Regional Municipality of Waterloo Strategic Planning and Budget Committee Addendum Agenda



Date:Wednesday, November 27, 2024Regular9:00 a.m.Session:Council Chambers/Electronic

Should you require an alternative format please contact the Regional Clerk at Tel.: 519-575-4400, TTY: 519-575-4605, or <u>regionalclerk@regionofwaterloo.ca</u>

Pages

- 1. Call to Order
- 2. Land Acknowledgement
- 3. Declarations of Pecuniary Interest under the "Municipal Conflict of Interest Act"
- *4. Deferred Motions

Recommended Motion:

That the Strategic Planning and Budget Committee remove the following service expansions from the 2025 budget as recommended by the Planning and Budget Sub Committee and defer any service expansions that will not generate net revenue or offset future costs within 5 years unless they have no impact on the levy:

- 1. Transit Core Network Improvements 16 FTEs (Respond to growth and reduce system overloads)
- Transit Customer-Driven Operational Adjustments and 9 FTEs (Effective customer service and transit reliability)
- 3. Transit MobilityPLUS Capacity and 2FTEs (Respond to growing demand including late night service)
- 4. Transit Service Support staff 24.34 FTEs (Safety/compliance of vehicles/licenses and customer service)
- 5. Traffic Systems Management Analysts (Traffic efficiency, mobility and connectivity)
- 6. Road Maintainer Summer Students 1.3 FTEs (Escalating maintenance responsibilities)
- 7. Transportation Communications & Resident Feedback Specialist 1 FTE (Improved communications and engagement)

- 8. Engineering Technologist for Corridor Management 1 FTE (Supporting Growth, increasing numbers of Municipal Consent and Work Permit applications)
- 9. Climate and Sustainability Program Manager 1 FTE (meet community climate goals)
- 10. Additional PT Library Hours 0.7 FTE (increasing access)
- 11. Accessibility AODA REDI Advisor/Coordinator 1 FTE (meet growing accessibility needs of residents)
- 12. Affordable Housing Resources 3 FTEs (supports for households at risk of losing their tenancies)
- 13. Plan to End Chronic Homelessness (prioritized and measured implementation investments)
- 14. Accounts Assistant -Facilities 1 FTE (meet service level targets for invoice processing)
- 15. Licensing and Enforcement Services Bylaw Officers (extend temporary support for encampments)
- 16. Legal Assistant 1 FTE (increase in demand)
- 17. Increased Program Support and Recruitment Strategy 3 student FTEs (improve recruitment pipeline and increase capacity for digital/IT growth)
- Increased ITS User Support 2 FTEs (increase capacity for digital/IT growth)
- 19. Procurement Staffing Resource 1 FTE (meet growing procurement demands, efficiency and value for money)
- 20. Accounts Payable Resource 1FTE (meet increased demands)
- 21. Business Continuity Plan specialist 1 FTE and cloud-based software (increased capacity for natural disasters and cybercrime)"

5. Motion to go into Closed Session Recommended Motion:

That a closed meeting of the Strategic Planning and Budget Committee be held on November 27, 2024 at approximately 10:00 a.m. in the Waterloo County Room, in accordance with Section 239 of the "Municipal Act, 2001", for the purposes of considering the following subject matters:

- 1. labour relations or employee negotiations;
- 2. personal matters about an identifiable individuals;
- 3. labour relations or employee negotiations.

6.	Recor	n to Reconvene into Open Session nmended Motion: he Committee reconvene into Open Session.	
7.	Repor	ts	
	*7.1	2025 Plan and Budget Presentation For information.	7
	7.2	RSC-24-001, 2025 Plan and Budget Community Engagement Update For information.	47
	*7.3	COR-CFN-24-024, 2025 Plan and Budget - Responses to Councillor Requests For information.	55
	*7.4	Additional Deferred Motions	

Recommended Motion:

That the Strategic Planning and Budget Committee move the following service expansions to final budget day, December 11:

Resilient and future ready services

- 1. Employee Wellness and Peer Support Program Sunnyside
- 2. Facility Maintenance Sunnyside (reducing vacancy losses and reducing contractor costs)
- 3. Fleet Outfitter (PSV) (counter cost escalation and reduce delays in de-commissioning)
- 4. Solicitor (Real Estate/Commercial) (50% recovery from capital, and will reduce external counsel costs across Departments)"

Recommended Motion:

That the Strategic Planning and Budget Committee move the following service expansions to final budget day, December 11:

Homes for all

- 1. Employment Program Pilot Temporary Transition Funding (transition to non-tax-levy supported program)
- 2. 2 staff resources to Improve WRH insurability (reduce risks and longer-term costs)
- 3. Senior Engineer (coordination of Regional Infrastructure and achieve faster approvals)

Recommended Motion:

That the Strategic Planning and Budget Committee move the following service expansions to final budget day, December 11:

Climate aligned growth

- One energy student and one facilities management student (work orders, grant applications for new revenue and data analysis)
- 2. Invest in 18 temporary positions to implement the approved automated cart collection program (modernized waste collection service)
- 3. Deliver Water, Wastewater, and Waste Management Capital programs through 2 FTEs
- 4. One Scada Specialist (support over \$30M in capital upgrades over ten years)
- 5. 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)
- 6. Water and Wastewater Student Resource (increase in sampling activities, increase recruitment pipeline)
- 7. Project Hydrolgeologist (Maximize the sustainable use of local water resources)
- 8. Project Hydrolgeologist (Improve critical support to the Operations team for community growth)
- 9. Student Resource (Maintain compliance with the Clean Water Act)
- 10. Water Program Coordinator (Maximize water conservation and efficiency)
- 11. Infrastructure Program Analyst (Minimizing risk of unplanned service disruptions and costly emergency work)
- 12. Infrastructure Management Project Coordinator (Supporting critical infrastructure inspections and renewal work)
- 13. Three Specialists: Process Operations, Systems, Maintenance (Operate and maintain growing water supply infrastructure)
- 14. Water Operations Summer Students 1.65 FTEs (assist with water quality sampling and minor operational tasks)
- 15. Senior Engineer (Water and Wastewater resiliency addressing emerging issues and assessing infrastructure)
- 16. Senior Engineer (Advance the Region's Water Supply Strategy Update)

- 17. Student Resource 1 FTE (review applications and reports, increase capacity)
- Student Resource 1 FTE (to assist with water loss measurements and studies, support of leak detection)
- 19. Cyber Security Analyst 1 FTE (safety of our water and wastewater system(Resilient and Future Ready Priority Area)

8. Motions where notice has been provided

8.1 Councillor R. Deutschmann - Notice of Motion

Recommended Motion:

Whereas the Waterloo Region Police Service (WRPS) has significantly increased its authorized service complement in recent years, adding 120 sworn officers and 60 civilians from 2019 to 2024, compared to just one sworn officer added between 2013 and 2018;

And whereas the service complement (officers, civilians, special constables) for WRPS is comparable with Durham, Halton and Niagara regions;

And whereas the WRPS has consistently struggled to meet its authorized officer complement since 2019, with an average shortfall of 33 officers per quarter in 2023 and a shortfall of 46 officers as at January 1, 2024;

And whereas the WRPS faces ongoing challenges in maintaining its officer complement due to retirements and resignations, averaging approximately 14 officers per quarter during 2022-2023;

And whereas police services across the province are actively recruiting from a limited graduating class of officers, creating a highly competitive environment for hiring new officers;

And whereas the WRPS has discontinued their long-established practice of providing quarterly personnel reports in 2024, reducing transparency in staffing levels;

And whereas research from the criminology department at Wilfrid Laurier University demonstrates no correlation between staffing rates by population and clearance rates among Ontario's 12 largest municipal police services;

And whereas the WRPS's request for 18 additional officers and 10 civilians in 2024 would result in a budget increase exceeding \$4 million, despite ongoing difficulties in filling existing positions;

And whereas fiscal responsibility requires careful consideration of budget allocations, especially when authorized positions remain unfilled;

Therefore, be it resolved that:

The Regional Municipality of Waterloo requests that the Waterloo Regional Police Services Board further deliberate on the Waterloo Regional Police Service 2025 Operating Budget Estimate to reduce the net levy impact by \$4 million and present a net levy impact of no more than \$248,468,301 for Regional Council's approval.

- 9. Communications
- 10. Other Business
- 11. Next Meeting December 11, 2024
- 12. Adjourn

Recommended Motion:

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



Growing with care **Plan and Budget 2025**



2025 Budget Committee Review Schedule

	Date	Draft agenda
\checkmark	Oct 16	2025 Plan and Budget Overview – Setting the Stage
\checkmark	Oct 30	Detailed budget review (Presentation of the 2025 Preliminary Bud
\checkmark	Oct 31	Detailed review carry over (if required)
	Nov 6	Detailed reviews continue: public input meeting #1
\checkmark	Nov 7	Detailed reviews carry over (if required)
\checkmark	Nov 20	Police Services Budget presentation
\checkmark	Nov 27	Operating and Capital Program Review and Follow ups; public inp
	Dec 2	Deadline for submission of Councillor motions – incl. two-year lev
	Dec 11	Final Budget Day



dget Book)

put meeting #2

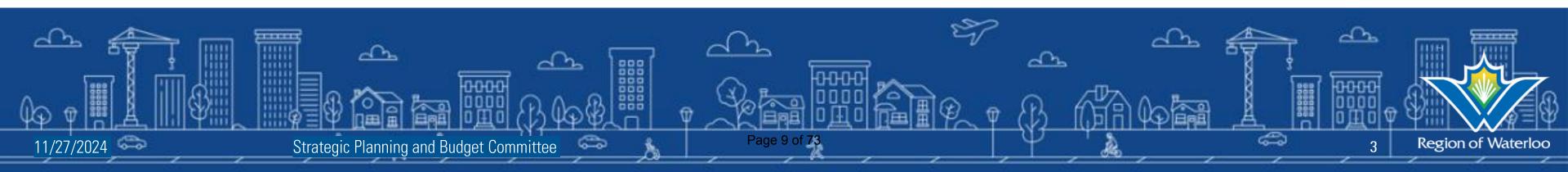
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Purpose of this Plan and Budget Meeting

Deliberate on expansions to move forward to final budget day

1. Building the 2025 Plan and Budget

- Recap and decisions made to date
- Budget update
- 2. Community Engagement on the 2025 Plan and Budget (Part 2)
 - What we've been hearing from engagement events and other key surveys
- 3. Options for affordability getting to the less than 8 per cent
 - Capital Program Update
 - Service Reduction Options
- 4. Expansion review continued (deferrals)
 - Financial overview and impacts of expansions (recategorized)





Building the 2025 Plan and Budget

11/27/2024

Strategic Planning and Budget Committee

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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
- $\cdot\,$ Design equitable Regional services that meet local community needs
- Explore new models of service through community collaboration and partnerships

Climate aligned growth



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

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



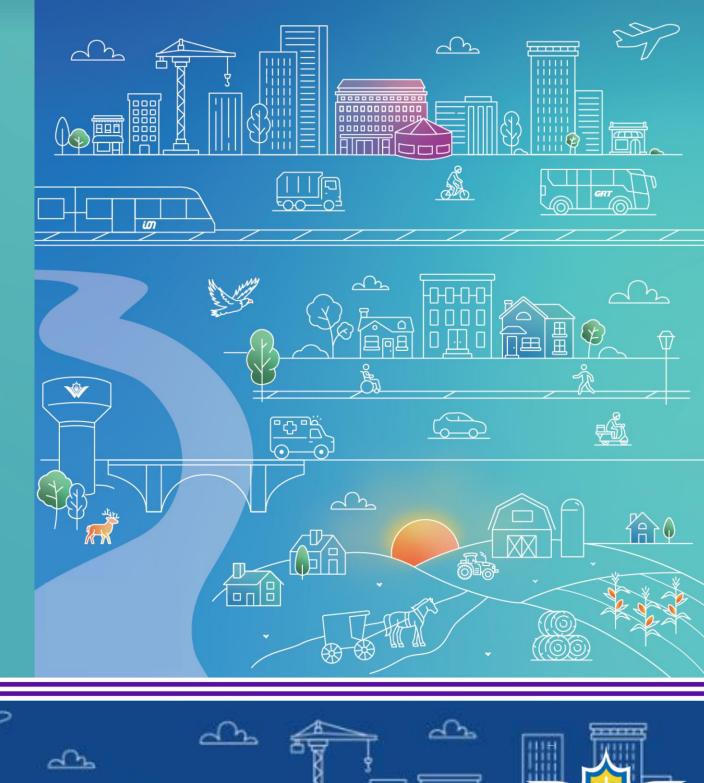
The Region of Waterloo is a great place to work, where everyone is valued, feels they belong and where they have the supports and tools they need to do a great job. We will be prepared for the future by providing a safe space for bold ideas and experimentation, based on data and other ways of knowing.

