional Council direct staff to conduct a priority ranking of funding provided by the Region to external parties under each of the Region of Waterloo's Strategic Plan, Growing With Care pillars; Homes for All, Climate Aligned Growth, Equitable Services and Opportunities, and a Resilient and Future Ready Organization
- That staff provide a review of all services currently baked into the base budget and provide information on what is legislatively mandated for the region to provide
- That staff also report back on areas of overlap between regional and area municipalities services
- Further, that Staff conduct a comprehensive review of the Region's administrative expenses, and what could be done differently operationally



Recap – Review Options for a Less Than 8% tax Increase

- Strategic assessment of community needs, service expectations/pressures and risks
- Exploration of three scenarios:
 - Base budget plus expansion opportunities 12%
 - Base budget at 9.3%
 - A less than 8% tax increase

Preliminary 2025 Tax Supported Operating Budget

Regional Property Tax Levy (excl. Police Services)		Current		
	\$M	% Levy	% Tax Impact	
2024 property tax levy	\$517.8			
2025 preliminary base budget property tax levy	\$575.9			
2025 preliminary base budget increase	\$58.1	11.2%	9.3%	
Proposed service expansions	\$14.0			
Preliminary 2025 Tax Levy change*	\$72.1	13.9%	12.0%	
Assessment growth assumption			1.75%	

June 4 report (COR-CFN-24-011) estimated the 2025 preliminary budget with an 14.8% levy increase and 12.8% tax impact assuming assessment growth of 1.75%

Decisions Made at Last Meeting

That the Strategic Planning and Budget Committee approve the following tax supported operating expansions as indicated in the 2025 Budget Book to move forward to final 2025 Plan and Budget deliberations on December 11:

- CWELCC Staffing resources (meeting accountability requirements for increased childcare program)
- Homemaking and Nursing Services Program (supporting vulnerable residents independence)
- Immigration Partnership Support Staff (building a thriving community)
- High Intensity Needs Personal Support Workers (supporting high need seniors and reducing OT costs)
- Health Inspectors and Information Assistants (meeting regulatory requirements)
- 2025 PSV Master Plan Expansion (to meet increasing 911 call demands)
- Paramedic Services Relief Levels (reduce OT costs and better meet service targets)
- Automated Speed Enforcement (keeping residents safe on the roads)

Deferred for further discussion:

 Resilient and Future Ready Expansions & Accessibility/REDI Advisor (meet growing accessibility needs of residents), Additional P/T Library Hours (increasing access)



Next Steps

Deferred items and answers to queries raised during the October 30th Plan and Budget Committee meeting will be brought back for discussion on November 27th.













Homes for All What we want to achieve

We will invest in affordable homes and economic opportunity for all that are part of inclusive and environmentally sustainable communities.







Homes for All

Our Context

Poverty Increasing

45,000 WR residents living below the poverty line. Across Canada, poverty rates increased from 7.4% in 2021 to **10.3%** in 2023.

Housing Currently Unaffordable

42,715 households spending more than 30% of income on housing in 2021. However, interest rates are declining.

Building 2,500 affordable homes across Waterloo Region

We have increased the number of affordable homes the Region develops to 500 homes a year — 10 times the amount developed prior to the pandemic.

Finding Work a Challenge for Those Most in Need

49% of newcomers say finding work a significant challenge. Unemployment rate for people 15-24 high at **18.6%**.

Homelessness Growing

Since 2020, chronic homelessness is increasing at an average growth rate of **28%** year over year.

Regional Services Supporting Core Needs

Waterloo Region serving 17,591 beneficiaries of the Ontario Works program.





Our Focus in 2025

Growing Affordable Housing

Continue to meet targets to grow and incentivize affordable housing across the region



Expanding Housing Services

Expand services and supports offered through the Region's housing services



Ending Chronic Homelessness

Collaborate with community on ending chronic homelessness



Innovating Employment Services

Expand innovative and equitable approaches to employment services



Generating Economic Growth

Generate economic growth in the community through the Region of Waterloo Airport



Using Region-Owned Land

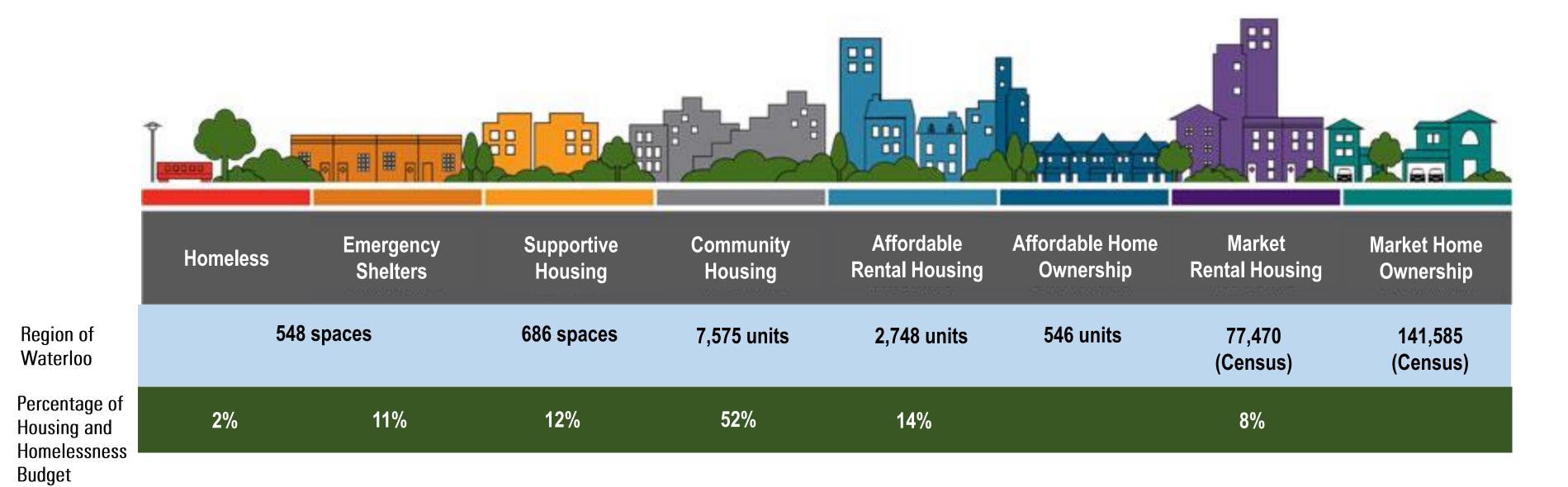
Increase the supply of Region-owned land to support the growth of affordable housing and employment







Building a Better Future for all Across the Housing Continuum







2025-2034 Capital Investment Overview Strategic Priority: Homes of All

Service: Roads Growth / 10 year total: \$471.5M

Underway or Starting in 2025

- Maple Grove Road Phase 1 (\$12.9M in 2025) (\$67.7M total)
- River Road Phase 1 (\$21.5M in 2025-2027) (67.4M total)
- Fountain Street N Maple Grove to Kossuth (\$30.0M)
- Fischer-Hallman Rd, Plains Rd to 500M S of Bleams Rd (\$10.6M)
- Fischer-Hallman Road / Bearinger Rd., Columbia St W. to Westmount Rd. N. (\$8.9M)

