

# Regional Municipality of Waterloo

## Strategic Planning and Budget Committee

### Agenda



Date: Wednesday, February 22, 2023  
Closed Session: 11:00 a.m.  
Location: Council Chambers/Electronic

Should you require an alternative format please contact the Regional Clerk at Tel.: 519-575-4400,  
TTY: 519-575-4605, or [regionalclerk@regionofwaterloo.ca](mailto:regionalclerk@regionofwaterloo.ca)

	Pages
1. Call to Order	
2. Land Acknowledgement	
3. Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”	
4. Opening Remarks from Regional Chair Redman	
5. Opening Remarks from Committee Chair Harris	
6. Presentations	
6.1 2023 Region of Waterloo Plan and Budget	6
7. Operating Budget and Capital Program	
7.1 COR-CFN-23-012, Final 2023 Plan and Operating Budget and 2023-2032 Capital Program	56
Recommended Motion:	
For information.	
8. Introduction of the Main Budget Motion	
Recommendation:	
That the Regional Municipality of Waterloo take the following action with respect to the 2023 Plan and Tax Supported Operating Budget for regional services:	
a) Approve the 2023 Plan as set out Appendix A of report COR-CFN-23-012 dated February 22, 2023;	
b) Approve the 2023 Operating Budget for regional services (excluding Police Services) as summarized in Appendix E of report COR-CFN-23-012 dated February 22, with a net expenditure of <b>\$1,191,102,868</b> and a property tax levy of <b>\$470,284,678</b> for regional services in 2023;	
c) Approve the 2023 Capital Budget and 2024-2032 Capital Forecast for regional services (excluding Police Services) as summarized in Appendix E of report COR-CFN-23-012 dated February 22, 2023 and subject to final	

adjustments for 2022 carry-forwards.

**9. Items Approved at Standing Committees on February 7 and Referred to Budget Committee**

**9.1 Recommendation from the Planning and Works Committee**

**Recommended Motion:**

That the Regional Municipality of Waterloo endorse the proposed Public Transit service changes as set out in the Preliminary 2023 Grand River Transit Budget and as further described in report TSD-TRS-23-003, dated February 7, 2023, including:

- The addition of 41,400 net annual transit service hours in 2023 at an incremental 2023 property tax levy impact of \$3,518,000 (\$4,897,000 annualized), serving over 440,000 projected additional annual rides.
- The implementation of the Cambridge network redesign by Fall 2023
- The extension of the Route 79 Breslau pilot to the end of 2023
- The removal of two low-ridership transit routes (2 and 73) and the redeployment of those resources to service restoration and new service implementation.

**9.2 Recommendation from the Community and Health Services Committee**

**Recommended Motion:**

That the Regional Municipality of Waterloo amend the Preliminary 2023 Homelessness operating budget by adding \$1,200,000 to accommodate requests from Community Agencies that serve the Housing Stability System, and that \$1,200,000 be implemented as an annualized budget amount in 2023 and the \$1,800,000 implemented in 2024 budget and that staff report back to Committee with funding recommendations following further review and due diligence by staff, as outlined in report CSD-HOU-23-005 dated February 7, 2023.

**10. Items Deferred to Budget Committee**

**10.1 COR-CFN-23-013, Grand River Transit Fare Structure – Councillor Requests 79**

**Recommended Motion:**

For information.

**10.2 TSD-TRS-23-004, Transit Services Fare Structure, Discounts and Revenues 84**

**Recommended motion deferred from the Planning and Works Committee February 7:**

That the Regional Municipality of Waterloo take the following action with

respect to Grand River Transit fares as set out in report TSD-TRS-23-004, dated February 7, 2023:

- a. Endorse the continuation of the affordable transit program (ATP) that provides a discount on fares for individuals and families whose income falls below the existing threshold of 15% above the poverty line as measured by Statistics Canada for a community in Ontario greater than 500,000 persons; and
- b. Approve a 2.5% general public transit fare increase effective July 1, 2023 as set out in the preliminary 2023 Public Transit Operating Budget; and
- c. Direct staff to mitigate the impact of any fare increase for individuals and families eligible for ATP by increasing the discount from 48% to 50% effective July 1, 2023 with a net 2023 property tax levy increase of \$20,500; and
- d. Approve the creation of an extended family day pass applicable every day of the week, decreasing the cost of travel for accompanied youth; and
- e. Direct staff to bring forward a comprehensive review of age-specific fare for seniors and youth discounts forward as part of the new Grand River Transit Business Plan

**10.3 COR-CFN-23-014, Discretionary Grants to Organizations** 94  
For Information.

**10.4 PDL-CUL-23-001 Kitchener-Waterloo Symphony One-Time Funding Request , PDL-CUL-23-001** 111  
**Recommended motion deferred from Administration and Finance Committee February 7:**

That the Regional Municipality of Waterloo take no action with respect to the request for one-time funding for the Kitchener-Waterloo Symphony as outlined in report PDL-CUL-23-001 dated February 7, 2023.

## **11. Fees and Charges**

**11.1 COR-CFN-23-015, 2023 User Fees and Charges Update** 120

### **Recommended Motion:**

That the Regional Municipality of Waterloo repeal By-law 21-072 (A By-law to Establish Fees and Charges for the Regional Municipality of Waterloo), By-law 21-067 (A By-law to Amend the Wholesale Rates), By-law 21-068 (A By-law to Impose the Regional Sewage Rate), By-law 21-069 (A By-law to Impose a Water Service Rate in the Townships of Wellesley and North Dumfries) and By-law 21-070 (A By-law to Impose a Sewage Service Rate in the Townships of Wellesley and North Dumfries); and pass a new Consolidated Fees and Charges By-law

including the new and adjusted fees and charges in the 2023 Budget as set out in report COR-CFN-23-015 dated February 22, 2023.

**12. Item Referred from Library Committee**

That the Library Committee take the following action with respect to the 2023 Region of Waterloo Libraries (RWL) Budget, as set out in Report COR-CFN-23-009 dated February 9, 2023:

a) Approve the 2023 RWL Operating Budget with a net property tax levy of \$2,773,898; and

b) Approve the 2023 RWL Library Capital Budget and 2024-2032 Capital Forecast as appended

**13. Councillor Budget Motions**

**14. Consideration of Main Budget Motion As Amended**

**15. Items Referred From Police Services Board**

133

**Recommended Motion:**

That the Regional Municipality of Waterloo take the following action with respect to the 2023 Waterloo Region Police Service Budget:

a) Approve the Waterloo Regional Police Service 2023 Operating Budget with a net expenditure of \$236,742,817 and a property tax levy of \$214,060,266; and

b) Approve the Waterloo Regional Police Service 2023 Capital Budget and 2024-2032 Capital Forecast as summarized in Appendix G of Police Services Board report 2023-003, dated January 18, 2023, subject to final adjustments for 2022 carry-forwards.

**16. Notice of Motion**

**16.1 Councillor Deutschmann Motion**

Whereas the current proposed budget from Waterloo Regional Police Services is seeking 19 new officers;

And whereas the Waterloo Regional Police Services do not expect to hire the 19 new officers before April 1, 2023;

And whereas payment to the Waterloo Regional Police Services effective January 1, 2023, for the 19 officers that will not be hired until April 1, 2023 will result in the taxpayers of Waterloo Region providing the Waterloo Regional Police Services with a \$1,055,00.00 surplus;

And whereas the proposed Waterloo Regional Police Services budget explicitly provides that a delayed intake of April 1, 2023, for the 19 sworn officers, which would align with the next Ontario Police College intake, would see a proposed budget reduction of \$1,055,000.00, resulting in an overall Police Services budget increase year over year of



8.81%, and with a property tax increase of 6.69%;

Be it resolved that the Region of Waterloo approve an 8.81% increase in the Waterloo Regional Police Services operating budget, resulting in a 6.69% change in the property taxes.