- · Foster an empowered, people-centred culture
- Reconcile past injustices to advance our future together
- Explore new service models and partnerships to achieve fiscal resilience and better service



growing with care

Plan and Budget 2024 **Growing** with care



Region of Waterloo

2025 Plan and Budget – Our Approach

- 1. Council's second year of Growing with Care
 - Shared vision and roadmap for navigating incredible growth lacksquare
 - Focused on what matters most to community local, national and global factors
- 2. Need to determine scale and pace of change
 - Balancing the need to sustain existing essential services and recent initiatives with affordability and service growth

3. Affordability top of mind

- Working within limited municipal fiscal framework
- Residents and Businesses face extraordinary cost of living/cost of doing business

Uncertain economic outlook 4

- Inflation and construction cost escalation is abating higher than historical targets
- Interest rates, fuel prices moderated, low unemployment (exception of Youth)





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 11.85% Ο
 - Base budget at 9.24% Ο
 - A less than 8% tax increase





Preliminary 2025 Tax Supported Operating Budget

Regional Property Tax Levy (excl. Police Services)

2024 property tax levy

2025 preliminary base budget property tax levy

2025 preliminary base budget increase

Service expansions endorsed by Budget Committee

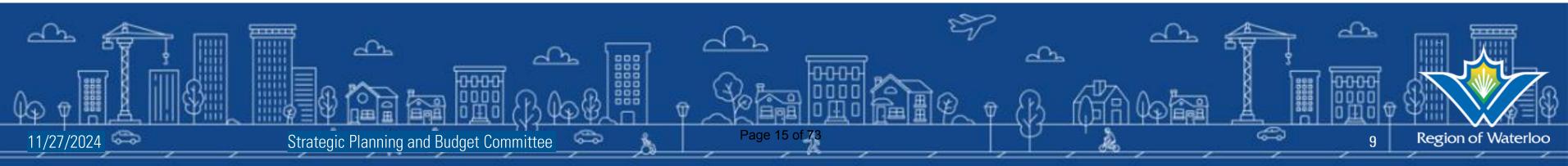
Additional service expansions in scope of Budget Sub-Committee motion

Other proposed service expansions (amended for Transit Services)

Preliminary 2025 Tax Levy change

Assessment growth

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%



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	\$M	% Levy	% Tax Impact
\$5	517.8		
\$5	575.9		
\$!	58.1	11.22%	9.24%
\$	51.0		0.19%
\$	50.7		0.14%
\$	12.1		2.28%
\$	71.9	13.88%	11.85%
			1.81%

Preliminary 2025 Tax Supported Operating Budget

	Regional Property Tax Levy
	Region
	Preliminary Base
	Budget
2024	\$517,801,596
2025	\$575,888,466
\$ change	\$58,086,870
% change	11.22%

Average Regional Taxes per \$100,000 Residenti

2024	\$498
2025	\$544
\$ change	\$46
% change in property taxes*	9.24%

The average residential property was valued at \$354,500 based on a valuation date of January 1, 2016 * Property tax impacts are net of assessment growth of 1.81%



Police	Total
\$228,428,497	\$746,230,093
\$252,468,301	\$828,356,767
\$24,039,804	\$82,126,674
10.52%	11.01%
ial CVA	
\$220	\$718
\$239	\$783
\$19	\$65
8.56%	9.03%

Preliminary 2025 Tax Supported Operating Budget

	Regional Property Tax Levy
	Region
	Preliminary Base
	Budget + Proposed
	Expansions
2024	\$517,801,596
2025	\$589,652,222
\$ change	\$71,850,626
% change	13.88%

Average Regional Taxes per \$100,000 Residentia

2024	\$498
2025	\$557
\$ change	\$59
% change in property taxes*	11.85%

The average residential property was valued at \$354,500 based on a valuation date of January 1, 2016 * Property tax impacts are net of assessment growth of 1.81%



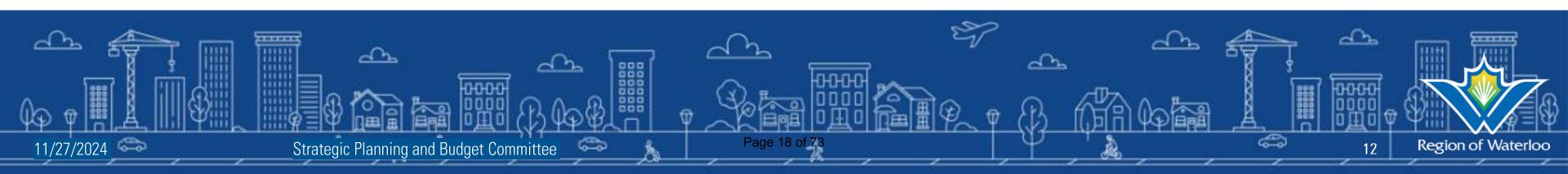
Police	Total
\$228,428,497 \$252,468,301 \$24,039,804	\$746,230,093 \$842,120,523 \$95,890,430
10.52%	12.85%
al CVA \$220	\$718

+	+···-
\$239	\$796
\$19	\$78
8.56%	10.85%

Strategic Planning and Budget Approvals

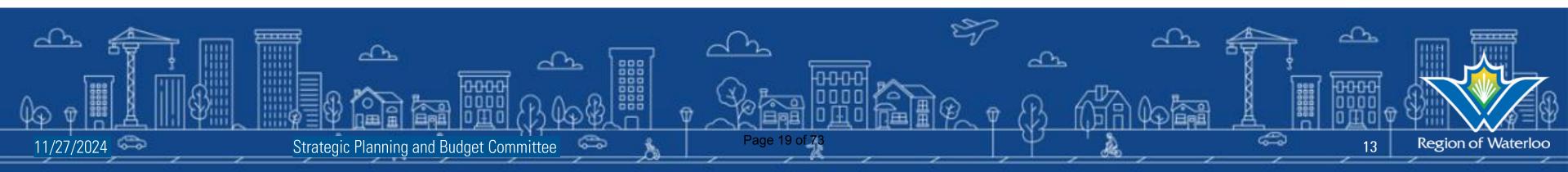
THAT the Regional Municipality of Waterloo takes the following actions with respect to the Grants Administration Policy:

- Amend the Grants Administration Policy and process so that Council approves the grant streams, and eligibility, and funding available and staff administer the grants, in alignment with other grant processes ex. Upstream Fund
- Review the Grants Administration Policy and Stream in the second year of the term of Council, to allow Council ulletto review eligibility and amend as required, in alignment with the strategic plan
- Any new grants are administered through the creation of a new grant stream, with appropriate policy analysis • and community engagement, pending funding approval as part of the Region's Plan and Budget process, in alignment with the strategic plan
- All grant applications require declaring what other municipal grants they are applying for. •



Strategic Planning and Budget Approvals Continued

- 1. Review and revise cost assumptions in order to take on more risk in terms of costs assumed, including assumptions related to the cost of fuel; and other variable costs.
- 2. Explore further utilization of the tax stabilization reserve to reduce the property tax burden of one-time expenditures on residents while maintaining fiscal responsibility in the Region.
- 3. Direct staff to immediately action the POA expansion as a 2024 in-year request, to maximize expected revenue in 2025: and
- 4. That the Strategic Plan and Budget Sub-Committee directs staff to present to the Strategic Plan and Budget Committee a ranked list of options for service reductions, that includes a ranking of low, medium and high risks to the Region.
- 5. That any Council budget increase requests include projected tax impacts for the next two years.
- 6. That any new net budget increase requests in year, get deferred to the Strategic Planning and Budget process.
- 7. That staff identify service expansions with cost sharing components including revenue and/or funding from upper levels of government.



Decisions Made on Potential Expansions

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 and decision November 27:

- Resilient and Future Ready Expansions & Accessibility/REDI Advisor (meet growing accessibility needs of residents), Additional P/T Library Hours (increasing access)
- Homes for All and Climate Aligned Growth Expansions



Council Discussion



Region of Waterloo STRATEGIC PLAN with care - 2023-2027 -----



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

Equitable services and opportunities

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

Community Engagement Results

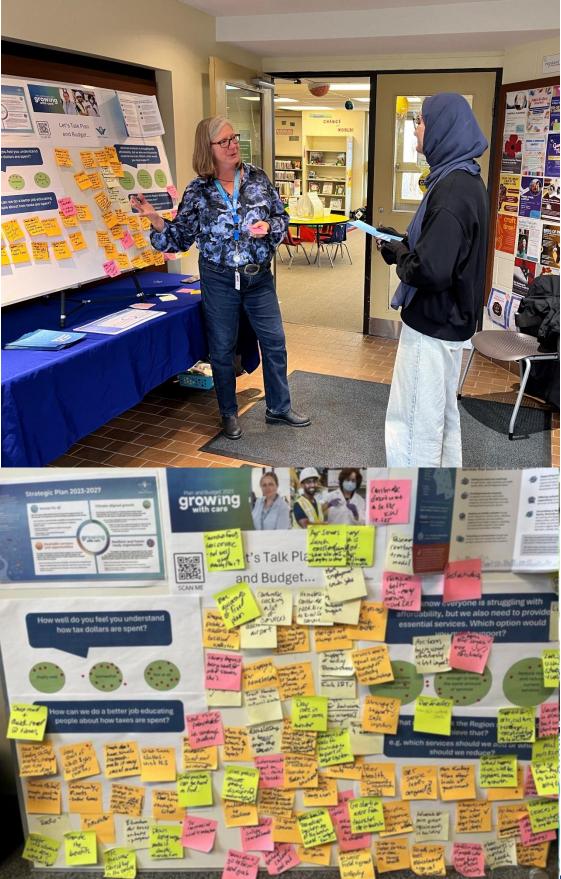


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where communitie ommunities Strategic Planning and Budget Committee