Future

- McQueen Shaver (\$38.2M)
- East Boundary Rd, Dundas St to Wesley Blvd (\$26.4M)
- Trussler Road, Bleams Rd. to Yellow Birch Dr. (\$22.5M)
- Franklin Blvd, 200M N of Avenue Rd to 325M S of Bishop St (\$21.6 M)
- Bleams Rd, Strasburg Rd to Fischer-Hallman Rd (\$19.8M)
- Erbsville Road Erb Street to Columbia Street (\$18.8M)
- University Avenue Ira Needles Boulevard to Fischer Hallman Road (\$14.2M)
- Eagle St, Speedsville Rd to Hespeler Rd (\$12M)





2025-2034 Capital Investment Overview Strategic Priority: Homes of All

Service: Roads Growth Continued / 10 year total: \$471.5M

Notable changes include:

Increases are a result of inflation in both construction costs and land values, construction material supply chain issues, and changes in soils legislation

Increases 2025-2029

- Maple Grove Road +\$20.8 M
- East Boundary Road Dundas to Wesley +\$14.6M
- McQueen Shaver Boulevard \$12.8M
- Fountain Street N Maple Grove to Kossuth +\$14.3M

Decreases 2025-2029

• Fischer-Hallman Road/Bearinger Road \$6.1M





2025-2034 Capital Investment Overview Strategic Priority: Homes for All

Service: Housing Services / 10 year total: \$811.7M

Underway

- 73 WRH units in Waterloo nearing completion at Kingscourt Drive in Waterloo (Total costs \$35.7M)
- 48 WRH units in Kitchener for Wilson Ave; to reach completion in late 2025 (Total cost \$32.8M)
- 136 WRH units in Cambridge for Langs to reach completion in 2027 (Total cost \$65.28M)
- State-of-good-repair (renewal) work for Waterloo Region Housing stock (\$16.7M) and Homelessness Properties (\$1.4M)

Starting in 2025

 WRH Master Plan: Mooregate approaching tender for construction

Future

- 626 WRH units at three locations 2026 to 2031
- Project costs estimate: \$476.9M
- State-of-good-repair (renewal) work for Waterloo Region Housing stock (\$212.3M,10-year capital plan) and Homelessness Properties (\$14.1M, 10year capital plan)

Note that project costs indicated above are total project costs including any life to date expenditure to provide total project scope.

Notable changes include:

Increases in the Homelessness Capital Program due to the acquisition of 84 Frederick

WRH Master Plan adjusted to reflect capital costs for projects nearing completion.

Updated Building assessments for WRH and cost estimates adjusted to reflect required work to maintain units





Waterloo Region Housing Master Plan Reflected in the 2025-2034 Capital Program (\$ Millions)

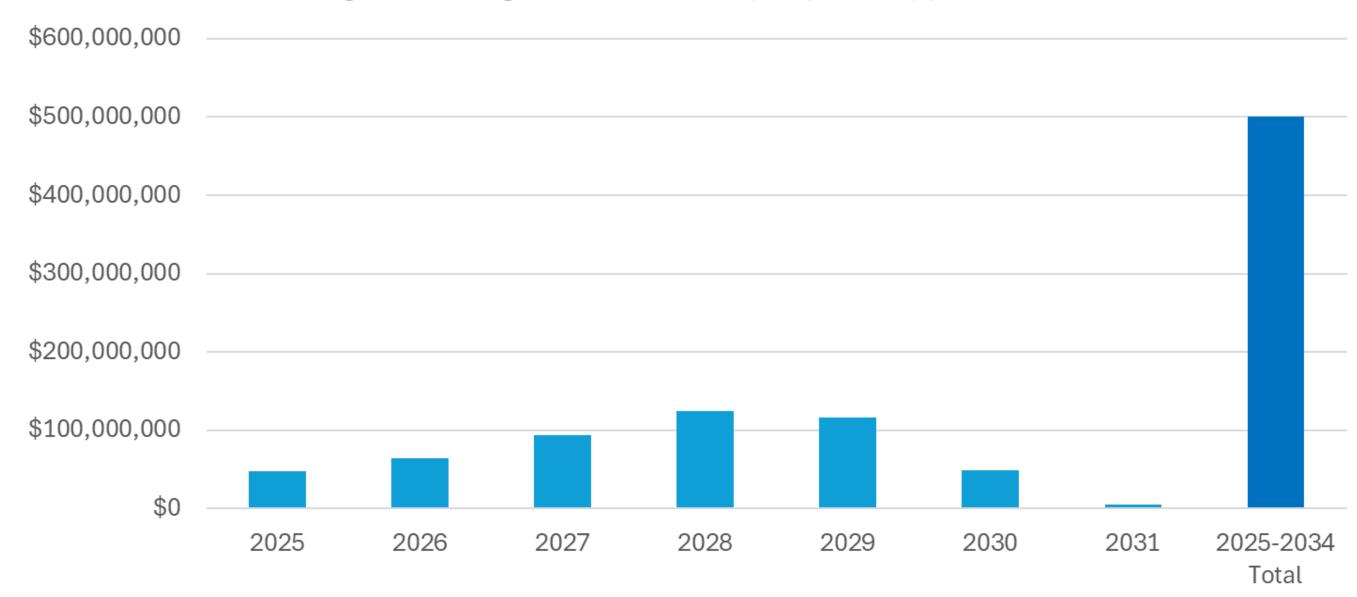
Waterloo Region Housing Master Plan Project	Units added	Total Units	Construction period	Total Expenditure	Debt Required
Kingscourt, Waterloo	73	73	2023-2025	\$7.73	\$4.80
82 Wilson, Kitchener	32	48	2023-2025	\$18.93	\$18.93
Langs, Cambridge	98	136	2024-2027	\$65.28	\$65.28
Mooregate, Kitchener	323	378	2026-2030	\$246.36	\$246.36
Shelley/Courtland, Kitchener	122	192	2027-2031	\$139.45	\$139.45
140 Weber, Kitchener	21	56	2029-2031	\$25.79	\$25.79
Subtotal	669	883		\$503.54	\$500.60





Waterloo Region Housing Master Plan – Debenture Requirements (\$501M)

Waterloo Region Housing Master Plan - Property Tax Supported Debentures

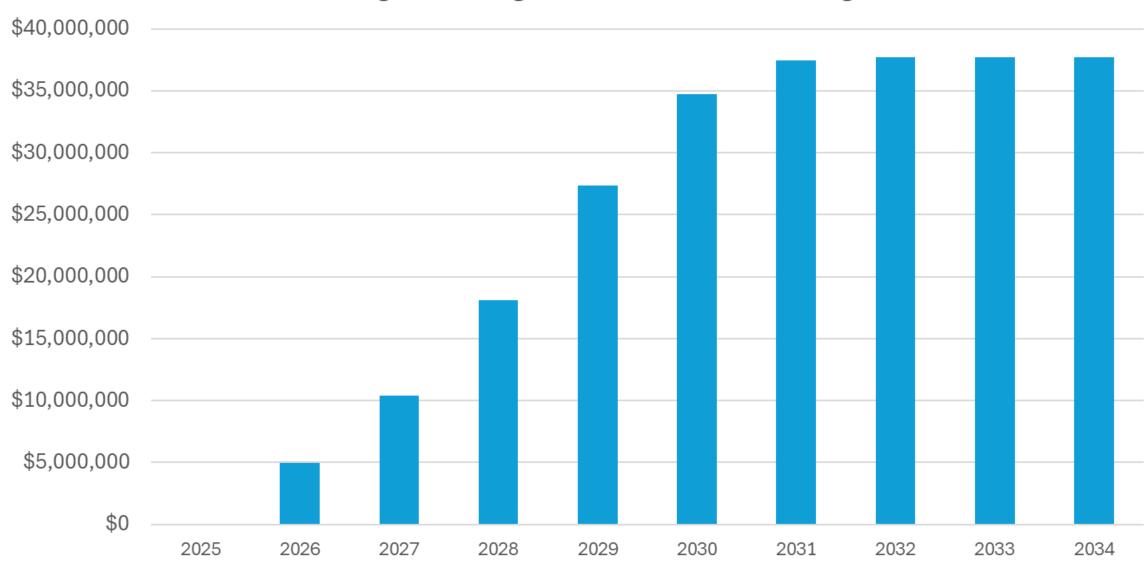






Waterloo Region Housing Master Plan - Future Operating Budget Impacts: Debt Servicing Costs

Waterloo Region Housing Master Plan - Debt Servicing Costs



Note: Assumes 20 year debentures.