**17. Correspondence**

**17.1 Written Submissions**

17.1.1 Meg Ruttan Walker  
re: The police budget

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**18. Other Business**

**19. Motion to go into Closed Session**

**Recommended Motion:**

That a closed meeting of Council be held on Wednesday, February 22, 2023 at 6:00 p.m. in accordance with Section 239 of the “Municipal Act, 2001”, for the purposes of considering the following subject matters:

1. Receiving advice that is subject to solicitor-client privilege related to ongoing litigation
2. Proposed disposition of lands
3. Receiving advice that is subject to solicitor-client privilege related to ongoing litigation

**20. Adjourn**

**Recommended Motion:**

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



# 2023 Region of Waterloo Plan and Budget

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Strategic Planning and  
Budget Committee

February 22, 2023



# Supporting Materials

- [November 30, 2022 Strategic Planning and Budget Committee agenda](#)
- [December 14, 2022 Strategic Planning and Budget Committee agenda](#)
- [January 18, 2023 Strategic Planning and Budget Committee agenda](#)
  - 2023 User Fees & Charges Briefing Note (COR-CFN-23-005)
  - 2023 Plan and Budget Overview Briefing Note (COR-CFN-23-004)
  - [2023 Preliminary Budget document](#)
- [January 18, 2023 Police Services Board agenda \(incl. 2023-2032 Capital Plan\)](#)
- [February 1, 2023 Strategic Planning and Budget Committee agenda](#)
- [February 8, 2023 Strategic Planning and Budget Committee agenda](#)
  - Reserves and Reserve Funds Briefing Note (COR-CFN-23-011)
  - Municipal Budget Regulation Briefing Note (COR-CFN-23-010)
  - 2023 Plan and Budget Engagement Overview (CAO-SPL-23-002)
- February 22, 2023 Strategic Planning and Budget Committee agenda
  - Final 2023 Plan, 2023 Operating Budget and 2023-2032 Capital Program Briefing Note (COR-CFN-23-012)
  - Grand River Transit Fare Structure – Councillor Requests Briefing Note (COR-CFN-23-013)
  - Discretionary Grants Update Briefing Note (COR-CFN-23-014)
  - 2023 User Fees and Charges Update Briefing Note (COR-CFN-23-015)



# World Class Waterloo Region: a place where all can thrive

- **Neighbourhoods** where residents can easily access to a range of needs and services
- **Arts and culture** that is inclusive, vibrant and builds identity and belonging
- **Transit** that connects communities and people
- Strong **public and private partnerships** that empower local organizations to help fuel positive change
- **Reconciliation and equity** that is genuine and meaningful
- **Rural areas** that are protected and nurtured
- **Downtowns** that are compact and lively
- **Next generation** of ideas is nurtured
- An **inclusive** community where all people are valued
- **Global climate** and **local environment** are respected





# What we do

Recycling. Transit. Drinking water.  
Health and paramedic services. Culture.  
Roads. Waste management. Housing.

These are just some of the services that  
the Region of Waterloo provides to  
over **630,000** people every day.

These are services that ensure the community can  
grow and prosper.

These are services that give residents the opportunity  
to thrive in a vibrant, diverse region.

These are services that keep the community safe,  
healthy and connected.

It is difficult to imagine life in Waterloo Region without  
these services.

Every year, the Region of Waterloo plan and budget  
process identifies the funds and resources that are  
needed to deliver these essential services.

The process also funds major capital projects that  
allow us to build a community for generations to come.





# A budget like no other

Most of the Region's budgetary costs are for essential services that help residents go about their daily lives.

And like many municipalities across Canada, this year's budget has been extremely challenging.

Some of these challenges are similar to those we experience as residents.

Inflation has led to dramatic cost increases in basic items. Cost increases are felt in gas prices, in the cost of building, in vehicle maintenance.

At the same time, the Region is seeing incredible growth as more people choose this area as their home.

Over the next three decades, we expect the population to rise to nearly 1 million people. This growth is exciting and it also puts pressure on our services.

As we experience dramatic inflation and incredible growth, some Provincial funding streams are ending, placing even more pressure on the Region of Waterloo.



Inflation has led to dramatic cost increases in basic items.



Over the next three decades, we expect the population to rise to nearly **1 million** people.

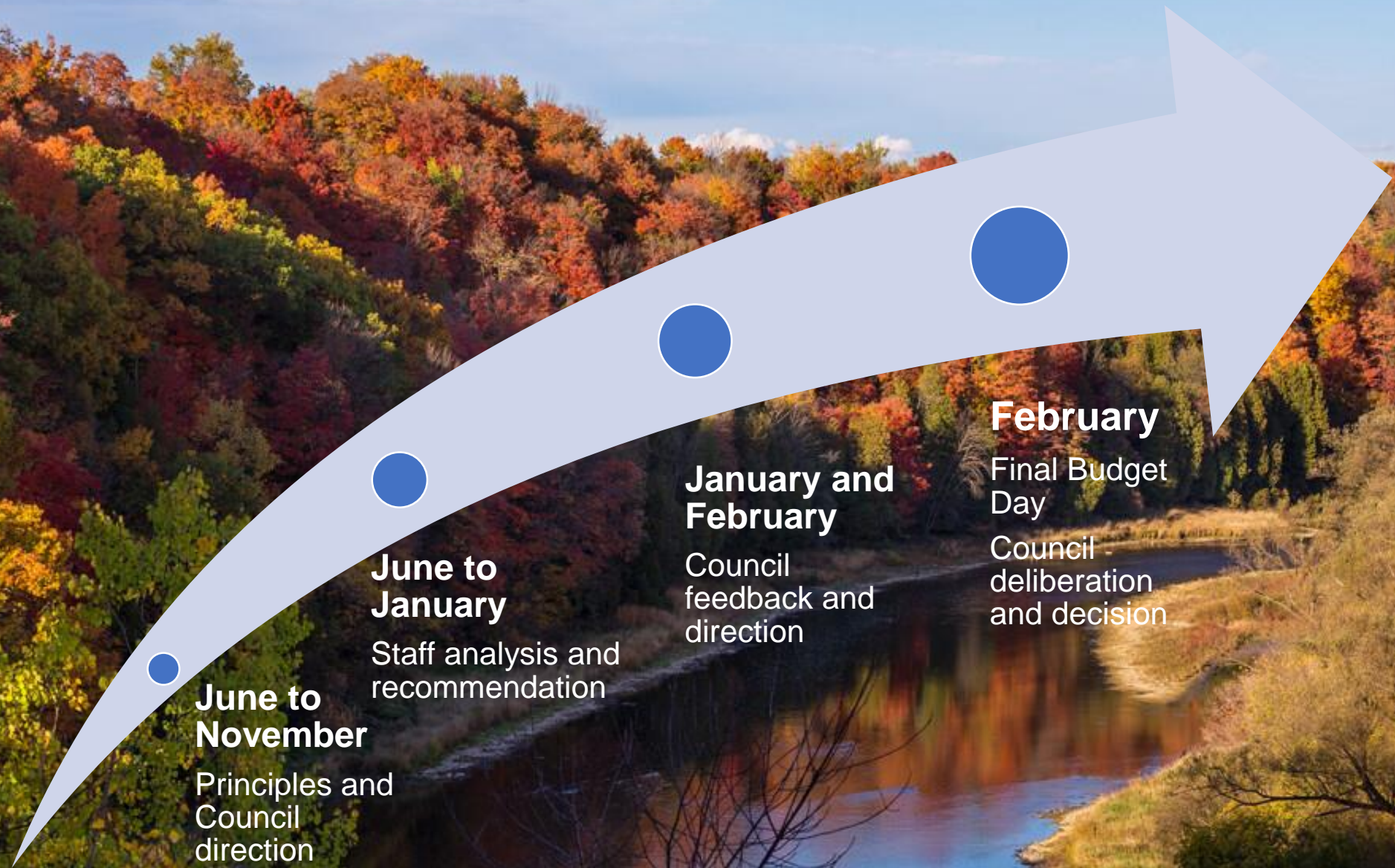
2023  
population  
**630,000**



2051  
population  
**close  
to 1  
million**



# 2023 Plan & Budget Development





# Guiding Principles

- Strategic Plan guides everything we do
- Invest in critical elements of organizational success
  - Employee wellbeing (not burning staff out)
  - Innovations that lead to greater efficiency (AI, Tech to support service)
  - Organizational development to support staff change
  - Building capacity to maintain competitiveness
- Reviewing service levels to reflect changing needs and adjust service levels to accommodate fiscal pressures
- Reviewing provincial and federal responsibilities currently funded in whole or in part by the property tax levy
- Ensure adequate asset renewal funding to promote long term financial sustainability
- Avoid approaches that make future budgets more difficult