Summary of Community Outreach

- Our learnings include past engagement (e.g. Youth impact, Immigration • Partnership, CSWP, GRT Business Plan, Plan to End Chronic Homelessness and On the Table Waterloo Region)
- In addition to the Ipsos Survey of 1,000 residents, an additional 300+ • residents were engaged at:
 - Kitchener and Cambridge Farmers Markets Regional library branches in Elmira, St Clements, Baden and Ayr

 - Youth Advisory Committee
 - Grand River Accessibility Advisory Committee Online input tool for community partners Council Public Input Meeting (another to follow Nov 27)
 - Ο Ο



Summary of Community Outreach

Youth

- Economy and job growth Truly affordable housing Alternate forms of funding
- Improved transit and sustainability

Grand River Accessibility Advisory

- Supports for living independently Mobility Plus across the Region

Wellesley, Wilmot, Woolwich and North Dumfries

- Improved transit evening and weekend service; ability to travel throughout Waterloo Region
- Improved MobilityPLUS service

Heard everywhere

- Taxes are necessary to support growth and key infrastructure
- Consider reducing services versus eliminating services
- Support community-based service delivery
- Support pedestrian and road safety



- Affordable housing in townships youth and seniors
 - Maintain small town feel with growth, maintain farms

- Support improvements to transit • frequency
- Support funding for homelessness and affordable housing
- Support sustainability with a focus on \bullet green buildings, transit and bike lanes

Council Discussion



Contact Us

IF TOU KAN'T ANY QUESTIONS OR WOULD UKE TO DISCUSS YOUR SPONSORSHIP OPTIONS FURTHER PLEASE CONTACT ROBYN SCHWARZ AT 224-234-9095 OR HELORGUMENOCTOPUS CONSULTING.COM.

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Options for Affordability

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Capital Update

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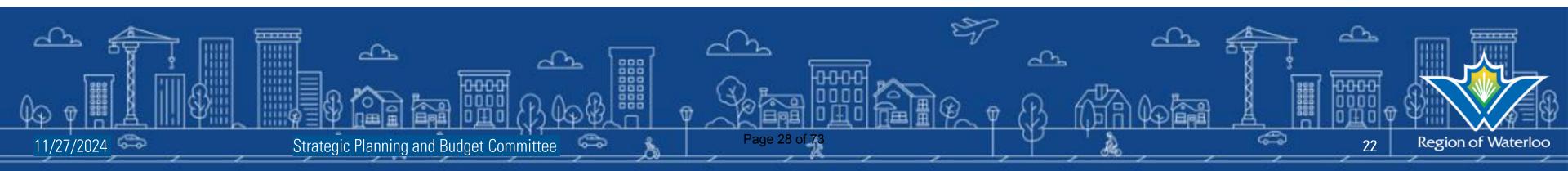


Strategic Planning and Budget Committee



Capital Program Prioritization

- Through the capital budgeting process, staff review and prioritize capital work based on several factors
- Capital work is measured against projected increases in capital costs to delay projects, the increased burden on operational costs, staff resources and capacity
- With Finance, financial resources to complete work are assessed



Capital Program – Recommended Change to 2025 Capital Program

Project	2025 Capital Program Impact	2025 Tax Levy Impact	Risks/Impacts
Waste Transfer Station	\$4.3 million reduction in expenditures funded by debentures	No impact to the 2025 tax levy because Waste reserves are low, and this project is funded through debt. Reduction in future debt service costs.	No associated risks. Change based on updated cost estimates.



Capital Program – Options for Deferral

Project	2025 Capital Program Impact	2025 Tax Levy Impact	Risks / Impacts
Hybrid Shelter 2.0	\$2.0 million deferral	\$2.0 million potential reduction to RECH service expansion request.	No additional hybrid shelter capacity to respond to growing needs
Walker Road	\$1.415 reduction in expenditures funded by \$0.950 in RDC and \$0.465 million in Transportation Capital Reserve	\$0.465 million one-time reduction in contribution to Transportation Capital Reserve	A one-time reduction, which will need to be re-instated in 2026.
Facilities Renewal (non-WRH)	\$3.895 million deferral	No impact to 2025 tax levy as contribution to reserve still required. Potential reduction in future debt servicing.	Risk: Increase to operational costs and higher third-party charges should be expected
Facilities Renewal (WRH)	\$5.999 million deferral	No impact to 2025 tax levy as contribution to reserve still required. Potential reduction in future debt servicing.	Direct impact to daily lives of residents of WRH
Facilities (Large Capital)	\$31.2 million deferral	No impact to 2025 tax levy as contribution to reserve still required. Potential reduction in future debt servicing.	\$18.6 million of work already in design phase with consultants
Scheifele Bridge	\$3.810 million deferral	No impact to 2025 tax levy as contribution to reserve still required. Potential reduction in future debt servicing.	Project delays impacting construction start
Schneider Creek MUP	\$0.892 million deferral	No impact to 2025 tax levy as contribution to reserve still required. Potential reduction in future debt servicing.	Project delays impacting construction start



Service Reduction Options

- Staff continue to work through options for reductions that come with varying risks to the community and the ulletessential services they rely upon.
- In total, the financial impact associated with the reduction options would amount to a 2025 net levy reduction of ۲ \$7.427 million which translates into a property tax impact of 1.41%. The annualized savings associated with these reduction options total \$10.903 million.
- Options include reducing and/or eliminating service levels. \bullet
- Risks are currently being assessed in line with the Plan and Budget Committee direction. ullet





Council Discussion

Strategic Planning and Budget Committe



Expansion Review Continued

11/27/2024

Strategic Planning and Budget Committee

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Proposed Tax Supported Operating Budget Investments



Resilient and Future Ready Organization investments in:

- ITS Supports for growth in IT/digital
- Treasury Services to protect from fraud
- Emergency Management readiness
- Bylaw officers for encampment supports
- POA Admin and Prosecutions to provide mandated in-court services (*already approved)
- Facilities and Fleet management to reduce overall costs
- Seniors' Services to support health/ safety in the workplace
- Reducing costs in legal services and responding to increasing demand and support affordable housing

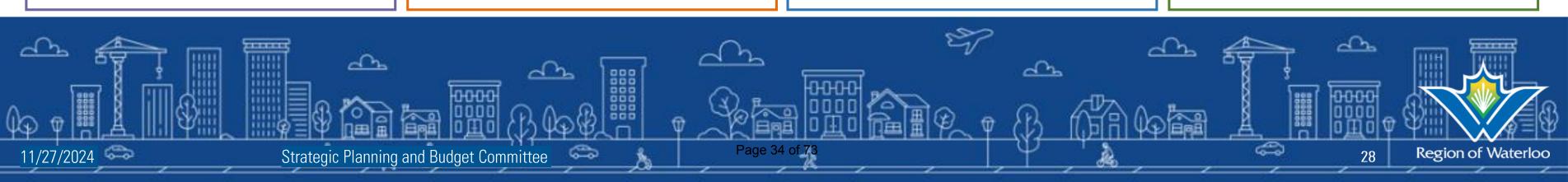
Equitable Services and Opportunities investments in:

- Increasing childcare (CWELCC)
- Safety on our roads (ASE program)
- Public Health Inspectors to help keep residents safe
- Paramedic Services to meet massive call demand
- Immigration Partnership to build thriving community
- Personal Support Workers to keep Sunnyside residents safe
- Increase Part-time Library hours
- Meet growing accessibility needs
- Reduce OT costs



Homes for All investments in:

- Engineering Review to Support Regional Infrastructure
- Employment Pilot project to increase employment for most vulnerable
- WRH insurability for future cost savings
- Plan to End Chronic Homelessness to address chronic homelessness Improving housing assets and tenant
- Improving housing supports





Climate Aligned Growth investments in:

- Climate and Sustainability Leadership to advance community targets
- Identification of new revenue sources for climate action
- Improved transportation, communication and engagement for residents
- Modernize waste collection with automated cart collection
- Miovision to improve traffic flow and ease congestion
- Road maintenance and management
- Transit to meet growing ridership

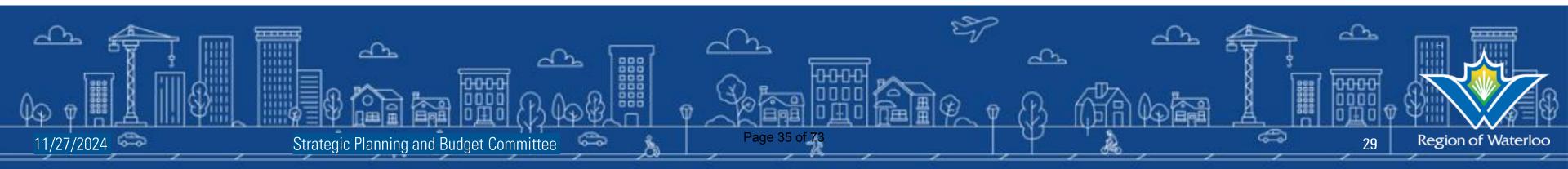
Proposed User-Rate Operating Budget Investments

Investments in Water and Wastewater growth and resiliency:

• Cybersecurity and technology to ensure safety of our water and wastewater system

Investments in Water and Wastewater growth and resiliency

- Water source protection
- Long term capital asset planning
- Investing in hydrogeologists for capital project requirements, water exploration and maximizing local water resources
- 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





Expansions Endorsed By Strategic Planning and Budget Committee Oct 30th

Expansions Endorsed by Strategic Planning & Budget Committee (October 30th)		2025 property Tax levy impact	Annualized property tax levy impact	Funding from other levels of Government
CWELCC Staffing resources (meeting accountability requirements for increased childcare program)	3	-	-	100% funded by Ministry of Education
Homemaking and Nursing Services Program (supporting vulnerable residents independence)		25,000	25,000	80% funded by MOH HNSA service funding / 20% levy funded
Immigration Partnership Support Staff (building a thriving community)		-	-	100% IRCC Grant
High Intensity Needs Personal Support Workers (supporting high need seniors and reducing OT costs)		36,673	36,673	95% funded by High Intensity Needs Revenue / 5% levy funded
Health Inspectors and Information Assistants (meeting regulatory requirements)		81,500	109,500	68% Ministry of Health cost shared funding / 32% levy funded
2025 PSV Master Plan Expansion (to meet increasing 911 call demands)		356,833	1,220,726	50% Tax Stabilization Reserve Funding (phase-in of LASG) / 50% levy funded
Paramedic Services Relief Levels (reduce OT costs and better meet service targets)		495,498	580,158	TSR to phase in LASG 50%/ levy 50%
Automated Speed Enforcement (keeping residents safe on the roads)	15	-	-	Offset by program revenues
Totals	57.1	995,504	1,972,056	