Waterloo Region Housing Master Plan - Future Operating Budget Impacts: Debt Servicing Costs Continued

Year	Total Debt Servicing Costs (\$ millions)	Incremental Debt Servicing Costs (\$ millions)	Incremental Property Tax Impact*
2026	\$5.0	\$5.0	0.9%
2027	\$10.4	\$5.4	1.0%
2028	\$18.1	\$7.7	1.5%
2029	\$27.4	\$9.2	1.8%
2030	\$34.7	\$7.3	1.4%
2031	\$37.4	\$2.7	0.5%
2032	\$37.7	\$0.3	0.1%
2033	\$37.7	-	0.0%
2034	\$37.7	-	0.0%

Notes:

Assumes 20 year debentures.

^{*} A 1% change in the regional portion of the tax bill (excluding Police) in 2025 equates to \$5.3 million.





2025-2034 Capital Investment Overview Strategic Priority Area: Homes for All

Service: Airport Services / 10 year total: \$335.9M

Underway

- 2 Firetrucks on order to be received in 2025 (\$3.2M)- ACAP Funded
- Stormwater and Power upgrades to be completed in 2025 (1.2M)
- Terminal renovation for non-passenger screening to be completed by Q1 2025 (250k)
- Update the Airport Zoning Regulation (180K)
- Airport Masterplan to be completed in 2025

Starting in 2025

- Environmental and Sustainability Studies (\$3.5M) 2025-2029
- Airport Vehicle Replacement (\$1.8M)
- Airport Operations Centre Expansion (\$15.6M) 2025-2026
- Construct Northwest Value Parking Lot Expansion (\$2.7M) 2025-2026
- Reconfigure Terminal Building Groundside (\$2.0M)

Future

- Construct Airport Terminal Expansion Phase 2 (\$45M)
- Construct Runway 14-32 Extension and Rehabilitation (\$67M)
- Construct Runway 08-26 Extension and Rehabilitation (\$37M)
- Various Pavement Rehabilitation (\$15.8M)
- Construct Remainder of Value Parking Expansion (\$5.4M)
- Acquire and service lands for development (\$50.9M)

Notable Changes include:

Reduced scope of future Terminal expansion (\$195M)





2025-2034 Capital Investment Overview Strategic Priority Area: Homes for All

Service: Tax Increment Grants (TIG) / 10 year total: \$32.6M

2025

- \$0.7M for 83 Elmsdale Drive condominiums (254 units)
- \$1.3M for 1011 Homer Watson Blvd industrial condos/developments
- 11sites receiving approximately \$2.4M in tax increment grants in 2025

Future

- \$4.1M for 83 Elmsdale Drive condominiums (254 units)
- \$4.0M for 1011 Homer Watson Blvd industrial condos/developments
- 9 year forecast includes \$20.1M in additional tax increment grants

Notable Changes include:

New TIG approved for 217 Hespeler Road for \$1.3M in 2024





Balancing Affordability, Equity and Growth

User Fees and Charges

Children's Services

To support the transition to \$10per day average fees by the end of 2025-2026, families with children aged 0-5 in the licensed Home Child Care program would see childcare base fees capped at \$22 per day

The reduced fees are legislatively required and fully supported through provincial Canada-wide Early Learning and Child Care funding with no required municipal cost-share

Minor changes to fees and charges proposed for:
Senior's Services, Supportive
Housing, Regional Growth
Development and Sustainability

Airport

Proposed fee changes include increases to; automobile parking, landing fees, apron parking, snow removal

New fees include lost/stolen parking pass, urea applications, heavy equipment service fees





Development of affordable homes with 2,350 affordable homes in development as part of Building Better Futures.

Community, transitional, and supportive housing to people who need it most.

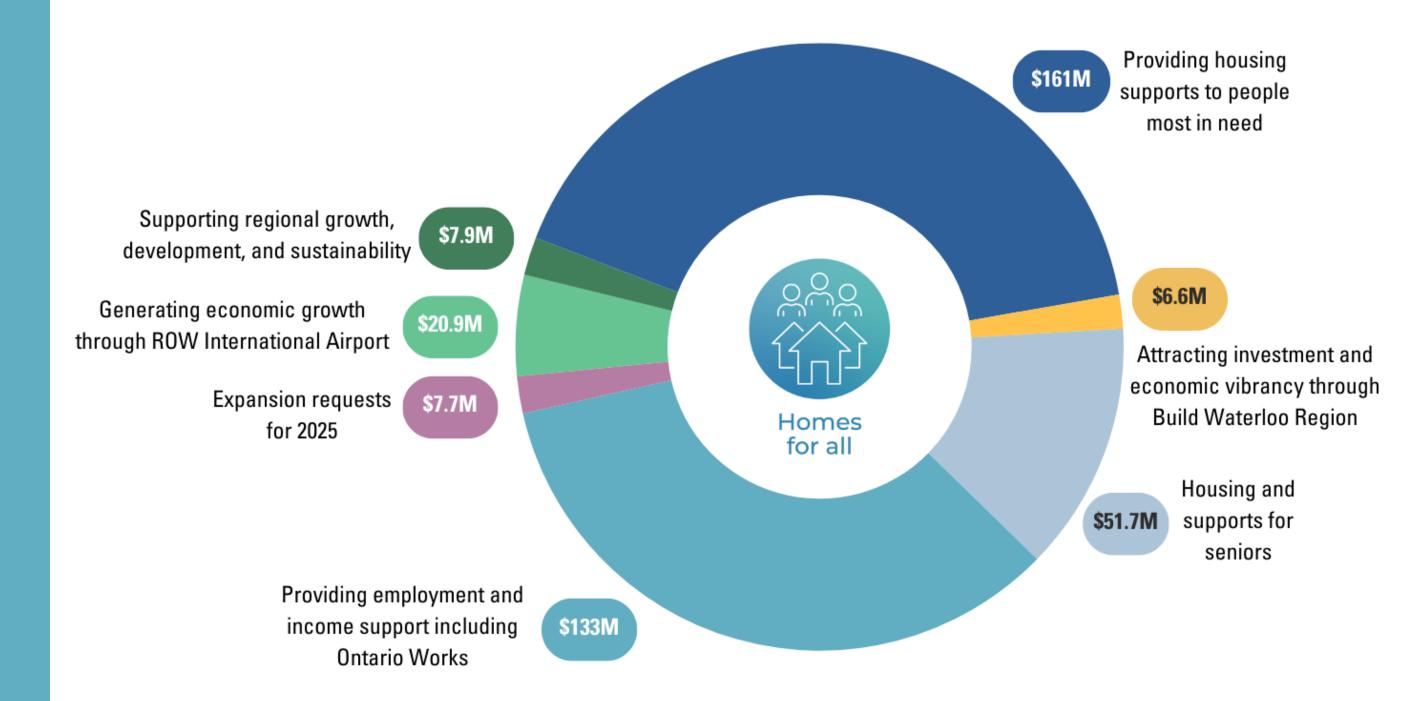
Supporting a thriving local economy through the YKF International Airport.