# Investing in a growing community

## 2023 Plan & Budget Highlights



Healthy, safe  
and inclusive  
communities

- Continued investment in equity and grassroots organizations
- Expanding Paramedic Services
- Accelerating affordable housing
- Supporting those experiencing homelessness
- Advancing Truth and Reconciliation with partners



Responsive  
and engaging  
public service

- Modernizing service through digital transformation
- Prioritizing voices from across the community to help deliver better services



Environment  
and climate  
action

- Greening infrastructure, assets and facilities
- Electrification of buses
- Transitioning the blue box program to reduce curbside bag/container limits



Thriving  
economy

- Ongoing expansion at the Region of Waterloo International Airport
- Investing in the Regional road network
- Developing arts and culture initiatives to build an inclusive community



Sustainable  
transportation

- Increasing access to high-demand transit routes
- Expanding the state-of-the-art active transportation network
- Enhancing resident safety along Regional roads



Our  
people

- Cultivating an organization that attracts and retains top talent
- Supporting employees through an enhanced Wellness program
- Modernizing the workplace to meet employee needs

# The numbers



The plan and budget affects every resident.



The plan **outlines priorities** we have **heard from** the **community** and the budget provides the funds to make the plan happen.

**Balancing affordability** while **expanding essential services** for this growing community has been an important part of the plan and budget in 2023.



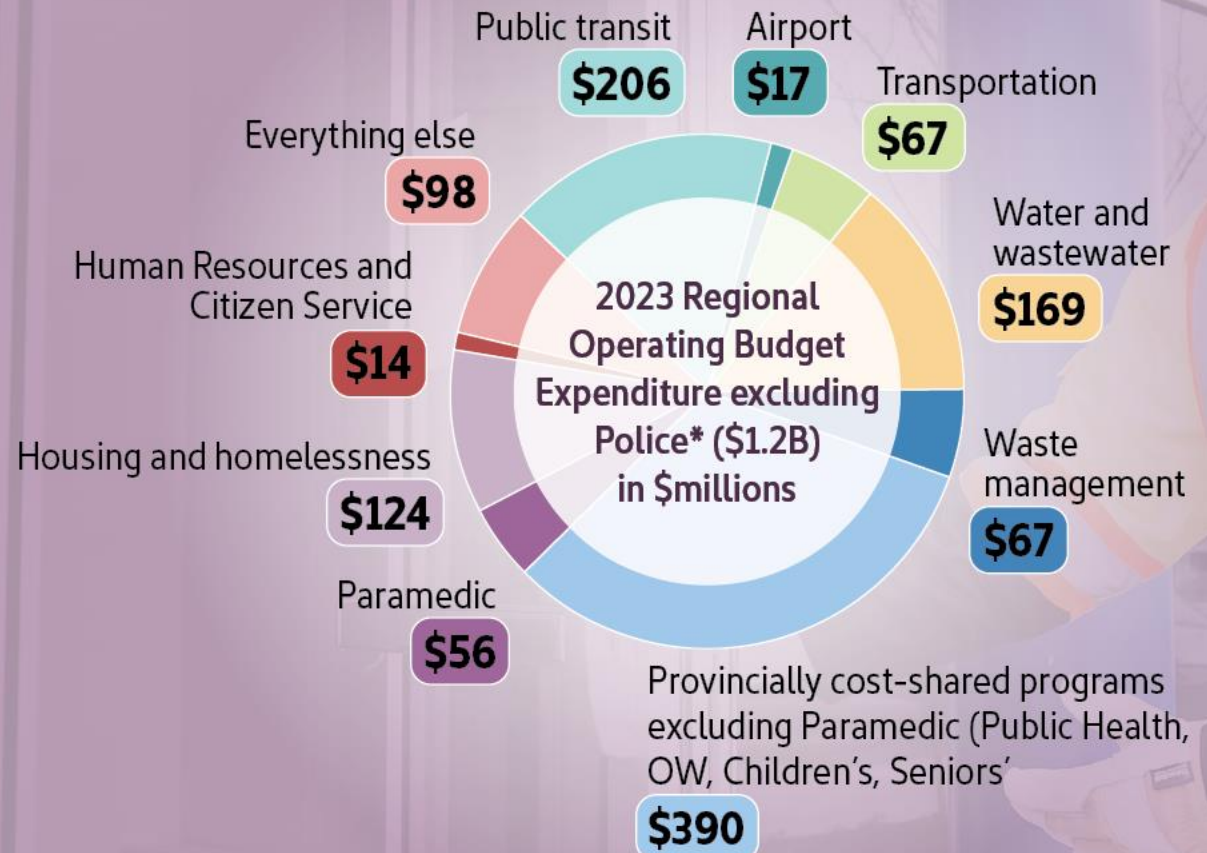
# Preliminary 2023 operating budget

The Region has identified **\$35.8 million** in savings over the last **three** years, and continues to focus on providing world-class services to residents.

The Region's current operating budget, outlined in the graph, is **\$1.2 billion**, excluding costs for Waterloo Region Police Services.

The total 2023 operating and capital budget for Regional services, including costs for Waterloo Region Police Services, is **\$1.9 billion**. This represents a **tax rate impact of 8.8%**, which is broken down into **9.5% for Regional services** and **7.2% for police services**.

This amounts to an **annual increase of \$192** for an average property, or **\$16 per month**.





# Dollars at work



**713** km of bike lanes/  
active transportation  
facilities



**1** landfill and **2**  
drop off stations



**277** buses  
on **54** routes



**778** vehicles, including  
plows, ambulances and  
heavy equipment



**2,820** Waterloo  
Region Housing Units



**400** km  
of watermains



**238** long term care  
beds (Sunnyside)



**25** groundwater  
treatment systems



**1,803** km of  
regional roads



**10** library branches



**13** paramedic stations



**3** museums

# Upstream Initiatives

"Upstream interventions and strategies focus on improving fundamental social and economic structures in order to decrease barriers and improve supports that allow people to achieve their full health potential."

– National Collaborating Centre for Determinants of Health

Many of the services that the Region delivers meet this definition of upstream:

Affordable  
Housing

Affordable  
Transit Program

Child Care

Children &  
Youth Planning  
Table

Community  
Paramedicine

Equity and  
Reconciliation

Emergency  
Shelter supports

Employment &  
Income support

Local  
Immigration  
Partnership

Public Health

Seniors'  
Community  
Programs

Vaccine  
Distribution

Smart Waterloo  
Region

Total Regional spending on upstream initiatives in 2023 exceeds **\$520 million**. These expenditures are funded from a combination of subsidy from senior levels of government where applicable as well as property taxes.