Council Discussion



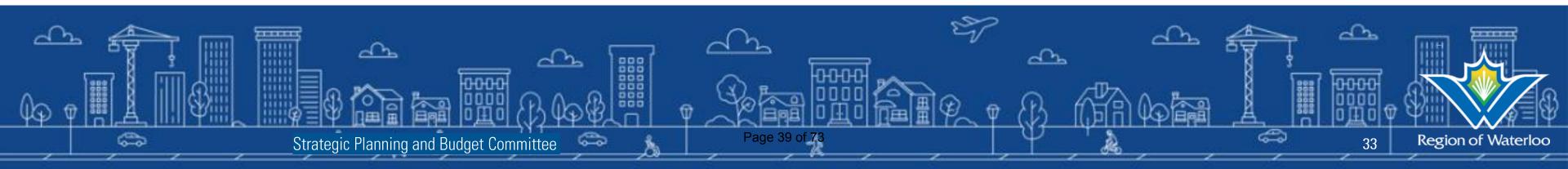
Preview of Next Meeting

December 11 at 1 p.m. Final Budget Day



Appendix A

Deferred expansion decisions for November 27



Homes for All Potential Expansions

	Expansions	FTEs
6	 Proving vital supports to households at risk of losing their tenancies by investing in 3 Affordable Housing staff resources 	3
6	 Improve WHR insurability, reduce risks and longer-term costs associated with escalating premiums through investment in increased risk management 	2
C	c. Implement prioritized and measured investments to roll out the Plan to End Chronic Homelessness, including investing in rent supplements, rental assistance, sector stabilization and Indigenous focused housing (amongst other opportunities detailed in budget book)	-
C	d. Transition the Employment Pilot to a non-levy program Employment Consultants by extending funding for nine months to maintain vital service helping vulnerable residents to gain employment	5
e	e. Create efficiencies and achieve faster approvals in the development review process, related to coordination and protection of Regional Infrastructure by investing in a Senior Engineer	1
	Totals	11



2025 property Tax levy impact	Annualized property tax levy impact	Revenue Sources/ Funding from other levels of Government
252,573	394,432	Levy funded
177,902	237,203	Levy funded
6,685,000	6,685,000	Levy funded
222,378	-	50% Tax Stabilization Reserve / 50% levy funded
-	-	Offset by new program revenue
7,337,852	7,316,635	



Climate Aligned Growth Potential Tax Supported Investments

Climate Aligned Growth Investments

- a. Responding to growth in ridership and reducing overloads across the system through core network improvements
- b. Responding to ridership demands, ensuring effective customer service and maintaining public trust in transit reliability through operational adjustments
- c. Meeting growing MobilityPLUS demand, including late night service
- d. Ensuring on-going safety/compliance of vehicles/licenses and maintaining Customer Service support to customers through essential GRT support staff
- e. Enhancing mobility and connectivity for residents by investing in Transportation network improvement resources (Traffic Systems Management Analysts)
- f. Meeting the escalating maintenance responsibilities within Regional right-of-ways through the addition of four student positions (Roads Maintainer Students)
- g. Improving communications with residents on critical Transportation projects (Communications Specialist)
- h. Responding to increasing numbers of Municipal Consent and Work Permit applications (Engineering Technologist)



FTEs	2025 property Tax levy impact	Annualized property tax levy impact	Revenue Sources/ Funding from other levels of Government
16	648,000	1,908,000	Transit Fare Revenue & Levy Funding
15	599,000	1,762,000	Transit Fare Revenue & Levy Funding
2	135,000	397,000	Transit Fare Revenue & Levy Funding
24.34	2,413,600	3,203,400	Levy Funded
3	335,000	383,000	Levy Funded
1.3	20,000	20,000	Levy Funded
1	76,000	110,000	Levy Funded
1	80,000	126,000	Levy Funded



Climate Aligned Growth Investments- Continued

- Supporting climate related grant applications for new revenue sources and data analysis orders (Student resources)
- j. Modernizing waste management services and successfully implementing the approved automated 1 cart collection program (Temporary resources)

- k. Delivering Water, Wastewater, and Waste Management Capital programs (Project Managers)
- I. Advancing Council-endorsed climate strategies, including TransformWR and the Community Climate 1 Adaptation Plan (Climate and Sustainibility Program Manager)

Totals 8



TEs	2025 property Tax levy impact	Annualized property tax levy impact	Revenue Sources/ Funding from other levels of Government
2	-	-	Recovered from capital
18			One time revenue related to Blue Box transition and loading service provided to third party (2025) / Waste Management Reserve (2026- 2027)
2	-	-	Recovered from capital
	127,000	148,000	Levy Funded
36.64	\$4,433,600	\$8,057,400	



Climate Aligned Growth Potential User Rate Supported Investments

Climate Aligned Growth Investments Water & Wastewater

- a. Meeting increasing demands of SCADA project requirements and will support over \$30M in capital upgrades over ten years (SCADA Specialist)
- 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)
- c. Meeting increases in sampling activities while providing development opportunities for regional employees of the future
- d. Maximizing the sustainable use of the Region's local water resources for municipal water supply (Project Hydrogeologist)
- e. Improving critical support to the Operations team to help keep pace with community growth (Project Hydrogeologist)
- f. Ensuring compliance with the Clean Water Act for implementation of the Grand River Source Protection Plan
- g. Maximizing water conservation and efficiency by providing education to residents (Water Program Coordinator)
- h. Prioritizing asset management and minimizing the risk of unplanned service disruptions and costly emergency work (Infrastructure Program Analyst)



FTEs	2025 user rates impact	Annualized u ser rates impact	Revenue Sources/ Funding from other levels of Government
1	129,000	151,000	User Rates
1	106,000	104,000	User Rates
1	53,000	53,000	User Rates
1	129,000	151,000	User Rates
1	129,000	151,000	User Rates
1	51,000	51,000	User Rates
1	95,000	110,000	User Rates
1	106,000	125,000	User Rates



Climate Aligned Growth Investments Water & Wastewater-Continued

i. Advancing critical infrastructure inspections and renewal work, facility upgrades, and wastewater treatment plant infrastructure upgrades (Infrastructure Management Project Coordinator)

j. Ensuring staffing levels can adequately operate and maintain our growing water supply infrastructure (Specialists: Process Operations, Systems, Maintenance)

k. Reinstatement of Water Operations Summer students to assist with water quality sampling, minor operational tasks and process monitoring

I. Supporting Water and Wastewater resiliency by addressing emerging issues and assessing our infrastructure (Senior Engineer)

m. Advancing the Region's Water Supply Strategy Update through environmental assessments and feasibility studies (Senior Engineer)

n. Water and Wastewater support to help review applications and reports and help assess the technical capacity of water and wastewater infrastructure

o. Addressing water loss measurements and studies, and conducting field work in support of leak detection

p. Cyber security and technology to ensure the safety of our water and wastewater system (Resilient and Future Ready Priority Area)

Totals



FTEs	2025 user rates impact	Annualized user rates impact	Revenue Sources/ Funding from other levels of Government
1	112,000	131,000	User Rates
3	240,000	438,000	User Rates
1.65	34,000	59,000	User Rates
1	152,000	177,000	User Rates
1	152,000	177,000	User Rates
1	56,000	54,000	User Rates
1	56,000	54,000	User Rates
1	139,000	162,000	User Rates
18.65	\$1,739,000	\$2,148,000	



Resilient and Future Ready Potential Expansions (Tax Supported)

- a. Invest in an Employee Wellness and Peer Support Program mitigating long term mental health issues and associated high organizational costs
- b. Reduce vacancy losses and lowering contractor costs through investing in one Sunnyside Facility Maintenance worker
- c. Counter cost escalation, and reduce delays in de-commissioning fleet by investing in an in-house Fleet Outfitter (PSV and WRPS)
- d. Continue to meet service levels of efficient and timely processing of invoices by investing in one Accounts Assistant (Facilities)
- e. Extend temporary supports for encampments (maintaining two temporary by-law officers)
- f. Reduce legal counsel costs by investing in one in-house Solicitor
- g. Improve recruitment pipeline and increase capacity to support increased growth in digital/IT growth by investing in 3 student FTEs
- h. Increase capacity to support digital/IT growth by investing in 2 ITS Support Consultants
- i. Continue to ensure efficient processing and value for money as procurement needs grow by investing in one Procurement Specialist
- j. Respond to increased number of accounts payable, and prevent fraud by investing in one Finance Clerk (Accounts Payable Staff)
- k. Strengthen operational capacity in event of natural disasters or cybercrime by investing in an FTE Emergency Management and Business Continuity Specialist and cloud based software
- To meet the increasing demand for legal services, additional capacity through one Legal Assistant for real estate/commercial legal matter is required

FTEs	2025 property Tax levy impact	Annualized property tax levy impact	Revenue Sources/ Funding from other levels of Government
1	233,744	248,929	Levy funded
1	-	-	Offset by cost savings
1	-	-	Offset by cost savings
1	86,000	86,000	Levy funded
-	80,000	160,000	Levy funded
1	77,000	100,000	50% recovered from capital / 50% levy funded
3	83,000	123,000	Levy funded
2	142,000	213,000	Levy funded
1	68,000	131,000	Levy funded
1	43,000	83,000	Levy funded
1	194,526	223,646	Levy funded
1	83,000	108,000	Levy funded
14	1,090,270	1,476,575	20

	uitable Services and Opportunities Potential cpansions	FTEs	2025 property Tax levy impact	Annualized property tax levy impact	Funding from other levels of Government
а.	Meet growing accessibility and equity needs of residents by investing in one Accessibility/REDI Advisor	1	114,000	137,000	Levy funded
b.	Improve safety on our roads by investing in the Automated Speed Enforcement Program Expansion* already approved	15	-	-	Offset by program revenues
C.	Increase library access for residents by investing in additional PT Library Hours	0.7	27,000	54,000	Levy funded
d.	Meet the critical needs of families by investing in Child Care (meeting CWELCC accountability requirements) * already approved	3	-	-	100% funded by Ministry of Education
e.	Support vulnerable residents and families toward independence and long-term housing stability by investing in the Homemaking and Nursing Services Program * already approved		25,000	25,000	80% funded by MOH HNSA service funding / 20% levy funded
f.	Build a thriving community by supporting immigrants and achieving employment equity for racialized part-time staff through increased Immigration Partnership support staff investment * already approved	3.60	-	-	100% IRCC Grant
g.	Provide seniors with high needs the support they need to keep residents safe at Sunnyside home and reduce overtime costs by investing in critical High Intensity Needs Personal Support Workers * already approved	8.50	36,673	36,673	95% funded by High Intensity Needs Revenue / 5% levy funded
h.	Meet regulatory requirements to keep residents safe ensuring food safety, safe water, rabies control and protection against other hazards/infection by investing in Health Inspectors and Information Assistants * already approved	3	81,500	109,500	68% Ministry of Health cost shared funding / 32% levy funded
i.	Meet growing 911 call demands and reduce occupational stress injuries that limit our ability to keep residents safe by investing in the 2025 PSV Master Plan Expansion * already approved	16	356,833	1,220,726	50% Tax Stabilization Reserve Funding (phase-in of LASG) / 50% levy funded
j.	Achieve a net savings due to overtime costs, better meet paramedic services targets and keep residents safe * already approved	8	495,498	580,158	TSR to phase in LASG 50%/ levy 50%
	Page Totrais	58.8	1,136,504	2,163,057	

Region of Waterloo

Resident Experience, Strategy and Communications

Strategic Planning and Strategic Initiatives

То:	Strategic Planning and Budget Committee
Meeting Date:	November 27, 2024
Report Title:	2025 Plan and Budget Community Engagement Update

1. Recommendation

For Information.