Providing innovative and equitable employment services and supports.

Working alongside community to end chronic homelessness.

Providing supports to seniors, newcomers, and individuals and families in core need.

2025 Homes for All Service Investments



^{*}This chart is not exhaustive. It illustrates highlighted investments in this priority area.

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The Need for Expansions

Increasing tenant safety, reducing risks and longer-term costs

Reduce the devastating human and systems costs of homelessness

Upstream efforts to reduce economic and housing precarity

Improved co-ordination of Regional infrastructure to speed up development process







Homes for All Potential Expansions

Expansions		FTEs	2025 property Tax levy impact	Annualized property tax levy impact	Revenue Sources/ Funding from other levels of Government
a. Proving vital supports to households at risk of losing the Housing staff resources	neir tenancies by investing in 3 Affordable	3	252,573	394,432	Levy funded
a. Improve WHR insurability, reduce risks and longer-terr premiums through investment in increased risk manag	<u> </u>	2	177,902	237,203	Levy funded
c. Implement prioritized and measured investments to ro Homelessness, including investing in rent supplement Indigenous focused housing (amongst other opportunit	s, rental assistance, sector stabilization and	_	6,685,000	6,685,000	Levy funded
d. Transition the Employment Pilot to a non-levy program funding for nine months to maintain vital service helpi employment	, ,	5	222,378	-	50% Tax Stabilization Reserve / 50% levy funded
e. Create efficiencies and achieve faster approvals in the coordination and protection of Regional Infrastructure	·	1	-	, -	Offset by new program revenue
	Totals	11	7,337,852	7,316,635	





Recommendations

That the Strategic Planning and Budget Committee approve the following tax supported operating expansions to move forward to final 2025 Plan and Budget deliberations on December 11:

- a. 3 Affordable Housing Resources (supports for households at risk of losing their tenancies)
- b. 2 staff resources to Improve WRH insurability (reduce risks and longer-term costs)
- c. Plan to End Chronic Homelessness (prioritized and measured implementation investments)
- d. Employment Program Pilot Temporary Transition Funding (transition to non-tax-levy supported program)
- e. Senior Engineer (coordination of Regional Infrastructure and achieve faster approvals)











Climate Aligned Growth

What we want to achieve

As we grow, we will support a healthy environment where communities can thrive. Through intentional collaboration and creativity, we will support sustainable community growth.







Climate Aligned Growth

Our Context

Climate Warming

Average global surface temperature exceeded 1.5 degree Celsius above preindustrial levels for a 12-month period between 2023 and 2024.

Cost of Inaction

Changing climate hazards will add \$4.1 billion per year to maintaining Ontario's existing public infrastructure if no action taken.

Transit Ridership Increasing

GRT ridership forecasted to exceed **29** million boardings in 2024. **4,500** tonnes of transportation-related community emissions prevented through GRT ridership.

Emission Reductions Falling Short

2022 community GHG emissions were a 12% reduction below 2010 levels — a reduction of 525,700 tonnes CO2e.

Transportation Plays a Role

Transportation emissions remain our highest emitting sector, at approximately 1.87 million tonnes CO2e or 47.2% of total emissions.

Finding Efficiencies

64% of waste generated by residents is diverted from the landfill, one of the highest rates in the province. **6,000** homes powered through landfill gas.





Our Focus in 2025

Sustainable Energy

Increase the Region's use of sustainable energy sources and energy conservation practices to reduce greenhouse gas emissions.



Climate Resiliency of Assets

Improve the climate resiliency of the Region's assets and infrastructure through adaptation and mitigation strategies.



Waste Diversion

Explore innovative waste diversion and circular economy programs.



Sustainable Transportation Networks

Expand active and public transportation networks to support sustainable transit choices within the region.



Advance Public Transportation

Make public transportation practical and easy by advancing ION rapid transit, Kitchener Central Transit Hub, and more.



Meeting Water and Wastewater Needs

Invest in programs and infrastructure to support the community's growing water and wastewater needs.







2025-2034 Capital Investment Overview Strategic Priority: Climate Aligned Growth Service: Transit (Bus) / 10 year total: \$640M

Underway

- Replacement of diesel buses with hybrids (2024-2025 \$58M)
- Electric bus pilot (2024-2025 \$11M)
- Pedestrian bridge over highway 7/8 (2024 \$7M)

Starting in 2025

- Vehicle replacements MobilityPLUS (2025 \$2.2M)
- Conestoga College (2025-2026 \$11.7M)
- Cambridge Garage (2025 \$250k, 2026-2028 \$10M)

Future

- Vehicle replacements conventional (2026-2034 \$289M)
- Growth-related expansion of fleet (2026-2034 \$136M)
- Bus electrification infrastructure (2025-2034 \$19M)





2025-2034 Capital Investment Overview Strategic Priority: Climate Aligned Growth Service: Rapid Transit / 10 year total: \$1.4B

Starting in 2025

- Business cases for Stage 2 LRT (2025-2034 \$5.1M)
- Rolling stock LRT future vehicles (2026-2028, \$220M)

Future

- Design/studies for Stage 2 (2026-2031 \$60M)
- Stage 2 property costs (2025-2034 \$198M)
- Stage 2 Construction (2032-2033 \$888M), more costs will be incurred beyond 2033.





2025-2034 Capital Investment Overview Strategic Priority Area: Climate Aligned Growth Service: Water Supply / 10 year total: \$780M

Underway

- William St. Water Supply Upgrades (2021-2025 \$12M)
- Concrete reservoir renewal (2022-2028 \$15M)
- Water Supply Strategy for long term community water needs (2022-2027 \$1.7M)

Starting in 2025

- Mannheim Water Treatment Plant optimization and upgrades (2025-2034 \$155M) more costs will be incurred beyond 2034
- Pressure Zone Upgrades to Region's transmission network (2025-2034 \$52M)

Future

- Greenbrook Water Treatment Plant upgrades (2027-2033 \$41M)
- Maple Grove Area Water Supply System (2026-2030 \$16M)
- Middleton Water Treatment Plant upgrades (2026-2030 \$34M)

Notable changes include:

Mannheim Water Treatment Plant Optimization (+\$45.4M) due to significant upgrades to facilitate growth Pumping and Storage Facilities System Expansion (+\$18.1M) due to new storage systems proposed

Source Protection Assessment (+\$3.7M) to investigate new groundwater sources





2025-2034 Capital Investment Overview Strategic Priority Area: Climate Aligned Growth