# 2023 Plan and Budget

## Tax & User Rate Impacts

# 2023 Operating Budget Position

	Expenditure	Revenue	Tax Levy	Change in Property Taxes
<b>Regional budget position, January 18, 2023</b>	<b>\$1,189,902,868</b>	<b>\$720,818,190</b>	<b>\$469,084,678</b>	<b>9.23%</b>
Adjustment, February 7, 2023 Community and Health Services Committee:				
Community Funding Requests in the Housing Stability System (CSD-HOU-23-005)	1,200,000	-	1,200,000	0.28%
<b>Direct Regional Services current position</b>	<b>\$1,191,102,868</b>	<b>\$720,818,190</b>	<b>\$470,284,678</b>	<b>9.51%</b>

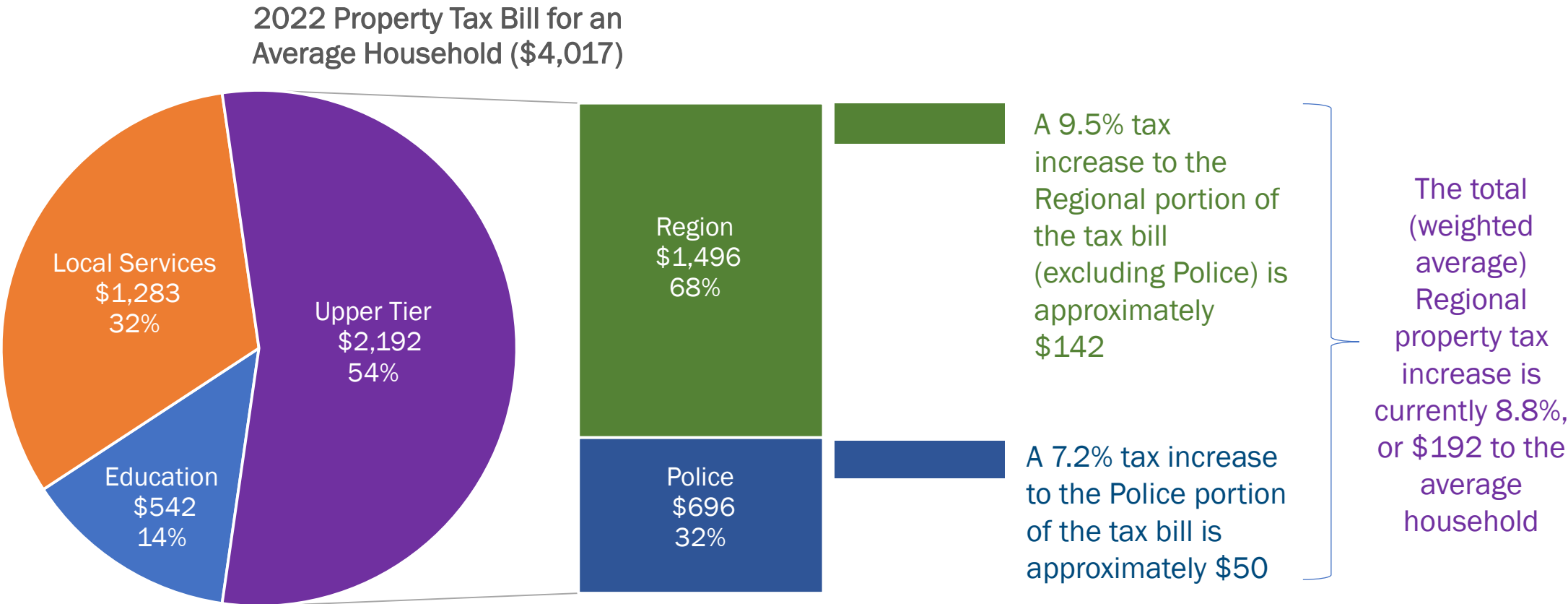
# 2023 Operating Budget Position

## Region of Waterloo 2023 Operating Budget

Regional Property Tax Levy			
	Region	Police	Total
2022	\$421,098,956	\$195,760,656	\$616,859,612
2023	\$470,284,678	\$214,060,266	\$684,344,944
\$ change	\$49,185,722	\$18,299,610	\$67,485,332
% change	11.68%	9.35%	10.94%
Average Regional Taxes per \$100,000 Residential CVA			
	Region	Police	Total
2022	\$422	\$196	\$618
2023	\$462	\$210	\$673
\$ change	\$40	\$14	\$54
% change in property taxes**	9.51%	7.22%	8.78%



# Current Status of 2023 Budget



CVA (January 1, 2016 value) for an average household is \$354,500



# How "area-rating" works

The budget determines the Region's tax levy, which is comprised of a "general levy" collected from all properties and several "area municipality specific levies"

Total Regional Property Tax Levy = \$684.3 M (current position)

General Levy for all services except transit and library (3 cities and 4 townships - \$544.3 M, 11.4% inc.)	Urban conventional and mobility transit levy (3 cities - \$133.7 M, 8.9% inc.)	Woolwich conventional transit levy (\$0.9 M, 32.6% inc.)	Wilmot conventional transit levy (\$0.4 M, 64% inc.)	Rural Mobility transit levy (4 townships - \$2.3 M, 36.5% inc.)	Rural library levy (4 townships - \$2.8 M, 5.4% inc.)
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Note: all levy figures based on current 2023 budget position, with "% inc." compared to 2022)

# Regional Services – Area Rating

<p>The budget determines the Region's tax levy, which is comprised of a "general levy" collected from all properties and several "area municipality specific levies"</p> <p><b>Service</b></p>	2023 Levy (% inc)	Net 2023 cost of service levied in \$millions with % increase by area municipality						
		Cambridge	Kitchener	Waterloo	N. Dumfries	Wellesley	Wilmot	Woolwich
Regional Services excluding library & transit	\$330.2 (12.7%)							
Police Services	\$214.1 (9.4%)							
Conventional GRT to Woolwich	\$0.9 (32.6%)							
Conventional GRT to Wilmot	\$0.4 (64%)							
Urban Conventional GRT and ION service	\$126.9 (9.2%)							
Urban GRT Mobility service	\$6.9 (2.1%)							
Rural GRT Mobility service	\$2.3 (36.5%)							
Library Services	\$2.8 (5.4%)							
<b>Total 2023 Levy</b>	\$684.3							
Increase \$	\$67.5 (10.9%)							
<b>Tax Impact % (net of assessment growth)</b>	<b>8.8%</b>	<b>8.6%</b>	<b>8.6%</b>	<b>8.6%</b>	<b>9.5%</b>	<b>9.5%</b>	<b>10.2%</b>	<b>10.0%</b>
<b>Tax Impact \$ per \$100,000 of residential assessment</b>	<b>\$54.29</b>	<b>\$54.65</b>	<b>\$54.65</b>	<b>\$54.65</b>	<b>\$49.69</b>	<b>\$49.69</b>	<b>\$53.66</b>	<b>\$53.34</b>

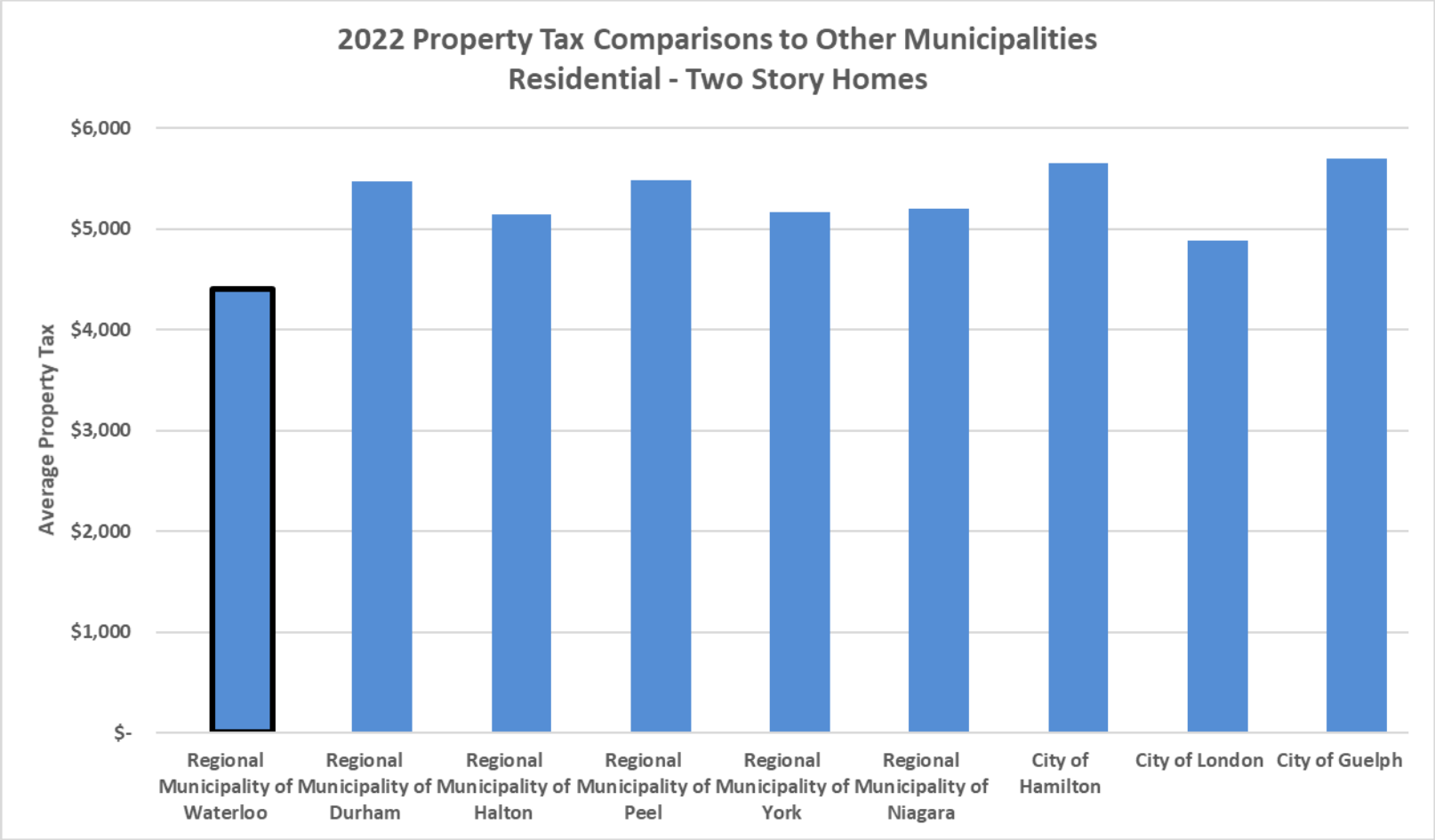
Note: all levy figures based on current 2023 budget position with "% inc." compared to 2022)