2. Purpose / Issue:

To provide information on the community engagement and communications approach to support the 2025 Annual Plan and Budget process.

To provide a summary of the qualitative findings from engagement and outreach that complemented the statistically significant Ipsos Resident Survey that was presented to Strategic Planning and Budget Committee on October 30th.

3. Strategic Plan:

This report supports the Resilient and Future Ready and Equitable Service and Opportunities strategic priorities to ensure both transparency in our Plan and Budget process as well as ensuring our decisions are made with community needs in mind as the Region works toward achieving our goals within the Region's Strategic Plan, Growing with Care.

4. Report Highlights:

- The Strategic Planning and Budget Committee is currently undergoing its 2025 Plan and Budget process and as with previous years, resident voices are vital to this process.
- On October 30th, Regional Council received an update on engagement activities related to the 2025 Plan and Budget. Results were presented from a statistically significant survey of 1,000 residents conducted by Ipsos. This survey was part of a broader engagement and communications plan.
- This report provides a summary of the results from various engagements that were conducted alongside the Ipsos resident survey to allow more people to

provide their input and to reach individuals that typically do not engage in traditional survey methods (e.g., telephone, online).

- Outreach was conducted in-person at various sites, as well as virtually via email and an online tool.
- Information from the public input session on November 6th was included in the analysis, and the next public input session on November 27th will also be considered.
- Communications tactics included EngageWR, the Region's website and staff portal, newsletters, social media and other tools.

5. Background:

- The Region is working diligently to build a 2025 Plan and Budget that keeps pace with unprecedented community growth, responds to complex social, political, and technological challenges, while balancing organizational resilience and affordability for residents.
- The voice of residents is a key input as municipalities across the province face significant budget challenges. More than 1,300 residents were engaged through the lpsos survey, in person and online engagement.
- In addition, Appendix A summarizes key findings from department specific and community collaborative engagement initiatives (i.e. Youth impact, Immigration Partnership, GRT Business Plan, Plan to End Chronic Homelessness and On the Table Waterloo Region) which engaged over 7,000 individuals.
- This report summarizes key input from community outreach, including:
 - In person booths at the Kitchener and Cambridge Farmers Market, at Regional library branches in Elmira, St Clements, Baden and Ayr.
 - \circ $\,$ Conversations with Youth Advisory Committee $\,$
 - $\circ~$ Grand River Accessibility Advisory Committee.
 - An online input tool through community partners and at the Forward Together: Activating Change, Amplifying Belonging Forum hosted by the Children's Youth and Planning Table, Community Safety and Wellbeing Plan and Immigration Partnership Waterloo Region.
 - Information from the first Council Public Input Meeting on November 6th was included and the second on November 27th will also be incorporated.
- Communications tactics continue to be leveraged through the Region's website, newsletters, social media and other tools.
- An online page was created on the Region's EngageWR site where residents can learn more about the budget process, public meetings and submit a question or comment.
- Following are key highlights of outreach conversations, delegations and online input.

Key input by group

• Resident inputs varied across the different audiences that were engaged.

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Report: RSC--24-001

- When hearing from youth across Waterloo Region, concern and interest was raised mostly with regards to the economy and job growth, accessing truly affordable housing, encouraging funding from other sources such as other levels of government, and improved transit and sustainability initiatives to address climate change.
- Grand River Accessibility Advisory Committee was most concerned about ensuring adequate supports for living independently and ensuring Mobility Plus was readily available to and from all areas of the Region.
- In conversations with residents in North Dumfries, Wilmot, Wellesley and Woolwich, key concerns raised included having improved transit in the townships (e.g. ensuring weekend and evening service, the ability to travel across Waterloo Region and the ability to take Mobility Plus to any city in the Region); having services equally distributed across all towns in the rural areas and not having to go to the cities for all services (e.g. childcare in every community); ensuring affordable housing is available in general, but particularly for seniors and youth; maintaining a small town feeling in the face of growth; and, maintaining farm land.
- General input received across all engagements indicated an understanding that increased taxes are a necessary aspect of growth and that it is critical to maintain essential services such as road maintenance, water treatment, supports for housing and homelessness.
 - Many preferred an option to reduce services versus discontinuing a service altogether and to examine effectiveness and efficiency of how services are delivered.
 - Many residents were satisfied with the Region's transit service but would like to see improved frequency and availability and better connections to GO and major cities nearby.
 - Some residents encouraged the Region to look at funding from other levels of government.
 - Concerns were raised that more supports for homelessness and affordable housing are needed.
 - The concern for sustainability of the environment as we plan and build for increased growth through green buildings, transit and bike lanes continues to be a focus.
 - Some residents support the effort to improve pedestrian and road safety and for community-based service delivery.
 - Some raised concerns about spending on bike lanes given the overall cost and usage.
- At the first public input meeting on November 7th, key areas addressed were support for an improved frequent transit network along with ensuring Stage 2 ION is properly resourced and moving ahead quickly, concerns about full funding for the Erb's shelter and access to Narcan kits with the CTS closing, emphasis was placed on ensuring youth voices are central to decisions and that the Region is accessing Youth Impact Survey data,

November 27, 2024 Communicating with Residents

- Similar to the Ipsos Resident survey, this outreach confirmed that there is not a high level awareness of how tax dollars are spent in Waterloo Region and beyond.
 Additionally, residents gave some concrete ideas of how the Region might improve awareness, some of these included:
 - A variety of ways are needed to reach residents such as social media, subscription-based e-newsletters (such as Around the Region) and mailouts.
 - Residents are busy and don't have time to look hard for this information.
 - It must be in very plain language, translated and in easy to digest infographics.
 - Youth should be engaged through schools to educate them about local government and taxes.
 - Residents want transparency about how taxes are spent. They want to know more about what proportion of taxes go to which services and how those funding levels have changed over time.
 - Promote the benefits of the services provided and make a direct link to taxes as services are delivered to increase awareness.

Preferences for taxation

 When asked about preferences for levels of taxation, responses were similar to the lpsos survey with most residents supporting a tax increase that was enough to maintain current service levels and a fairly even split between increasing taxes sufficiently to provide more services and reducing taxes which would require reducing current levels of services.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Area Municipality Communication:

The Community Engagement Plan includes a focus on engaging with residents in each municipality across the Region based on past suggestions from area municipal staff. Members of Regional Council are encouraged to identify opportunities for engagement in their local communities. Engagement staff across municipalities connect and share information about engagement activities.

Public/Stakeholder Engagement:

The 2025 Plan and Budget Community Engagement and Communications strategy will ensure meaningful opportunities for residents and partners to inform Council as it deliberates. Overall engagement builds on engagement conducted through other initiatives in the Region and across the community. In person outreach across the Region at a variety of locations and with a variety of audiences, aims to provide context and broader reach alongside the Ipsos Resident Survey.

7. Financial Implications:

The costs related to engagement and outreach are included in approved 2024 departmental budgets.

8. Conclusion / Next Steps:

Engagement opportunities will be available to residents until the 2025 Plan and Budget is approved. Opportunities for public input will continue to be promoted through the website, social media, EngageWR page, e-newsletters and networks.

9. Attachments:

Appendix A: Summary of findings from other engagement and surveys

Prepared By:	Deb Bergey, Manager Community Engagement
	Van Vilaysinh, Manager Corporate Strategy and Strategic Initiatives
Reviewed By:	Jenny Smith, Director Corporate Strategy and Performance
	TJ Flynn, Director, Communications and Engagement
Approved By:	Connie MacDonald, Commissioner, Resident Experience, Strategy and Communications

Appendix A: Summary of findings from other community events and surveys

The following are high level results that were reported through local events and surveys.

Youth Impact Survey 2023

- The Child and Youth Planning Table conducted their survey in 2023, with 1,876 responses.
- Youth were asked what they think should happen next with the data. Here's what they think adults should do:
 - Make Changes: Take the initiative to change programs to make things better for young people in Waterloo Region. Do their best to make our whole community better, including the places that young people use.
 - Understand Everyone: Learn and better understand the diverse needs of young people in our community, and work at being inclusive.
 - Share Results: Young people want us to share the results of the YIS with others in the community, including schools, community centres, government, and other institutions.
 - Reach Out: Personally reach out to young people more often.
- A summary of key findings were:
 - **The quality of the environment around us.** 60% of YIS respondents indicated that the quality of the environment around them was high (down from 74% in 2021).
 - **The quality of recreation and culture facilities.** Collectively, 49% of YIS respondents felt the quality of recreation and culture facilities was high
 - **Safety.** 85% of youth said they felt reasonably safe or very safe from crime in their neighbourhood (down from 91% in 2021).
 - Housing (in)security. Regional Average 13% Youth experiencing homelessness or hidden homelessness has increased from 8% in 2021 to 13% in 2023.
 - Food (in)security. The number of young people who at least sometimes go to school or bed hungry has increased from 5% in 2021 to 15% in 2023.
 - Valued member of community. 51% Felt like they are a valued member of their community.
 - **Sense of belonging.** 71% of all YIS respondents said they felt a very strong or somewhat strong sense of belonging to their community.

Immigrant Survey 2023

- Immigration Partnership conducted their survey in June, 2023 with 1,676 participants. There were ten calls to action to help immigrants reach their full potential.
- More affordable housing 732 68%
- Better programs for immigrants to find work 461 43%
- More opportunities to help improve English skills 249 23%

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- Educate employers on the value and ways of hiring, retaining and promoting immigrants 228 21%
- One place to get all settlement, immigration and other services 191 18%
- A central place for both employers to find immigrant workers and for workers to find employment 192 18%
- Actions to reduce racism and discrimination towards immigrants 112 10%
- Actions to improve the social connections of immigrants 112 10%
- More effort by community services to better serve immigrants 85 8%
- Availability of interpretation and translation 77 7%

Grand River Transit Business Plan engagement

- The Business Plan is made up of three parts: the Conventional Bus and Train Business Plan, MobilityPLUS and Kiwanis Transit Business Plan and Township Transit Strategy
- Throughout the summer, GRT reached out to partners, stakeholders and customers to hear their transit investment priorities and ideas
- We heard from more than 2,000 people at stations, neighbourhood events, and online through virtual sessions.
- Targeted consultation was completed for the MobilityPLUS plan, reaching people with disabilities who use the service and those who don't, as well as caregivers and service organizations
- GRT is currently in the middle of a second round of engagement on this plan

What we heard:

- More frequency on key routes
- More off-peak and weekend service
- Increase service for new and growing communities
- Focus on accessibility and equity
- Need for reliable overnight transit service
- Enhance stop infrastructure
- Importance of township connections
- More township service, and more frequency/service hours for existing routes

MobilityPLUS:

- Customers are satisfied with MobilityPLUS services overall
- The service allows customers to feel independent and confident
- There is growing demand for MobilityPLUS service, and GRT is facing challenges in meeting the demand for trips
- Customers like the ability to book trips online
- Customers are unhappy with trip lengths and drop-off times
- Customers feel rushed when boarding vehicles

- The Plan to End Chronic Homelessness report released in April, 2024 identified seven focus areas.
- Focus Area #1: Create Policy and System Accountability Strengthen Policy and System Accountability within the HSS and with Adjacent Sectors
- Focus Area #2: Centre Community Voices Centre Lived Expertise, Racial Justice, Social Justice and Shift Power Relationships
- Focus Area #3: Build System Bridges Increase and Broaden Collaboration Within the Homelessness System and with Adjacent Sectors
- Focus Area #4: Advance Equitable Housing Create a Variety of Housing to Meet Diverse Needs
- Focus Area #5: Focus on Preventing Homelessness Address Both Economic and Social-Economic Causes of Chronic Homelessness
- Focus Area #6: Change the Narrative on Housing and Homelessness Foster a Shared Community Response
- Focus Area #7: Advocate and Collaborate for Broader Change Coordinate our Advocacy Efforts to Influence Broader Changes

On the Table Waterloo Region 2024

- In June, 2024 the Waterloo Community Foundation led a community wide process to host 54 events with 1,300 people participating. The key themes surfaced in these events were:
 - Theme 1 Ready to Connect: Pent-up Demand for Community Involvement
 - Theme 2 Harnessing Community Assets: Celebrating What's Already Here
 - Theme 3 Enriching Our Existing Social Infrastructure
 - Theme 4 Filling the Social Infrastructure Gaps Amid Rapid Growth
 - Theme 5 Overcoming Information Gaps in Social Infrastructure
 - Theme 6 Ensuring Equitable Access to Social Infrastructure
 - Theme 7 Creating and Maintaining Thriving Neighbourhoods

Region of Waterloo

Corporate Services

Corporate Finance

То:	Strategic Planning and Budget Committee
Meeting Date:	November 27, 2024
Report Title:	2025 Plan and Budget - Responses to Councillor Requests

1. Recommendation

For information.