Service: Wastewater Treatment / 10 year total: \$581M

Underway

- Waterloo and Kitchener WWTP Infrastructure Upgrades (2019-2034 \$61M)
- Cambridge WWTP Infrastructure Upgrades (2020-2033 \$49M)
- Rural Infrastructure Upgrades (2019-2033 \$37.8M)
- St. Jacob's WWTP Upgrades (2024-2027 \$3.1M)
- SCADA System Upgrades (2019-2033 \$43M)

Starting in 2025

- East Side Lands Sanitary Servicing (2025-2031 \$66M)
- Construction of new Pump Stations for renewal, growth and climate change (Spring Valley 2025-2028 \$25M, Baden 2026-2029 \$16M)
- WW Treatment Master Plan (2025-2028 \$1.4M)

Future

- Manitou Biosolids Upgrades (2026-2029 \$13.8M)
- Elmira WWTP Upgrades (2026-2032 \$44.8M)
- St. Jacob's WWTP Expansion (2028-2030 \$7.1M)
- Wellesley WWTP Expansion (2028-2031 \$12.2M)

Notable changes include:

WWTP Infrastructure Upgrades (+\$5.8M) due to updated cost estimates as design progresses

SCADA System Upgrades (+\$4.2M) due to updated project costs

East Side Lands Servicing (+\$24.0M) due to updated material cost estimates as design progresses





2025-2034 Capital Investment Overview Focus Area: Climate Aligned Growth

Service: Waste Management / 10 year total: \$334.9M

Underway

- Waterloo cell SE5A&B construction (2025 \$6.1M)
- Waterloo transfer station upgrade design (2025-2026) \$8.8M)
- Vehicle & heavy equipment replacement (2025-2034 \$33.5M)

Starting in 2025

- Waterloo excess soils management area construction (2025 \$3.0M)
- Environmental controls (2025-2034 \$30M)

Future

- Waterloo future cell design and construction (2026-2034 \$28M)
- Waterloo transfer station upgrade construction (2026-2034 \$152.6M)
- Cambridge transfer station upgrade (2026-2034 \$4.5M)





Balancing Affordability and Growth

User Fees and Charges- Transit Services

Transit Services

2.7%

avg. fare increase

\$4.00

Adult monthly pass increase

\$2.00

ATP monthly pass increase

\$13.00

College pass increase

\$3.40

TravelWise monthly pass increase

\$0.25

cash fare increase

\$6.80

Summer pass increase

5%

U-pass increase

\$1.00

EasyGo fare card decrease

Monthly Passes, College Pass, Summer Pass

- To better align with the value provided;
 - \$100 Unlimited Monthly pass is equivalent to 33 trips
- GRT Monthly Pass is lowest cost compared to "like agencies";
 - Hamilton \$124, London \$112, Brampton \$141

Cash Fare + EasyGO Fare Card

- EasyGO is a better price for GRT customers than cash
- The card will now be cheaper, minimum load is \$0.05, and there are more vending machines across the Region

U-Pass Increase

Contractual increase as per U-Pass Contracts





Balancing Affordability and Growth

User Fees and Charges- Waste Management

Waste Management

\$1.00

\$2.00

Recycling tipping fee increase

General/refuse Garbage fee increase

\$4.00

\$385

Special handling load rate increase

Asbestos fee rising from \$350/tonne to \$385/tonne

Approach

Fee structure revised annually based on jurisdictional scans, market conditions and inflationary factors

Revenues help offset waste disposal and diversion capital and operating costs





Proposed Water and Wastewater Volumetric Rate Change

	2024 approved user rate increase	2024 Rate Model - projected 2025 user rate increase	2025 Rate Model — current 2025 user rate increase (change)
Water supply	3.9%	4.9%	4.9% (0.0%)
Wastewater treatment	4.9%	5.9%	5.9% (0.0%)
Water distribution	2.9%	3.9%	3.9% (0.0%)
Wastewater collection	2.9%	4.9%	3.9% (-1.0%)

The water distribution and wastewater collection monthly fixed rates are proposed to increase by \$1.00 as of January 1, 2025.





Retail Water Distribution & Wastewater Collection Average Annual Household Impact

Water Distribution				Household Impact			
	2024	2025	Increase	2024	2025	Increase	
Usage Rate (per m3)	\$3.38	\$3.51	\$0.13	\$615.16	\$638.82	\$23.66	
Monthly Charge	\$11.00	\$12.00	\$1.00	\$132.00	\$144.00	\$12.00	
				\$747.16	\$782.82	\$35.66	

Wastewater Collection				Household Impact			
	2024	2025	Increase	2024	2025	Increase	
Usage Rate (per m3)	\$2.53	\$2.63	\$0.10	\$460.46	\$478.66	\$18.20	
Monthly Charge	\$10.00	\$11.00	\$1.00	\$120.00	\$132.00	\$12.00	
				\$580.46 \$610.66		\$30.20	

- Annual average consumption is approximately 182 m3
- It should be noted that the purchase of wholesale water supply and wastewater treatment is included in water distribution and wastewater collection operating budgets and is included in the impacts noted in the table





Implementing over 210 conservation projects saving \$2.2 million in utility costs and 3,700 tonnes of GHG emissions.

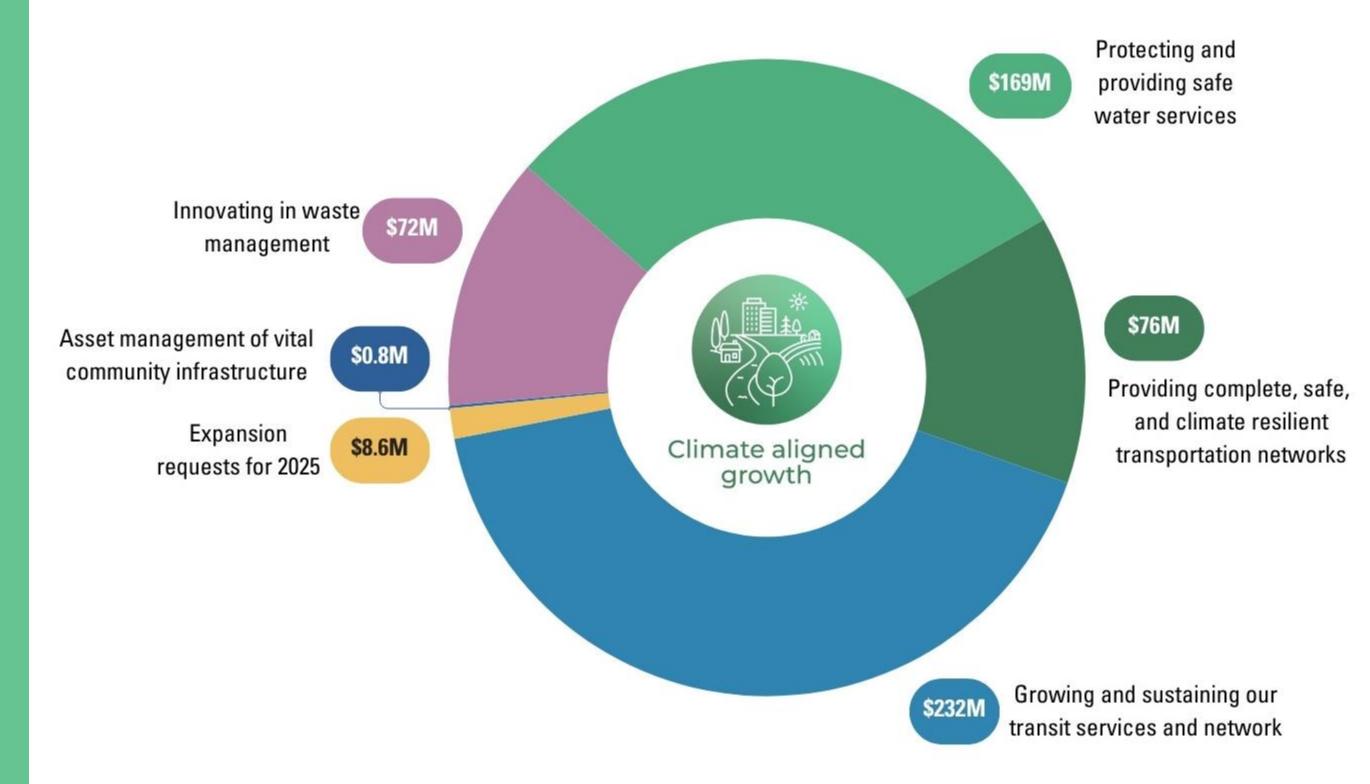
Relying on sustainable energy sources such as EV buses, solar panels, and generating energy from the Waterloo landfill.