# Estimated 2023 Property Tax Impacts

Regional Municipality of Waterloo	
2023 Budget Tax Impacts per \$100,000 of Residential Property Assessment (Jan. 1, 2016 CVA)	
	Region Avg
<b>2022</b>	
Region	\$ 618
Lower-tier	361
Education	153
<b>2022 Total</b>	<b>\$ 1,132</b>
<b>2023</b>	
Region	8.78% \$ 673
Lower-tier	See Note 380
Education	153
<b>2023 Total</b>	<b>\$ 1,206</b>
<b>Change (\$)</b>	<b>\$ 74</b>
<b>Change (%)</b>	<b>6.54%</b>

Note: The lower-tier figure in this column is a weighted average of each area municipality based on each municipality's % of total property assessment.

# Property Tax Comparisons to Other Municipalities



\*Data from the 2022 BMA Study



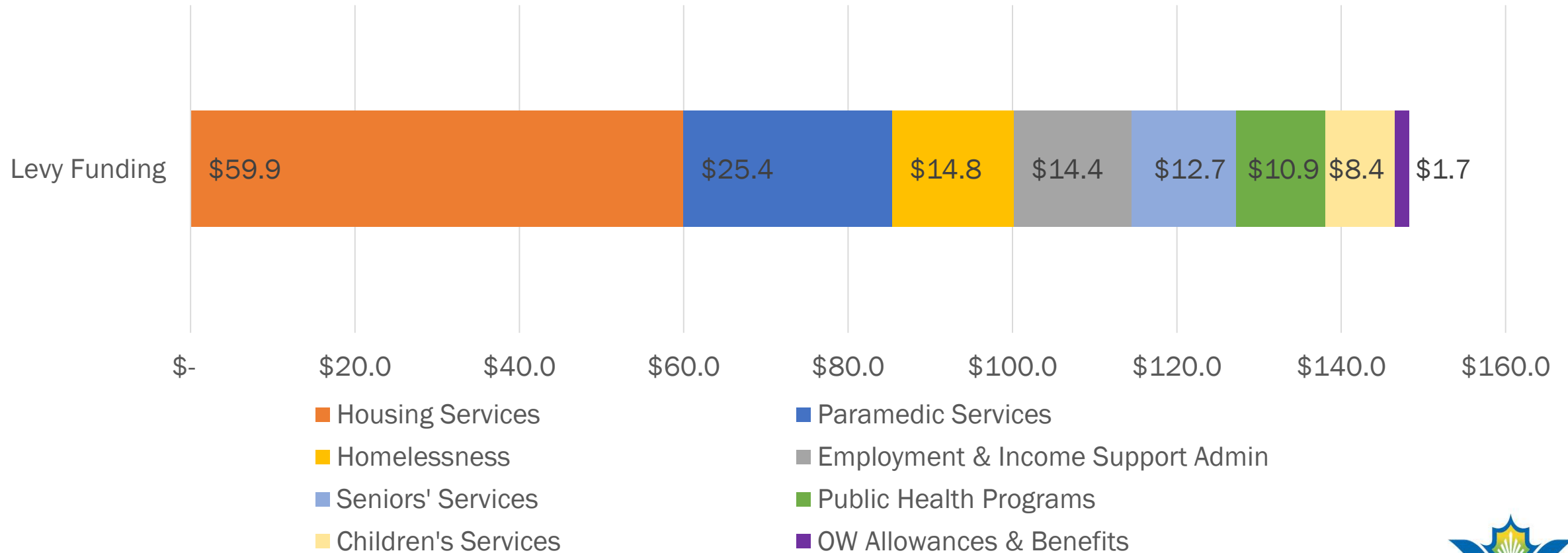
# Efficiencies and Reductions

Operating Budget Savings (in \$ millions)	New Fees & Revenues	Meetings, Mileage, Conferences, Training	Consulting Fees, Purchased Services	Other Efficiencies	Energy Efficiencies & Utilities	Staffing Adjustments	Service Level Adjustments incl. Service Review Savings	Total
2021 Budget	1.0	0.8	1.5	1.9	2.4	5.8	2.1	15.4
2022 Budget	0.3	0.2	1.6	2.3	1.4	2.4	3.2	11.4
2023 Preliminary Budget*	1.0	0.2	2.2	0.8	1.3	0.3	3.2	9.0

\*Of the \$9.0M in reductions for 2023, \$7.4M relate to tax-supported programs. The remaining savings are reflected in water and wastewater programs

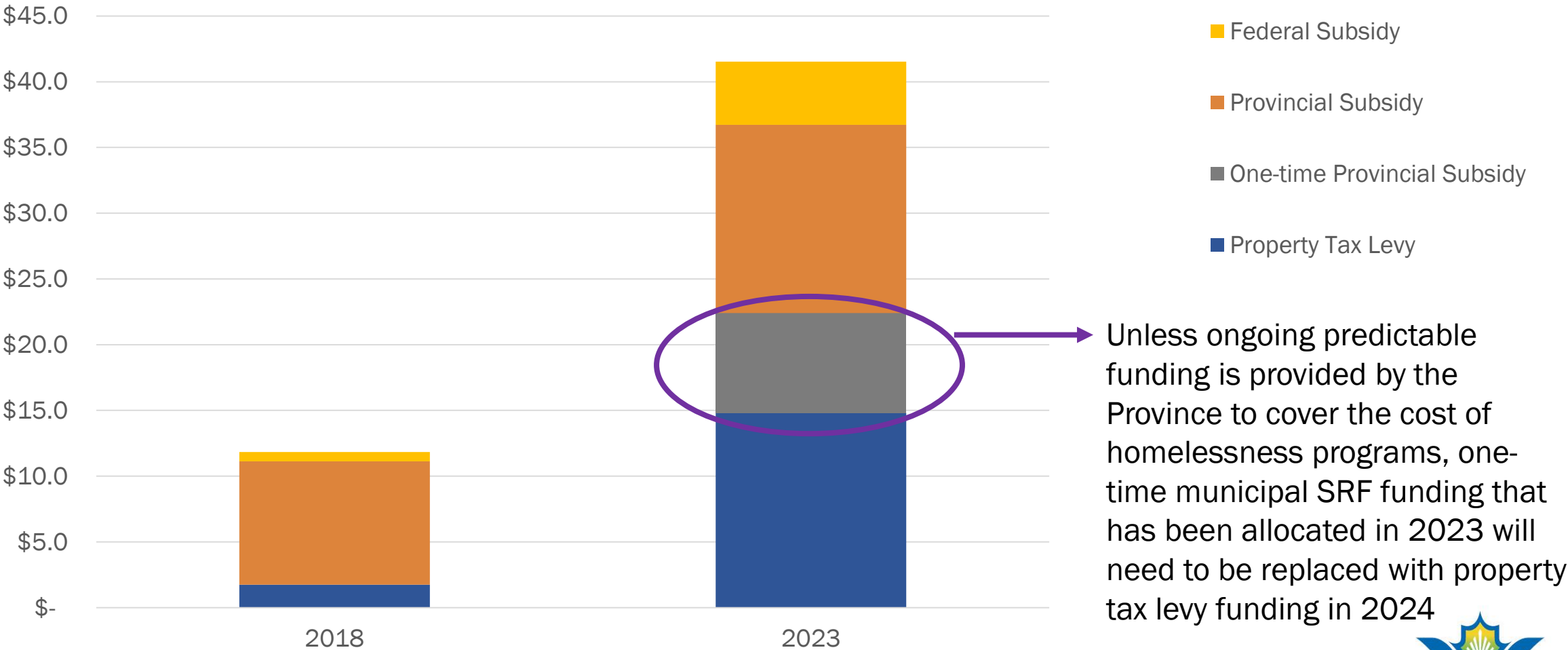
# Regional tax levy funding for services that should be funded by provincial revenues