2. Purpose / Issue:

To respond to requests for information from Regional Councillors made during the 2025 Plan and Budget process at Strategic Planning and Budget Committee meetings.

3. Strategic Plan:

Equitable Services and Opportunities (Explore new models of service through community collaboration and partnerships) and Resilient and Future Ready Organization (Explore new service models and partnerships to achieve fiscal resilience and better service).

4. Report Highlights:

Through the 2025 planning and budget process Councillors have requested information relating to various items and regional programs. Requests received that are addressed through this report relate to impacts of growth, demographic information, capital projects review, reserves and reserve fund balances, staffing levels, gapping provision, Transit programs, future budget impacts, review of the budget book details, Bill 23 impacts, requirements under safe drinking act as well as operating impacts associated with Building Better Futures.

5. Background:

Through the 2025 planning and budget process Councillors have requested information relating to various items and regional programs, and responses from staff for these requests are outlined below.

Requests for Information from Budget Committee

Provide information on where growth pays for growth, and also for places where it does not

The Development Charges Act enables a municipality, through a by-law, to impose development charges to pay for capital costs due to the increased need for services arising from development. Infrastructure is included in the background study based on the Region's capital forecasts and masterplans.

- 1. Several growth related investments are not eligible for development charge funding, including housing services, cultural spaces, landfills and disposal facilities as well as landfill collection, vehicles and equipment.
- Some key pieces of infrastructure are not in the current development charge by-law and would need to be added to become eligible (e.g. Kitchener Central Transit Hub),
- 3. Discretionary discounts and exemptions must be funded from the tax base and result in levy support of growth. Currently this includes:
 - a. 60% discount to the non-residential rate for qualifying industrial development,
 - b. 50% discount to the non-residential rate for qualifying office development
 - c. Downtown Core Exemption
 - d. Brownfield Exemption (being phased out)
 - e. Public Hospital Exemption
- 4. Development charges do not produce sufficient revenue to cover all growth requirements at the time of infrastructure investment, so we are relying more and more on development charge funded debt (5% of DC funded investments are expected to be financed through debentures in 2025, versus 31% in the forecasted 2025-2034 program).

Provide data on feedback from demographics, broken down by classifications and detailed report

Results from Waterloo Region were presented to Council on October 30th from a statistically significant survey of 1,000 residents conducted by Ipsos.

The presentation identified key significant differences in responses based on age, region, gender or other characteristics. Generally, responses between municipalities would have been similar to the overall population unless noted.

Responses at the individual municipal level have a larger margin of error due to smaller sample sizes and staff are working with Ipsos to identify relevant data. Additionally, responses related to service specific questions were only asked of a subset of respondents that accessed those services and those responses would not be reportable at the individual municipal level.

Ipsos is finalizing the final accessible version of the full report and it will be provided to Council the week of November 25th.

• Review capital projects and present options for delaying certain projects to reduce the property levy

Content for this section is under final review and will be provided as part of the addendum agenda. This will be presented on November 27.

• Provide Reserve and Reserve Fund Balances for 2022, 2023 and 2024

The Region has established reserves and reserve funds over the years to provide funding for future capital investments and to serve a tax and user rate stabilization function. Both contributions to and utilization of reserves and reserve funds are subject to annual budget approval by Council.

Purpose of Reserves and Reserve Funds

Reserves and reserve funds are an essential component of municipal long term financial planning. The use of reserves and reserve funds is an important fiscal and risk-mitigation tool which helps to strengthen Waterloo Region's long-term financial position. Funds set aside in reserves and reserve funds are used as:

- A source of funding to mitigate significant fluctuations in tax and user rate revenue caused by one time or emerging issues;
- A source of funding for capital projects, thereby reducing the need for long term borrowing or significant levy and user rate increases

Healthy reserve and reserve fund balances provide flexibility to deal with fluctuating cash flows and operating variances and play an important role in funding most Regional capital programs.

Reserves

A reserve is an allocation of accumulated net revenue (from property taxes or other sources) set aside for a designated purpose. Funds held in a reserve can be utilized at the discretion of Council. Reserves form part of the overall funding strategy for Regional programs set out in the annual operating budget and multiyear capital plan.

Reserve Funds

A reserve fund is established based on a statutory requirement or defined liability payable in the future and is usually prescriptive as to the basis for collection and use of monies in the fund. There are two types of reserve funds: obligatory reserve funds and discretionary reserve funds.

- Obligatory reserve funds are created when required by statute or legislation so that revenue received for special purposes is segregated from the general revenues of the municipality. Obligatory reserve funds are created solely for the purpose prescribed for them, e.g. Regional Development Charges, Canada Community Building Reserve Fund (formerly the Federal Gas Tax Transfer).
- Discretionary reserve funds are established whenever Council wishes to set aside a certain portion of any year's revenues to finance a future expenditure for which it has the authority to spend money, or to provide for a specific contingent liability established at the discretion of Council.

Long Term Financial Sustainability

In 2016, Regional Council approved the implementation of the Capital Asset Renewal Funding strategy to address the funding gap for capital asset renewal. The approved strategy strives to achieve 100% pay-as-you-go funding for renewal works across all regional services. This in turn preserves Regional debt capacity for new and significant infrastructure expansion.

As a result of this strategy, the Region has been able to reduce, but not entirely eliminate, the amount of debt required for renewal works and continued implementation of the strategy is required. The Region is also experiencing a period of increasing growth which is leading to significant debt financing of required expansion projects. The Region's 2025-2034 capital renewal program still relies on debt as a financing tool for some renewal works which reduces the Region's overall financial flexibility. Both of these factors result in the need for a significant amount of debt financing for these projects to proceed, putting pressure on the Region's AAA credit rating. Maintaining and increasing contributions to reserves and reserve funds is critical to achieving long term fiscal sustainability.

Reserve and Reserve Fund Balances

Appendix A outlines 2022, 2023 and 2024 ending balances for each reserve and reserve fund that the Region carries (excluding Police Servies reserves and reserve funds).

- Staffing related queries:
 - Provide a breakdown by department and division on the current staff count across the organization.
 - Provide an organizational chart to help identify impacts of expansions.
 - Provide details of new positions.

A summary of staff complement by division is included in Appendix B. An organizational chart providing details of Commissioner and Director level positions by department is included in Appendix C.

The approved 2024 Region of Waterloo staff complement, excluding Police Services, totals 3,460.9 Full Time Equivalents (FTEs). The proposed staff complement included in the 2025 preliminary budget is 3,450.6 FTEs.

In total, 183.1 FTEs are proposed through various service expansion requests. The total staff complement for the 2025 budget including all proposed expansion requests is 3,633.7 FTEs.

Provide information on annual gapping provision and include vacancy duration and time to fill positions

A "salary gapping" provision in the budget recognizes that there will be vacancies throughout the year. Start dates (new positions) and end dates (temporary positions) are taken into account in this costing. A gapping provision essentially reduces total salary budget of the organization.

The gapping position is reviewed and adjusted annually. The following are estimates from previous years:

- 2021 budgeted gapping provision of \$4.9M
- 2022 budgeted gapping provision of \$5.5M (\$0.6M increase)
- 2023 budgeted gapping provision of \$7.0M (\$1.5M increase)
- 2024 budgeted gapping provision of \$7.9M (\$0.9M increase)
- 2025 budgeted gapping provision of \$8.5M (\$0.6M increase)

The Region's 2025 preliminary budget includes a gross provision for salary gapping of \$8.5 million which is \$0.6 million higher than the 2024 provision. It is noted that, due to cost sharing for certain services with the Province, the net property tax impact will be slightly less. A portion of salary costs in certain services are offset by provincial/federal subsidies at varying levels, including funding for Paramedic Services (50% and 100%), Public Health (66% and 100%), Ontario Works (50% and 100%), Children's Services (50%, 80% and 100%), Seniors' Services (varying rates), and Public Transit (reflecting provincial gas tax revenues).

The average amount of time it takes to fill a position is 62.24 days. As evidenced by the chart below, there is not a significant variance in the time it takes to recruit between different types of roles or employee groups, in comparison to the overall Regional average. PSWs and Paramedics are highlighted due historical and ongoing recruitment challenges. Time to recruit for a position does not necessarily equate to an equal amount of time that the position is vacant.

Employee Group	Total Days to Fill (Posting Date to Start Date)
Region Average	62.24
Unionized Average	62.02
Non union Average	61.81

• Explore the feasibility of a 3-4 month pilot for the EasyGo fare program, potentially offering free fare periods at certain locations to encourage marketing and use

Staff will develop a Marketing program to continue to support the shift from cash to electronic payment. As the program is scoped, staff will determine the appropriate scope for the program in terms of length of time (may not be 3-4 months), the number of cards to be distributed (financial impact), and the best ways to share the cards broadly with community members (multi-location, well promoted). The above concept can be implemented in 2025, but may be developed a bit differently than as proposed.

Staff will look to expand existing marketing initiatives to support the shift from cash to electronic payment (including distributing free EasyGO cards). Existing community engagement commitments will be leveraged to promote using our EasyGO fare card or our new mobile payment options, which will be available in 2025.

• Projected 2026 tax impacts

Staff have identified significant budgetary pressures the Region is forecasting in 2026. The 2026 budget will be impacted by decisions made through the 2025 Plan and Budget process including annualizations of approved service expansions and any potential use of one-time funding. Projected increases can be categorized in the following categories:

- Impact of base budget adjustments adjustments for inflation and cost escalation (as of late tender awards and contract renewals have been coming in significantly higher than the rate of inflation due to increased labour and material costs), revenue and subsidy adjustments, additional funding for development charge exemptions and tax increment grants, as well as debt servicing costs for capital projects (included an estimated \$5.0 million in debt servicing costs associated with the Waterloo Region Housing Master Plan).
- Impact of decisions made in 2024 continuation of funding strategy associated with the waste management collection contract renewal (\$7.1 million)
- o Impact of decisions made through the 2025 Plan and Budget process -

annualization of 2025 service expansions (\$5.0 million based on the current list of proposed service expansions).