Increasing GRT service levels and expanding active and public transportation networks.

Protecting and sustaining our natural resources including our water sources.

Managing assets to meet growing community needs and adapt to climate change.

2025 Climate Aligned Growth Service Investments



^{*}This chart is not exhaustive. It illustrates highlight investments in this priority area.

The Need for Expansions

Responding to increasing transit ridership demand

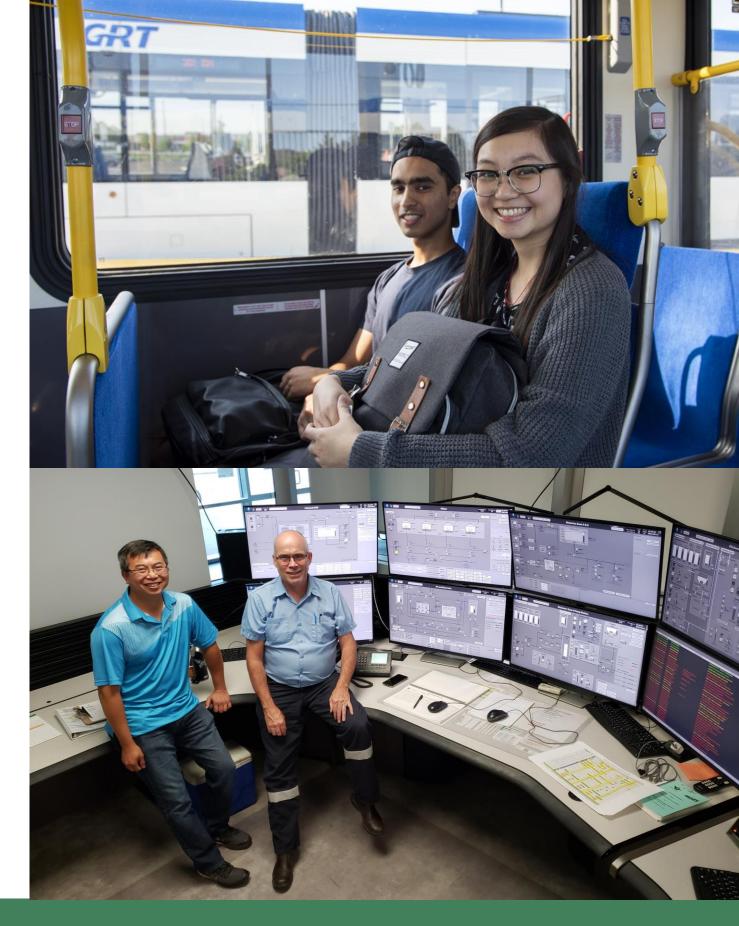
Enhancing mobility and connectivity for residents

Protecting our critical assets and improving resiliency

Modernizing waste management services

Advancing climate initiatives

Ensuring the continuity, security, and health of our water sources







Climate Aligned Growth Potential Tax Supported Investments

Climate Aligned Growth Investments	FTEs	2025 property Tax levy impact	Annualized property tax levy impact	Revenue Sources/ Funding from other levels of Government
a. Responding to growth in ridership and reducing overloads across the system through core network improvements	16	648,000	1,908,000	Transit Fare Revenue & Levy Funding
b. Responding to ridership demands, ensuring effective customer service and maintaining public trust in transit reliability through operational adjustments	15	599,000	1,762,000	Transit Fare Revenue & Levy Funding
c. Meeting growing MobilityPLUS demand, including late night service	2	135,000	397,000	Transit Fare Revenue & Levy Funding
d. Ensuring on-going safety/compliance of vehicles/licenses and maintaining Customer Service support to customers through essential GRT support staff	24.34	2,413,600	3,203,400	Levy Funded
e. Enhancing mobility and connectivity for residents by investing in Transportation network improvement resources (Traffic Systems Management Analysts)	3	335,000	383,000	Levy Funded
f. Meeting the escalating maintenance responsibilities within Regional right-of-ways through the addition of four student positions (Roads Maintainer Students)	1.3	20,000	20,000	Levy Funded
g. Improving communications with residents on critical Transportation projects (Communications Specialist)	1	76,000	110,000	Levy Funded
h. Responding to increasing numbers of Municipal Consent and Work Permit applications (Engineering Technologist)	1	80,000	126,000	Levy Funded





Climate Aligned Growth Investments- Continued	FTEs	2025 property Tax levy impact	Annualized property tax levy impact	Revenue Sources/ Funding from other levels of Government
 Supporting climate related grant applications for new revenue sources and data analysis orders (Student resources) 	2	-	-	Recovered from capital
j. Modernizing waste management services and successfully implementing the approved automated cart collection program (Temporary resources)	18	-		One time revenue related to Blue Box transition and loading service provided to third party (2025) / Waste Management Reserve (2026-2027)
k. Delivering Water, Wastewater, and Waste Management Capital programs (Project Managers)	2	-	-	Recovered from capital
I. Advancing Council-endorsed climate strategies, including TransformWR and the Community Climate Adaptation Plan (Climate and Sustainibility Program Manager)	1	127,000	148,000	Levy Funded
Totals	86.64	\$4,433,600	\$8,057,400	





Climate Aligned Growth Potential User Rate Supported Investments

Climate Aligned Growth Investments Water & Wastewater	FTEs	2025 user rates impact	Annualized u ser rates impact	Revenue Sources/ Funding from other levels of Government
a. Meeting increasing demands of SCADA project requirements and will support over \$30M in capital upgrades over ten years (SCADA Specialist)	1	129,000	151,000	User Rates
b. Sustaining our ability to meet changes in regulatory requirements, support population growth and keep pace with expansions of water supply, water distribution and storm and sanitary sewer systems (Multi-year expansion and renovation)	1	106,000	104,000	User Rates
c. Meeting increases in sampling activities while providing development opportunities for regional employees of the future	1	53,000	53,000	User Rates
d. Maximizing the sustainable use of the Region's local water resources for municipal water supply (Project Hydrogeologist)	1	129,000	151,000	User Rates
e. Improving critical support to the Operations team to help keep pace with community growth (Project Hydrogeologist)	1	129,000	151,000	User Rates
f. Ensuring compliance with the Clean Water Act for implementation of the Grand River Source Protection Plan	1	51,000	51,000	User Rates
g. Maximizing water conservation and efficiency by providing education to residents (Water Program Coordinator)	1	95,000	110,000	User Rates
h. Prioritizing asset management and minimizing the risk of unplanned service disruptions and costly emergency work (Infrastructure Program Analyst)	1	106,000	125,000	User Rates