Preliminary 2023 Operating Budget  
Levy Funding = \$148.2 million



# Homelessness program funding

Homelessness Operating Budget Funding  
2018 vs 2023





# Staff resources for service delivery

Despite significant population growth and demand on all regional services, overall staffing will only increase by 14 FTEs (from 3,386 in 2022 to 3,400 FTEs in 2023 budget) despite the addition of 178 FTEs (130 FTEs previously approved by Council) to address service expansion in the following critical areas:

Paramedic  
Services  
Crew  
expansion

Public  
Transit  
Service  
Hour  
expansion

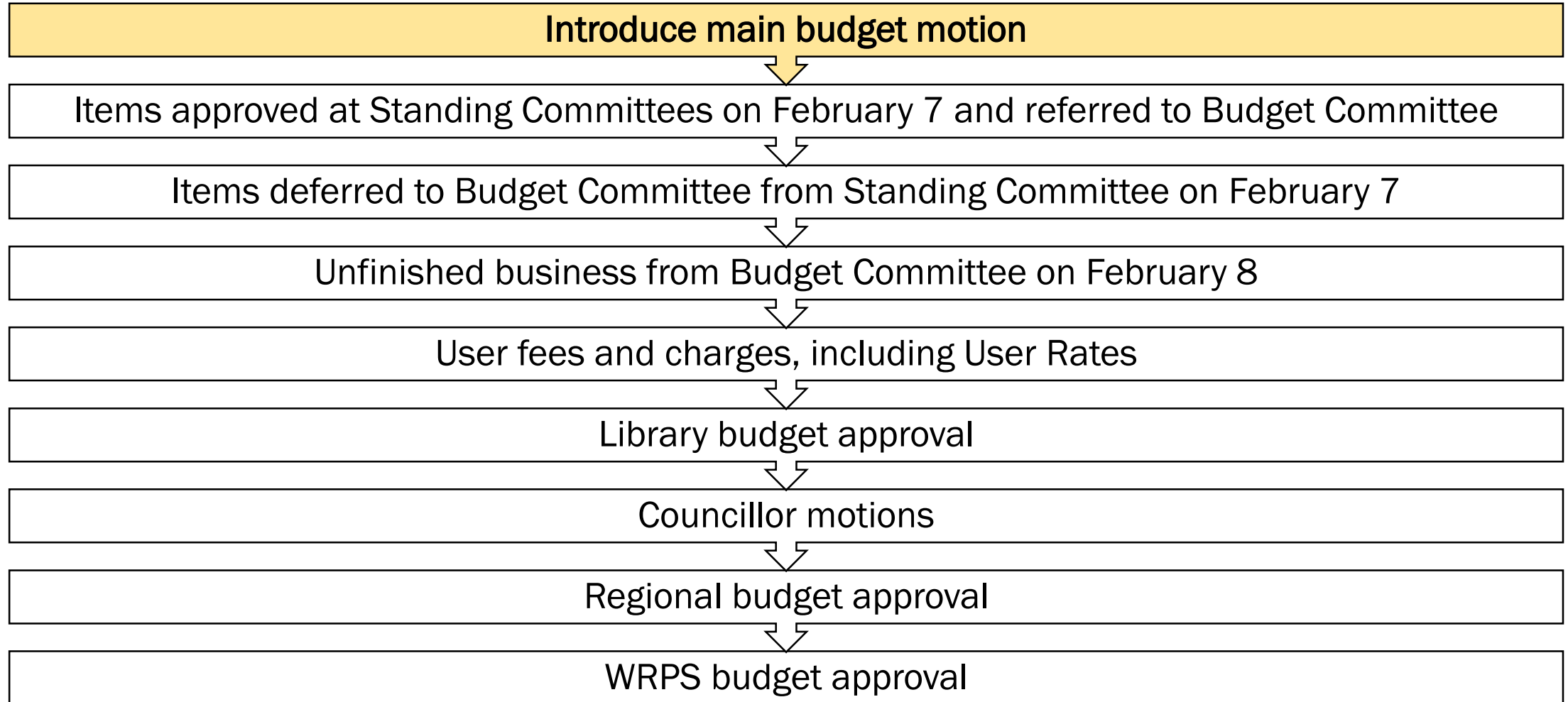
Enhanced  
supports for  
those  
experiencing  
Homelessness