- Impact of new initiatives and service expansions continuation of master and business plan investments in areas such as transit, paramedic services and further implementation of the Plan to End Chronic Homelessness.
- Detailed review of the preliminary 2025 budget book: Growth from 2024 to 2025 relating to Supplies, Equipment, Facilities Maintenance, Professional Fees & Services, Communications, Travel, Facility Occupancy Charges detailed explanation on what is causing the increases in these areas.

Item (\$ thousands)	2024 Budget: Tax Levy / User Rates	2025 Budget: Tax Levy / User Rates	Change: Tax Levy / User Rates	Drivers
Supplies	37,062 / 3,669	38,534 / 4,491	1,472 (4.0%) / 823 (22.4%)	 Increase in costs for vehicle maintenance supplies due to larger Transit fleet as a result of Transit growth as well as aging vehicles. Inflationary increases relating to food and beverages as well as medical and dental supplies for Seniors' Services, salt, aggregate, pavement markings and signage materials for Transportation. Increased costs for personal protective equipment and prescribed drugs for Paramedic Services to comply with legislative requirements and as a result of growth in the service. User rates driven by increased volume of chemicals required due to population growth and higher demand as well as significant increase in prices.
Equipment	5,073 / 253	6,459 / 258	1,386 (27.3%) / 5 (1.9%)	 Minor capital expenditures relating to Seniors' Services (100% Ministry funded). Implementation of Application Management System to support Human Experience Management Solution (HXM) project in Human

Item	2024	2025	Changer	Drivere
(\$ thousands)	Budget: Tax Levy / User Rates	Budget: Tax Levy / User Rates	Change: Tax Levy / User Rates	Drivers
				Resources.
Facilities Maintenance	9,560 / 441	12,603 / 585	3,043 (31.8%) / 144 (32.7%)	 Approximately 49% of the increase relates to Housing Services including impact of units/properties added such as the acquisition of 84 Frederick St., as well as increased costs for assets tied to unit turnovers. Other increases relating to rising costs for HVAC & plumbing for Seniors' facilities.
Professional Fees & Services	101,984 / 7,468	107,020 / 8,116	5,036 (4.9%) / 647 (8.7%)	 Waste, green bin and yard waste collection cost increases due to increased stops, population growth and inflation, as well as increased costs for waste hauling and diversion due to increased tonnage, population growth and inflation. Licensing costs, compliance audit and communications costs associated with implementation of Automated Speed Enforcement program. Increase in hospital charges for Offload Delay program within Paramedic Services (100% funded). Area maintenance contract increases for inflation and additional lane kms. Licensing costs for computer software increasing at a pace much greater than inflation. Increase in costs for assessment payments to MPAC to adjust for 2024 increase above budget and projected 2025 increase. Garbage collection, site litter pickup and insurance costs associated with new Housing unties/properties added. Higher janitorial costs for Housing Services per recent tender with increased pricing to due

Item (\$ thousands)	2024 Budget:	2025 Budget:	Change: Tax	Drivers
(•	Tax Levy / User Rates	Tax Levy / User Rates	Levy / User Rates	
				 increased minimum wage rate. Increased security costs and snow clearing relating to the acquisition of 84 Frederick. User rate changes attributable to increase in anaerobic biosolids contract and increased licensing and communication fees.
Communications	5,325 / 280	6,188 / 344	863 (16.2%) / 64 (22.7%)	 Increased costs for multi-factor authentication and cell phones as well as Miovision costs in Transportation.
Travel	1,569 / 151	1,927 / 169	358 (22.8%) / 18 (12.3%)	 Increased site visits for Design and Construction staff due to increased number of capital projects and project managers (received from capital). Increase to reflect adjustment for costs associated with taxes payable relating to parking. Realignment of existing budget to adjust travel costs for staff training on new electric and low carbon equipment (i.e. solar panels, electric vehicles, electric vehicle charging stations, etc.).
Facility Occupancy Charges	18,964 / -	22,034 / -	3,070 (16.2%) /-	 Annualization of Facilities staffing costs approved through the 2024 budget. Increase in building costs relating to utilities, facilities maintenance, contracted services (janitorial, garbage, snow, security, etc.) as well as lifecycle costs which are allocated to programs occupying shared corporate buildings.

• Bill 23 impacts on the Region's operating budget

On November 5, 2024, the Province advised that subject to government decision making, January 1st, 2025 is the proposed date in which the Waterloo Region will be proclaimed under Bill 23 as an upper-tier without planning responsibilities. When Bill 23 is in effect in Waterloo Region, there will be some updated roles and responsibilities in the planning system (see PDL-GDS-24-019).

Staff are assessing any operational and budget impacts that Bill 23 may create and will keep Regional Council informed.

• Legislative requirements under safe drinking act specific to the expansion requests, as well as all roles as part of expansion of services that are connected to legislative or regulatory requirements

The Safe Drinking Water Act, O. Reg 170/03, Section 19, Subsection 1 and 2, clearly outlines the Standard of Care for Drinking Water Systems which states that Operating authorities (Water and Wastewater Division) and Owners (Council) and individuals (including individual Council members) "(a) exercise the level of care, diligence and skill in respect of a municipal drinking water system that a reasonably prudent person would be expected to exercise in a similar situation; and

(b) act honestly, competently and with integrity, with a view to ensuring the protection and safety of the users of the municipal drinking water system."

The Statutory Standard of Care is in place to ensure that all who have decision making authority over a water system, do so, keeping in mind, public safety. The Act also states that the drinking water system be operated under the requirements under the act, is maintained in a state of fit repair and satisfies the requirements of the standards prescribed for the system of the class of systems to which the system belongs.

The Act also requires that the Operating Authority communicate with the Owner on an annual basis, drinking water system performance and risks to the performance of the system. The report is presented to Council in March and resources to meet the Safe Drinking Water Act are communicated to Council through the budget cycle.

Additional information can be found through Report CAO-24-002 from September 11, 2024 Strategic Planning and Budget Subcommittee 2024. Report titled 'Summary of Base Budget Allocation to Legislatively Mandated Services.'

How the annual payments for Building Better Futures would change if the debenture was over 25, 30, and 40 years rather than 20 years as it is currently scheduled

Changing the term of debentures will lower the debt servicing costs per year with the offset being a higher cost overall. The chart below shows the changes in cost using \$500 million in debentures issued at current capital market rates of a AAA rated municipality.

In Millions	20 years	25 years	30 years	40 years
Annual debt servicing costs	\$38.2	\$36.7	\$33.3	\$29.5
Total debt servicing costs	\$764.0	\$917.5	\$999.0	\$1,180.0

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: Nil.

Public: Nil.

7. Financial Implications:

As described in various sections of the report.

8. Conclusion / Next Steps:

Nil.

9. Attachments:

Appendix A: Region of Waterloo Reserve and Reserve Fund Balances (2022-2024)

Appendix B: Continuity of Staff Complement Changes

Appendix C: Region of Waterloo Organizational Chart

Appendix D: 2025 Plan and Budget - Responses to Councillor Requests: Review of Capital Projects Memo

Prepared By: Christopher Wilson, Manager, Corporate Budgets

Reviewed By: Jenny Smith, Director Corporate Strategy and Performance

Approved By: Wayne Steffler, Commissioner, Corporate Services/Chief Financial Officer

Mathieu Goetzke, Acting Chief Administrative Officer

Name of Reserve	2022 Ending Balance (\$000s)	2023 Ending Balance (\$000s)	Estimated 2024 Ending Balance (\$000s)
CAPITAL RESERVES			
Transportation Equipment Replacement	287	296	311
Waste Management Equipment Reserve	421	542	632
Facilities Management Equipment Replacement	40	56	50
Design and Construction Equipment Replacement	638	682	522
Fleet Shop Equipment Replacement	990	189	248
Corporate Fleet Replacement Reserve	19,389	21,122	21,994
Fuel System Equipment Replacement	1,299	1,415	1,407
Financial Services Capital Reserve	1,154	1,197	1,121
Airport Equipment Replacement Ambulance Vehicle Replacement	249 4,193	<u> </u>	240 1,220
Ambulance Equipment Replacement	4,193	1,322	1,220
GRT Service Vehicle Reserve	2,594	3,296	2,426
GRT Bus Replacement Reserve	7,503	7,853	11,530
GRT Mobility Plus Rural Replacement	2,536	2,240	1,680
Corporate Publishing Equipment Replacement	2,330	43	60
By-law Equipment Replacement	48	63	78
Computer Equipment Replacement Reserve	2,060	2,486	2,516
Transit Capital Reserve	9,832	12,965	6,915
Sunnyside Program Capital Reserve	1,010	1,232	1,676
Sunnyside Program Equipment Reserve	2,245	2,652	2,752
Supportive Building Reserve Fund	146	163	173
Airport Capital Reserve	5,857	7,479	6,961
Children's Program Capital Reserve	643	672	672
Cultural Services Program Capital Reserve	5,450	7,021	7,055
Housing General Reserve	27,243	13,330	0
Information Technology Capital Reserve	2,355	2,303	2,111
Facilities Lifecycle Reserve (Region)	6,931	7,333	0
WRESTRC Reserve	254	300	0
Transportation Capital Reserve	21,326	25,881	15,174
Road Safety Reserve	0	0	0
Wastewater Capital Reserve	43,123	42,462	30,636
Water Capital Reserve	84,153	87,728	90,752
Water Distribution Capital Reserve	2,200	2,827	3,541
Wastewater Collection Capital Reserve	3,824	4,153	4,056
Waste Management Capital Reserve	4,286	5,263	7,044
Public Art Reserve	477	683	770
Solar Photovoltaic Reserve	1,496	1,738	1,665
Accessible Service Reserve	435	571	350
Doon Heritage Crossroads Reserve	344	359	370
Affordable Housing Development Reserve (SIAH)	17,937	11,974	9,669
Homelessness Prevention Capital Reserve	0	0	1,000
Library Capital Reserve	1,306	1,247	1,207