Climate Aligned Growth Investments Water & Wastewater-Continued	FTEs	2025 user rates impact	Annualized user rates impact	Revenue Sources/ Funding from other levels of Government
i. Advancing critical infrastructure inspections and renewal work, facility upgrades, and wastewater treatment plant infrastructure upgrades (Infrastructure Management Project Coordinator)	1	112,000	131,000	User Rates
j. Ensuring staffing levels can adequately operate and maintain our growing water supply infrastructure (Specialists: Process Operations, Systems, Maintenance)	3	240,000	438,000	User Rates
k. Reinstatement of Water Operations Summer students to assist with water quality sampling, minor operational tasks and process monitoring	1.65	34,000	59,000	User Rates
I. Supporting Water and Wastewater resiliency by addressing emerging issues and assessing our infrastructure (Senior Engineer)	1	152,000	177,000	User Rates
m. Advancing the Region's Water Supply Strategy Update through environmental assessments and feasibility studies (Senior Engineer)	1	152,000	177,000	User Rates
n. Water and Wastewater support to help review applications and reports and help assess the technical capacity of water and wastewater infrastructure	1	56,000	54,000	User Rates
o. Addressing water loss measurements and studies, and conducting field work in support of leak detection	1	56,000	54,000	User Rates
p. Cyber security and technology to ensure the safety of our water and wastewater system (Resilient and Future Ready Priority Area)	1	139,000	162,000	User Rates
Totals	18.65	\$1,739,000	\$2,148,000	





Recommendations

That the Strategic Planning and Budget Committee approve the following tax supported operating expansions to move forward to final 2025 Plan and Budget deliberations on December 11:

- a. Core Network Improvements 16 FTEs (Respond to growth and reduce system overloads)
- b. Operational Adjustment's and 15 FTEs (Effective customer service and transit reliability)
- c. MobilityPLUS Capacity and 2FTEs (Respond to growing demand including late night service)
- d. GRT support staff 24.34 FTEs (Safety/compliance of vehicles/licenses and customer service)
- e. Network Improvement Resources 3 FTEs (Traffic efficiency, mobility and connectivity)
- f. Summer Maintenance Student Positions 1.3 FTEs (Escalating maintenance responsibilities)
- g. One Transportation Communications & Resident Feedback Specialist (Improved communications and engagement)
- One Engineering Technologist for Corridor Management (Supporting Growth, increasing numbers of Municipal Consent and Work Permit applications)
- i. One energy student and one facilities management student (workorders, grant applications for new revenue and data analysis)
- j. Invest in 18 temporary positions to implement the approved automated cart collection program (modernized waste collection service)
- k. Deliver Water, Wastewater, and Waste Management Capital programs through 2 FTEs
- I. Increased capacity to further Sustainability Plans 1 FTE (meet community climate goals)





Recommendations Continued

That the Strategic Planning and Budget Committee approve the following user rate supported operating expansions to move forward to final 2025 Plan and Budget deliberations on December 11:

- a. One Scada Specialist (support over \$30M in capital upgrades over ten years)
- b. Multi-Year Expansion and Renovation 1 FTE (meet changes in regulatory requirements, keep pace with expansions of water supply, water distribution and storm and sanitary sewer systems)
- c. Water and Wastewater Student Resource (increase in sampling activities, increase recruitment pipeline)
- d. Project Hydrolgeologist (Maximize the sustainable use of local water resources)
- e. Project Hydrolgeologist (Improve critical support to the Operations team for community growth)
- f. Student Resource (Maintain compliance with the Clean Water Act)
- g. Water Program Coordinator (Maximize water conservation and efficiency)
- h. Infrastructure Program Analyst (Minimizing risk of unplanned service disruptions and costly emergency work)
- i. Infrastructure Management Project Coordinator (Supporting critical infrastructure inspections and renewal work)
- j. Three Specialists: Process Operations, Systems, Maintenance (Operate and maintain growing water supply infrastructure)
- k. Water Operations Summer Students 1.65 FTEs (assist with water quality sampling and minor operational tasks)
- I. Senior Engineer (Water and Wastewater resiliency addressing emerging issues and assessing infrastructure)
- m. Senior Engineer (Advance the Region's Water Supply Strategy Update)
- n. Student Resource 1 FTE (review applications and reports, increase capacity)
- o. Student Resource 1 FTE (to assist with water loss measurements and studies, support of leak detection)
- p. Cyber Security Analyst 1 FTE (safety of our water and wastewater system (Resilient and Future Ready Priority Area))







Preview of Next Meeting

November 20 at 1 p.m. Police Budget Review

Report: CAO--24-007

Region of Waterloo

Chief Administrative Officer

CAO

To: Strategic Planning and Budget Committee

Meeting Date: November 6, 2024

Report Title: Review of Preliminary 2025 Budget

1. Recommendation

For information

2. Purpose / Issue:

To provide the Strategic Planning and Budget Committee with information on the preliminary 2025 budget and proposed service level changes.

Council may pass recommendations to move forward any expansion requests at any time during the budget review process to final budget deliberations and decisions on December 11, 2024.

3. Strategic Plan:

This report supports the Resilient and Future Ready strategic priority to ensure fiscal accountability and transparency in service delivery as we work toward achieving our goals within the Growing with Care priorities of Homes for All, Climate Aligned Growth, Equitable Services and Opportunities, and Resilient and Future Ready Organization.

4. Report Highlights:

- This is the second of two detailed reviews of the preliminary 2025 Plan and Budget.
- The first review provided a general overview of the 2025 preliminary operating budget and 2025-2034 capital budget and forecast, with a focus on Resilient and Future Ready Organization and Equitable Services and Opportunities (CAO-REC-24-002, dated October 30, 2024) and preliminary user rates and fees (COR-CFN-24-020, dated October 30, 2024).
- At the October 30 review, decisions were made to defer some and move forward some recommended expansions. These are summarized in the Background section below.
- The attached presentation is a continuation of October 30, reviewing the 2025 preliminary budget, with a focus on our next two pillars: Homes for All and Climate Aligned Growth.

 Strategic Planning and Budget Committee may consider potential service expansions to advance as part of final budget day decisions.