Seniors'  
Services  
Supports  
expansion

Implementation  
of Digital  
Strategy to drive  
efficiencies and  
capacity

Supports  
for  
employee  
health and  
wellness

# Today's order of business

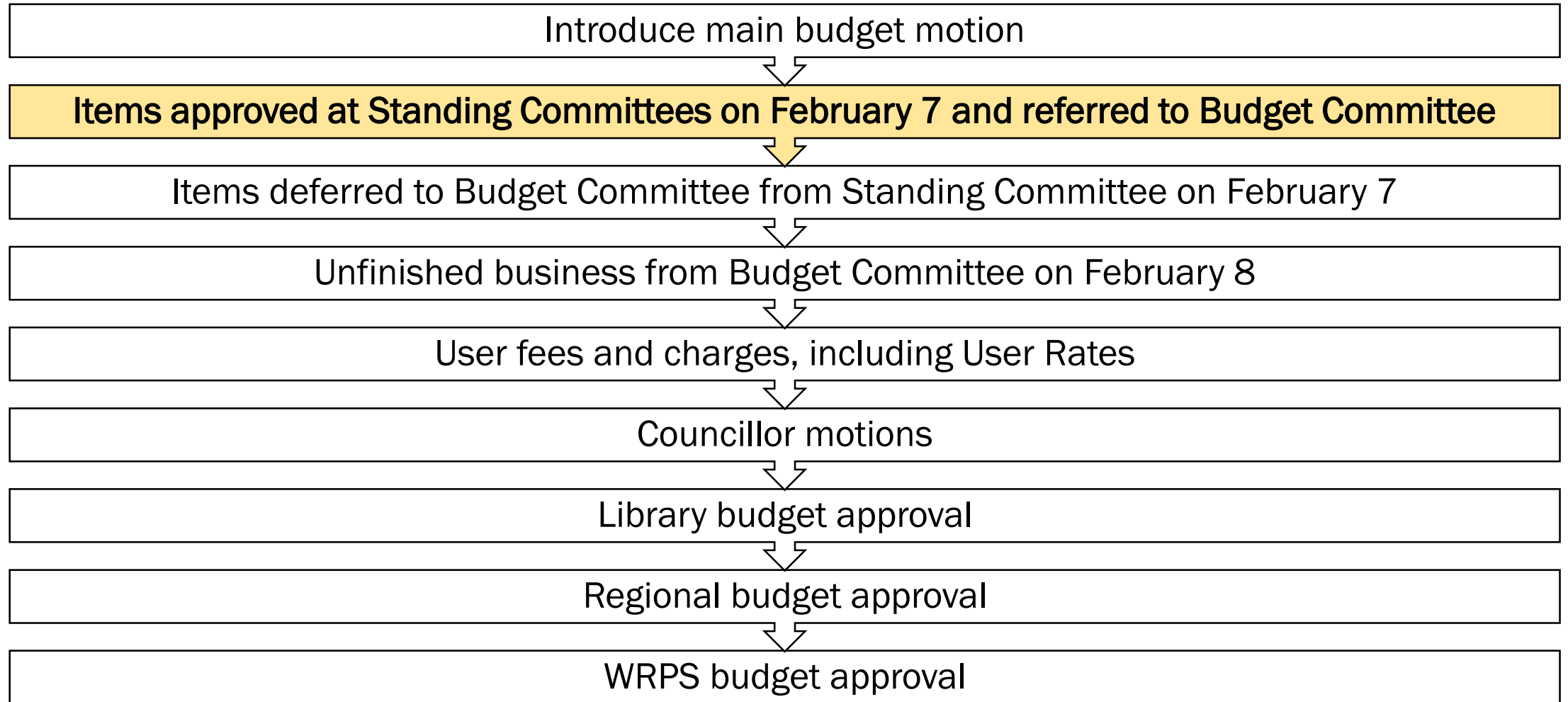


# Introduce Main Budget Motion

That the Regional Municipality of Waterloo take the following action with respect to the 2023 Plan and Tax Supported Operating Budget for regional services:

- a) Approve the 2023 Plan as set out Appendix A of report COR-CFN-23-012 dated February 22, 2023;
- b) Approve the 2023 Operating Budget for regional services (excluding Police Services) as summarized in Appendix E of report COR-CFN-23-012 dated February 22, with a net expenditure of **\$1,191,102,868** and a property tax levy of **\$470,284,678** for regional services in 2023;
- c) Approve the 2023 Capital Budget and 2024-2032 Capital Forecast for regional services (excluding Police Services) as summarized in Appendix E of report COR-CFN-23-012 dated February 22, 2023 and subject to final adjustments for 2022 carry-forwards.

# Today's order of business



# Budget Decision – Transit Service Hours

Approved by Planning & Works Committee on February 7, 2023 and forwarded to Budget Committee

That the Regional Municipality of Waterloo endorse and forward to the Strategic Planning and Budget Committee the proposed Public Transit service changes as set out in the Preliminary 2023 Grand River Transit Budget and as further described in report TSD-TRS-23-003, dated February 7, 2023, including:

- The addition of 41,400 net annual transit service hours in 2023 at an incremental 2023 property tax levy impact of \$3,518,000 (\$4,897,000 annualized), serving over 440,000 projected additional annual rides.
- The implementation of the Cambridge network redesign by Fall 2023
- The extension of the Route 79 Breslau pilot to the end of 2023.
- The removal of two low-ridership transit routes (2 and 73) and the redeployment of those resources to service restoration and new service implementation.

**Action: Motion to adopt or alternate motion**

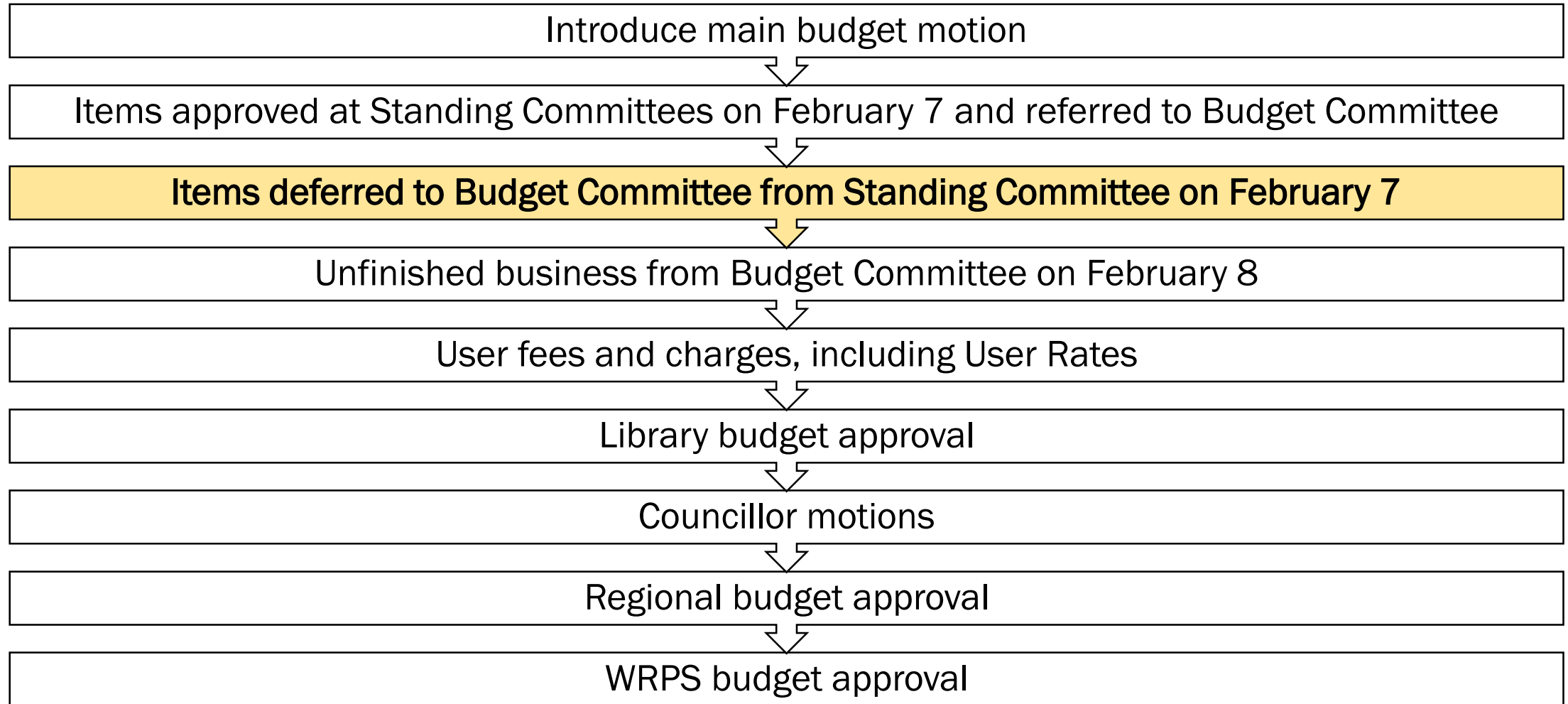
# Budget Decision – Community Funding Requests

Item approved by Community and Health Services Committee on February 7, 2023 and forwarded to Budget Committee

That the Regional Municipality of Waterloo amend the Preliminary 2023 Homelessness operating budget by adding \$1,200,000 to accommodate requests from Community Agencies that serve the Housing Stability System, and that \$1,200,000 be implemented as an annualized budget amount in 2023 and the \$1,800,000 implemented in 2024 budget and that staff report back to Committee with funding recommendations following further review and due diligence by staff, as outlined in report CSD-HOU-23-005 dated February 7, 2023, ~~and that this resolution be forwarded to the Strategic Planning and Budget Committee on February 22, 2023.~~

**Action: Motion to adopt or alternate motion**

# Today's order of business



# Budget Decision – Transit Fares

## Item deferred from Planning & Works Committee February 7, 2023 to Budget Committee

And that Staff provide potential options to consider a year pilot project for discount fares for student, children under 12, and seniors over 65 and investigate the possibility of reserve funding opportunities.