Name of Reserve	2022 Ending Balance (\$000s)	2023 Ending Balance (\$000s)	Estimated 2024 Ending Balance (\$000s)
North Dumfries Library Capital Reserve	116	121	125
Community Planning Capital Reserve	865	1,478	1,393
Human Resources & Citizen Service Capital Reserve	1,540	812	576
General Tax Supported Capital Reserve	9,702	8,979	5,147
OBLIGATORY RESERVE FUNDS			
Canada Community Building Reserve Fund (Formerly Federal	8,398	2,172	8,128
Gas Tax)			
Provincial Gas Tax	0	0	0
Transportation RDC	69,810	98,016	83,347
Water Services RDC	7,828	9,999	7,661
Wastewater RDC	1,835	6,768	5,480
Transit RDC	5,912	4,230	5,492
Airport RDC	4,114	4,804	4,780
Operations RDC	4,042	4,246	4,009
Library RDC	670	750	619
EMS RDC	638	608	654
Waste Management RDC	1,078	1,505	1,808
Police RDC			
General Government RDC	(1,486)	(276)	(509)
DISCRETIONARY RESERVE FUNDS			
Brownfield Incentive Program Reserve Fund	3,225	4,405	5,802
Regional Transportation Master Plan Reserve Fund	14,291	14,076	12,933
Insurance - General Reserve Fund	4,493	5,365	5,659
Sick Leave Reserve Fund	1,228	933	1,050
Workplace Safety & Insurance Board Reserve Fund (Region)	4,426	3,438	3,438
STABILIZATION/OTHER RESERVES			
Walker Woods Reserve	109	75	23
Equity and Diversity Initiatives Reserve	4,664	1,542	0
Digital Service Transformation Reserve	0	140	0
Municipal Accommodation Tax Reserve	506	617	439
King-Victoria Transit Hub Debt Retirement Reserve	5,139	514	0
Affordable Housing Development	1,270	1,327	1,376
Election Reserve	69	83	98
Strategic Plan Reserve	277	187	257
Working Funds Reserve	10,000	10,000	10,000
Employee Benefits Stabilization	4,080	4,066	4,066
Wastewater Stabilization Reserve	2,380	1,139	1,139
Water Stabilization Reserve	5,891	8,304	8,804
Water Distribution Stabilization Reserve	7,814	9,253	9,253
Wastewater Collection Stabilization Reserve	875	868	868
GRT Uniform Reserve	585	676	676
Tax Stabilization Reserve	15,000	13,941	3,938

Note: Reserve and reserve funds for Police Services are not included in the above table

Appendix B – Continuity of Staff Complement Changes

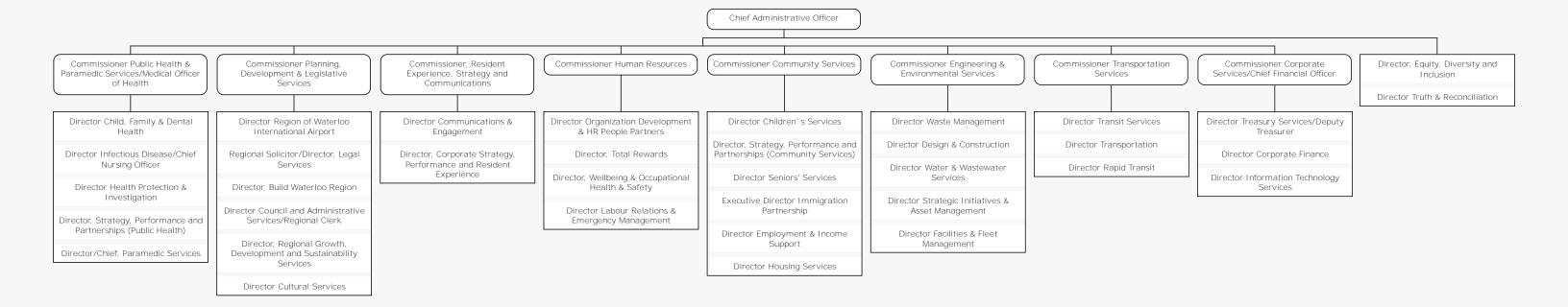
Full Time Equivalents (FTEs)

Division	2024 Approved FTEs	2025 Base Budget FTEs	2025 Proposed Expansion FTEs	2025 Budget with Expansion FTEs
Community Services				
Housing Services	86.0	91.3	5.0	96.3
Seniors' Services	394.7	393.3	9.5	402.8
Children's Services	80.7	83.8	3.0	86.8
Employment & Income Support	180.5	178.5	5.0	183.5
Immigration Partnership Council	4.4	4.4	3.6	8.0
Strategy, Performance and Partnerships	39.0	35.0	0.0	35.0
Commissioner of Community Services	2.0	2.00	0.0	2.00
Transportation Services				
Transit Services	809.3	809.3	51.3	860.6
Transportation	143.7	143.7	6.3	150.0
Commissioner of Transportation Services	2.0	2.0	0.0	2.0
Engineering & Environmental Services				
Water Supply	98.0	100.0	16.7	116.7
Wastewater Treatment	44.0	44.0	2.0	46.0
Water Distribution	3.0	3.0	0.0	3.0
Wastewater Collection	0.0	0.0	0.0	0.0
Facilities Management	136.3	136.3	4.0	140.3
Fleet Management	19.0	19.0	1.0	20.0
Waste Management	80.1	80.1	18.0	98.1
Design & Construction	57.4	57.4	2.0	59.4
Strategic Initiatives & Asset Management	9.0	8.0	0.0	8.0
Commissioner of Engineering & Environmental Services	2.0	2.0	0.0	2.0
Planning, Development & Legislative Services				
Region of Waterloo International Airport	50.9	51.4	0.0	51.4
Build Waterloo Region	19.7	18.7	0.0	18.7
Council & Administrative Services	27.4	28.4	0.0	28.4
Provincial Offences Act (POA)	28.0	32.0	0.0	32.0
Automated Speed Enforcement (ASE)	27.0	27.0	14.0	41.0
Legal Services	17.0	16.6	2.0	18.6
Cultural Services	36.0	43.9	0.0	43.9
Region of Waterloo Library	29.4	29.5	0.7	30.2
Regional Growth, Development and Sustainability Services	32.7	30.0	2.0	32.0
Commissioner of Planning, Development & Legislative Services	11.0	10.0	0.0	10.0
Public Health & Emergency Services				
Paramedic Services	386.1	386.2	24.0	410.2

Division	2024 Approved FTEs	2025 Base Budget FTEs	2025 Proposed Expansion FTEs	2025 Budget with Expansion FTEs
Health Protection & Investigation	66.0	55.5	3.0	58.5
Infectious Diseases	86.6	76.7	0.0	76.7
Child, Family and Dental Health	82.0	84.8	0.0	84.8
Strategy, Performance & Organizational Standards	55.2	53.8	0.0	53.8
Elected Offices	3.0	3.0	0.0	3.0
Chief Administrative Officer				
Reconciliation, Equity, Diversity & Inclusion	6.0	7.0	1.0	8.0
Communications and Strategy	23.0	23.0	0.0	23.0
Chief Administrative Officer	2.0	2.0	0.0	2.0
Corporate Services				
Information Technology Services	84.5	78.0	5.0	83.0
Treasury Services	48.1	50.1	2.0	52.1
Corporate Finance	35.8	36.8	0.0	36.8
Commissioner of Corporate Services	2.0	2.0	0.0	2.0
Human Resources & Citizen Services				
Talent Acquisition, Client Experience & Solutions	48.8	48.8	1.0	49.8
Organization Development & HR People Partners	14.0	14.0	0.0	14.0
Labour Relations & Emergency Management	8.0	8.0	1.0	9.0
Wellbeing & Occupational Health & Safety	17.5	17.5	0.0	17.5
Total Rewards	17.0	18.0	0.0	18.0
Commissioner of Human Resources & Citizen Service	5.0	5.0	0.0	5.0
Region Total	3,460.9	3,450.6	183.1	3,633.7



Region of Waterloo





Engineering and Environmental Services

Strategic Initiatives & Asset Management

Date: November 27, 2024

Memorandum

То:	Chair Harris and Members of the Strategic Planning and budget Committee
From:	Jennifer Rose, Commissioner Engineering & Environmental Services
Subject:	2025 Plan and Budget - Responses to Councillor Requests: Review of capital projects

Through the 2025 planning and budget process Councillors have requested information related to the Captial Program and opportunities to delay projects to reduce the tax levy.

Review capital projects and present options for delaying certain projects to reduce the property levy

Through the capital budgeting process, staff review and prioritize capital work based on the condition of the asset, the level of risk, the infrastructure needed to support growth and the infrastructure needs of the area municipalities (active transportation, water and sewer) while considering the service levels that have been committed to. This work is carefully measured against the projected increase in capital costs to delay projects, the increased burden on operational costs (i.e. staff overtime, premium costs for emergency repairs and staff burnout), the staff resources and capacity to do the work. The final step, working with Finance, is to measure our financial resources, especially debt forecasting for development charge funded projects.

For the 2025 draft budget, staff have already deferred \$41.5 million in Transportation, \$21.0 million in Housing Services and Waterloo Region Housing, \$4.1 million in the Airport, \$16.2 million in Transit, \$10.0 million in Water and \$10.6 million in Wastewater. The deferral of projects will increase the work required to keep the infrastructure in a state of good repair. Moreover, as construction costs grow at a rate higher than general inflation, deferrals will increase the overall capital costs of the ten-year program.

The 2025 Asset Management Plan, which will be presented to Council in Q2 of 2025, will inform Council of the state of the Region's assets and the infrastructure gap. Using the 2020 Asset Management Plan and inflating values to 2023 dollars, the Region's infrastructure gap, for the Capital Plan, is currently greater than \$60 million. The reserve balances are not currently adequate for future renewal work and a financial funding model for infrastructure will be developed in response to the Asset Management Plan.

At Council's direction, staff have reviewed and reduced the 2025 capital plan to defer projects to better align with the projected tax levy targets. Staff have reduced the growth-related projects, which are development charge (DC), and debt financed, projects. The remaining projects have already been committed to proceed for construction. Many of the projects are tied to area municipal capital works and can only be deferred through further consultation with the area municipalities to either defer or decouple their work, depending on the urgency of the works required by the area municipality. Having completed this work, the only way to lower the tax levy for the 2025 budget is to lower the annual transfer of operating funds into the capital reserves.

As a result of this work, staff identified capital projects that were forecasted to start in 2025 and for which a deferral could allow for a lower transfer to reserves in 2025.

Project	2025 Capital Program Impact	2025 Tax Levy Impact	Risks / Impacts
Waste Transfer Station	\$4.3 million reduction in expenditures funded by debentures	No impact to 2025 tax levy because Waste reserves are low, and this project is funded through debt. Reduction in future debt services costs.	No associated risks. Change based on updated cost estimates.

Recommended Change to the 2025 Capital Program

Options for Deferral

Project	2025 Capital Program Impact	2025 Tax Levy Impact	Risks / Impacts
Hybrid shelter 2.0	\$2 million deferral	\$2.0 million potential reduction to PECH service expansion request	No additional hybrid shelter capacity to respond to growing needs.
Walker Road	\$1.415 reduction in expenditures funded by \$0.950 million in RDC and \$0.465 million in Transportation Capital Reserve	\$0.465 million one time reduction in contribution to	A one-time reduction in contribution to the reserve, which will need to be reinstated in 2026.
Facilities Renewal (non- WRH)	\$3.895 million deferral	No impact to 2025 tax levy as contribution to reserve is still required. Potential reduction in future debt servicing	
Facilities Renewal (WRH)	\$5.999 million deferral	No impact to 2025 tax levy as contribution to reserve is still required. Potential reduction in future debt servicing	
Facilities Large Capital	\$31.2 million deferral	No impact to 2025 tax levy as contribution to reserve is still required. Potential reduction in future debt servicing	already in design phase with consultants.
Scheifele Bridge	deferral	reserve is still required. Potential reduction in future debt servicing	impacting construction start.
Schneider Creek MUP	\$0.892 million deferral	No impact to 2025 tax levy as contribution to reserve is still required. Potential reduction in future debt servicing	Project delays impacting construction start.