5. Background:

- The 2025 operating budget provides options for Council to consider between a less than 8% tax increase (reducing service) to a 12% increase (expanding service) taking into account an estimated 1.75% assessment growth.
- These options have been drafted in consideration of numerous factors including: Sub-committee recommendations (Presentation to Strategic Planning and Budget Committee on October 16, 2024), Council's direction and core Principles (COR-CFN-24-011, dated June 4, 2024), and an assessment of current community context, risks and opportunities.
- The first detailed preliminary 2025 budget review on October 30 focused on Resilient and Future Ready Organization as well as Equitable Services and Opportunities (CAO-REC-24-002) and preliminary user rates and fees (COR-CFN-24-020).
- Strategic Planning and Budget Committee on October 30, decided to move forward the following items to final budget day approvals:
 - CWELCC Staffing resources (meeting accountability requirements for increased childcare program)
 - Homemaking and Nursing Services Program (supporting vulnerable residents independence)
 - Immigration Partnership Support Staff (building a thriving community)
 - High Intensity Needs Personal Support Workers (supporting high need seniors and reducing OT costs)
 - Health Inspectors and Information Assistants (meeting regulatory requirements)
 - 2025 PSV Master Plan Expansion (to meet increasing 911 call demands)
 - Paramedic Services Relief Levels (reduce OT costs and better meet service targets)
- All other recommended expansions pertaining to Resilient and Future Ready Expansions & Accessibility/REDI Advisor (meet growing accessibility needs of residents), Additional P/T Library Hours (increasing access) were deferred for further discussion.
- This second review is a continuation of the first with a focus on strategic priorities of Homes for All and B) Climate Aligned Growth.
- As part of the 2025 budget process, all service areas have reviewed their fees and charges and, where appropriate, are proposing changes to certain fees. All proposed changes to user fees and charges are outlined in report COR-CFN-24-02, dated October 30, 2024.
- The preliminary operating budget proposes a wholesale water rate increase of

4.9%, wholesale wastewater rate increase of 5.9%, retail water distribution rate increase of 3.9% and retail wastewater collection rate increase of 3.9%, effective January 1, 2025. The increases relating to wholesale water, wholesale wastewater and retail water distribution are consistent with the projection provided during the 2024 budget, while the retail wastewater collection increase is 1.0% lower than projected (4.9%) in the 2024 budget. Additionally, an increase of \$1.00 to the monthly service charge for retail water distribution and retail wastewater collection are also proposed.

- User fee changes are also proposed for public transit, waste management and airport, with minor changes planned in other program areas.
- Strategic Planning and Budget Committee may recommend moving forward any of the following expansion opportunities to final budget day deliberations and decisions on December 11, 2024. The following list is a summary, the full list is provided in the 2025 Budget Book and in the November 6 staff presentation.

A) Expansions Related to Homes for All:

- Streamlining the development review process and supporting regional infrastructure through adding a Senior Engineer
- Improving Waterloo Region Housing insurability for future cost savings and increased efforts to ensure all tenants have and keep tenant insurance
- Implementing the Plan to End Chronic Homelessness to address chronic homelessness
- Improving employment outcomes for vulnerable and equity deserving individuals in our community through the Employment Pilot program and Employment Consultants
- Improving housing assets and tenant supports through additional Affordable Housing staff resources

B) Expansions Related to Climate Aligned Growth:

- Implementing climate and sustainability leadership to advance community targets
- Investing in the resources needed to deliver Water, Wastewater, and Waste Management Capital programs
- Identifying new revenue sources for climate action with student resources to support grant applications and data analysis
- Implementing the automated waste cart collection program
- Improving traffic flow and easing congestion through optimization and operational efficiency of traffic signals and implementing Miovision
- Enhancing the productivity and efficiency of transportation operations with the addition of students
- Improving communication and engagement for residents on Regional Transportation initiatives
- Keeping pace with processing of Municipal Consent and Work Permit applications for corridor management

November 6, 2024 Report: CAO--24-007

 Expanding Transit services, including MobilityPLUS services to meet growing ridership

- Investments in Water and Wastewater to support growth and resiliency including:
 - Water sampling and water source protection
 - Cybersecurity and technology to ensure safety of our water and wastewater systems
 - Long term capital asset planning
 - Investing in hydrogeologists for capital project requirements, water exploration and maximizing local water resources
 - o Maintaining compliance with the Clean Water Act
 - Asset conditions and risk management data/analytics
 - Asset renewal project support facility upgrades, reservoir inspections, renewal work
 - Process operations, systems and maintenance
 - Infrastructure resiliency
 - Environmental Assessments

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities:

Staff continue to work with their Area Municipal colleagues in identifying needs and priorities across Waterloo Region. Through a table of strategy professionals, staff continue to share data and insights to better understand needs, risks, and pressures in service delivery for all residents.

Public:

The Region has completed robust engagement with communities across Waterloo Region to inform the Growing with Care strategic plan and many of the initiatives outlined in the preliminary 2025 Plan and Budget. Budget-specific engagement is underway and will be presented to the Plan and Budget Committee throughout the process.

Preliminary engagement results obtained through a statistically relevant resident survey were presented on October 30th, 2024.

Public input sessions will be held on November 6, and 27.

A fulsome engagement report will be provided at the November 27th, 2024 Plan and Budget Committee meeting.

7. Financial Implications:

The Regional tax levy comprises an average of 57% of the residential property tax bill and 45% of the commercial/industrial tax bill. A 1% change in total regional taxes

November 6, 2024 Report: CAO--24-007

(including Police) in 2025 equates to \$7.6 million, representing an increase of \$25 annually for a typical residence.

The 2025 operating budget provides options for Council to consider between a less than 8% tax increase (reducing service) to a 12% increase (expanding service) taking into account an estimated 1.75% assessment growth. A 1% change in the regional portion of the tax bill (excluding Police) in 2025 equates to \$5.3 million.

The 2025 preliminary base operating budget (excluding Police Services) includes a property tax levy requirement of \$575.9 million, representing an increase of \$58.1 million from 2024 (11.2% increase). The property tax impact of Regional Services (excluding Police Services) is 9.3% taking into account estimated assessment growth of 1.75%. Service level changes totalling \$14.0 million are proposed through the 2025 budget. The property tax levy change including proposed service expansions is \$72.1 million, resulting in a property tax impact for Regional Services of 12.0%.

The preliminary operating budget proposes a wholesale water rate increase of 4.9%, wholesale wastewater rate increase of 5.9%, retail water distribution rate increase of 3.9% and retail wastewater collection rate increase of 3.9%, effective January 1, 2025. Additionally an increase of \$1.00 to the monthly service charge for retail water distribution and retail wastewater collection are also proposed. User fee changes are also proposed for public transit, waste management and airport, with minor changes planned in other program areas.

The Region's 2025-2034 capital program proposes investments of approximately \$6.8 billion over ten years, with \$657 million planned in 2025. Funding for the capital program is comprised of grants/subsidies, property taxes, user rates and development charges. The 2025 capital budget includes projects that are in progress but will not be completed at the end of 2024 as well as projects intended to commence in 2025. Regional Council annually approves the capital budget for the current year and approves the following nine (9) years as a forecast. During the budget development process, staff have reviewed the need, timing, scope and cost of capital works and adjusted project expenditure profiles to reflect the status of existing projects, planned activity in 2025 and resource capacity.

The 2025 preliminary Budget Book is available on the Budget page of the Region's website and includes 2025 operating budget and 2025-2034 capital program summaries by division, as well as details of proposed service expansions.

8. Conclusion / Next Steps:

Council may pass recommendations to move forward any expansion requests to final budget deliberations and decisions on December 11, 2024. Public input sessions will be held on November 6 and 27. Fulsome engagement results will be brought to Strategic

November 6, 2024 Report: CAO--24-007

Planning and Budget Committee on November 27, 2024.

9. Attachments:

Nil.

Prepared By: Christopher Wilson, Manager Corporate Budgets

Van Vilaysinh, Manager Corporate Strategy and Strategic Initiatives

Reviewed By: Jenny Smith, Director Corporate Strategy and Performance

Approved By: Connie MacDonald, Chief Communications and Strategy Officer

Wayne Steffler, Commissioner Corporate Services/Chief Financial Office