Staff report COR-CFN-23-013 on the agenda provides additional information requested by Committee related to additional fare options for consideration:

### Free transit for youth aged 5-12:

- The new family pass proposed in the 2023 budget would allow passengers in this age group to ride free with an accompanying fee-paying adult
- If free transit were offered for all youth aged 5-12, it is estimated that the associated revenue loss would be approximately \$50,000 in 2023; \$150,000 annualized
- To enable ridership measurement & fare verification by the Bus Operator, associated with this fare policy beyond the use of a family pass would require a one-time cost of \$75,000 to program the system

### Free transit for seniors one day per week:

- It is estimated that the associated revenue loss would be approximately \$75,000 in 2023; \$230,000 annualized
- Additionally, to enable ridership measurement & fare verification by the Bus Operator, associated with this fare policy would require a one-time cost of \$75,000 to program the system

### Considerations for curriculum based school activities at museums:

- A fare product offering a 15% discount to larger groups (25 or more) is currently available
- A larger discount of 25% could be considered without a material financial impact



# Budget Decision – Transit Fares

## Item deferred from Planning & Works Committee February 7, 2023 to Budget Committee

That the Regional Municipality of Waterloo take the following action with respect to Grand River Transit fares as set out in report TSD-TRS-23-004, dated February 7, 2023:

- a) Endorse the continuation of the affordable transit program (ATP) that provides a discount on fares for individuals and families whose income falls below the existing threshold of 15% above the poverty line as measured by Statistics Canada for a community in Ontario greater than 500,000 persons; and
- b) Approve a 2.5% general public transit fare increase effective July 1, 2023 as set out in the preliminary 2023 Public Transit Operating Budget; and
- c) Direct staff to mitigate the impact of any fare increase for individuals and families eligible for ATP by increasing the discount from 48% to 50% effective July 1, 2023 with a net 2023 property tax levy increase of \$20,500; and
- d) Approve the creation of an extended family day pass applicable every day of the week, decreasing the cost of travel for accompanied youth; and
- e) Direct staff to bring forward a comprehensive review of age-specific fare for seniors and youth discounts forward as part of the new Grand River Transit Business Plan; and
- f) ~~Forward the approved resolutions to the Strategic Planning and Budget Committee for consideration.~~

**Action: Decision from Budget Committee required**

# Discretionary Grants

Staff report COR-CFN-23-014 provides an overview of the Region's discretionary grant policy and processes. Council endorsed a Grants Administration Policy for the development of grant streams and the distribution of grant funding provided by the Region in August, 2022.

The policy serves as a framework to ensure that grant funding is robust, transparent, equitable, purposeful and meets the needs of a growing and diverse community and supports the Region's strategic objectives.

Wherever possible, grant funding will be provided through council-approved grant programs with eligibility criteria, application and adjudication processes. Grant streams will be established or ratified through the strategic planning process for each term of Council e.g. addition of \$1.2M to the preliminary 2023 budget for the creation of a new granting stream supporting the housing stability system.

Staff to bring back specifics regarding grant allocations in accordance with each program's defined decision-making criteria and approval process during 2023.

Given the fiscal pressures in the 2023 budget, staff recommend a modest reduction of approximately \$82K in grant funding overall in the 2023 budget, leaving approximately \$6.7M remaining to distribute (of this amount, approximately \$2.1M is funded from the equity investment and another \$2.1M is from the upstream fund).

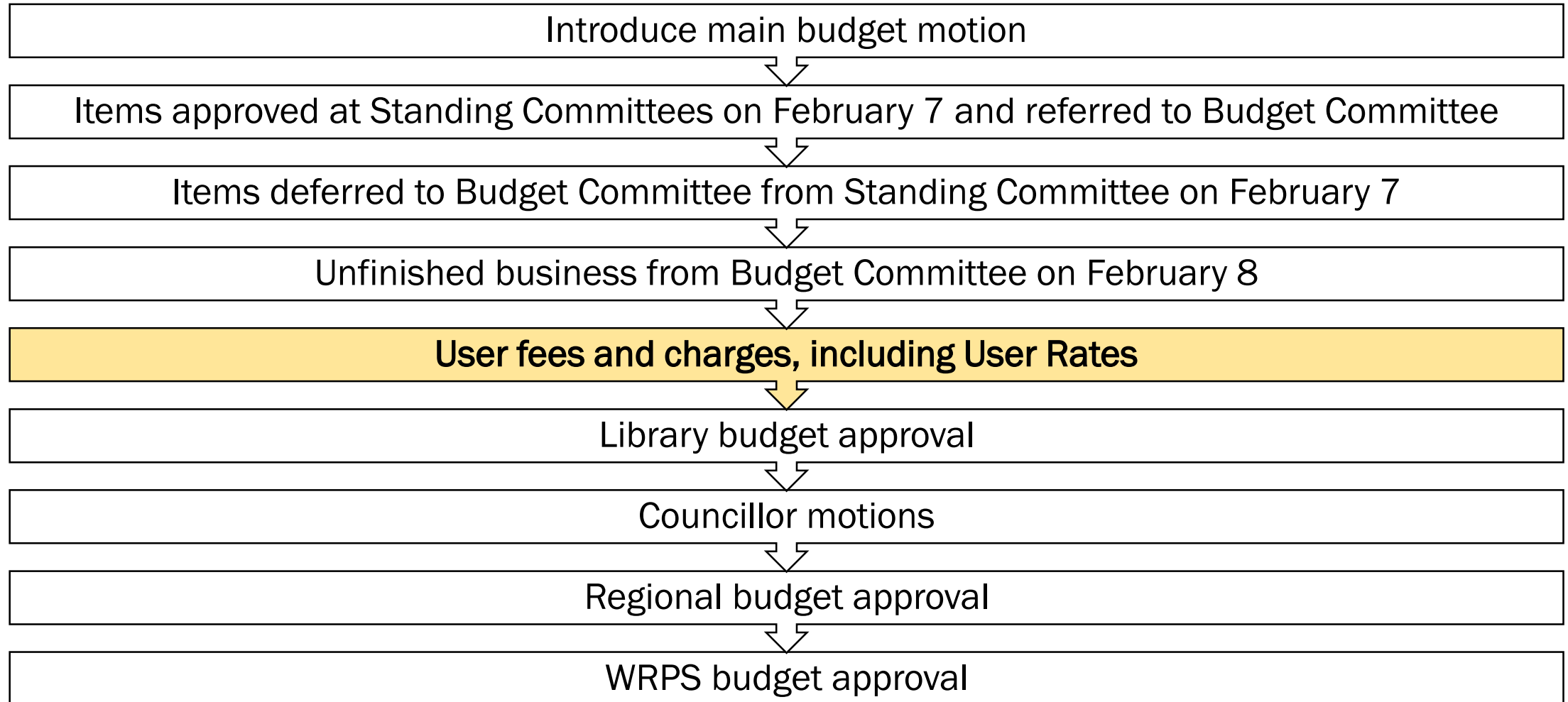
# Budget Decision – KW Symphony

Item deferred from Administration and Finance Committee on February 7, 2023:

That the Regional Municipality of Waterloo take no action with respect to the request for one-time funding for the Kitchener-Waterloo Symphony as outlined in report PDL-CUL-23-001 dated February 7, 2023

**Action: Motion to adopt or alternate motion**

# Today's order of business



# Briefing Note: User Fees and Charges

Proposed changes to fees and charges include:

## Transit Services

2023 average fare increase of 2.5%, with detailed increases varying by fare type, effective July 1, 2023

## Water and Wastewater

2.9% for wholesale water supply and 3.9% for wastewater treatment; 2.4% for retail water distribution and 2.9% for retail wastewater collection ; \$1 increase in monthly charge for retail water distribution and wastewater collection accounts all effective March 1

## Waste Management

Increase to tipping fees for recyclables (\$5/MT) and general refuse (\$10/MT); special handling load rate (\$20/MT), and minimum fee at landfill and transfer stations (\$2), all effective April 1

## Airport Services

proposed changes include a new general terminal charge, an increase to landing fees and a new parking rate structure

Minor changes to fees and charges are proposed for Seniors' Services, Housing Services, Council and Administration Services, Cultural Services, and the Region of Waterloo Library

# Proposed Water and Wastewater volumetric rate change effective March 1

	2022 approved user rate increase	2022 Rate Model - projected 2023 user rate increase	2023 Rate Model – current 2023 user rate increase (change)
Water supply	2.9%	2.9%	2.9% (+0.0%)
Wastewater treatment	2.9%	3.9%	4.9% (+1.0%)
Water distribution	1.9%	2.4%	2.4% (0.0%)
Wastewater collection	2.9%	2.9%	2.9% (0.0%)

# Budget Decision – User Fees & Charges By-law

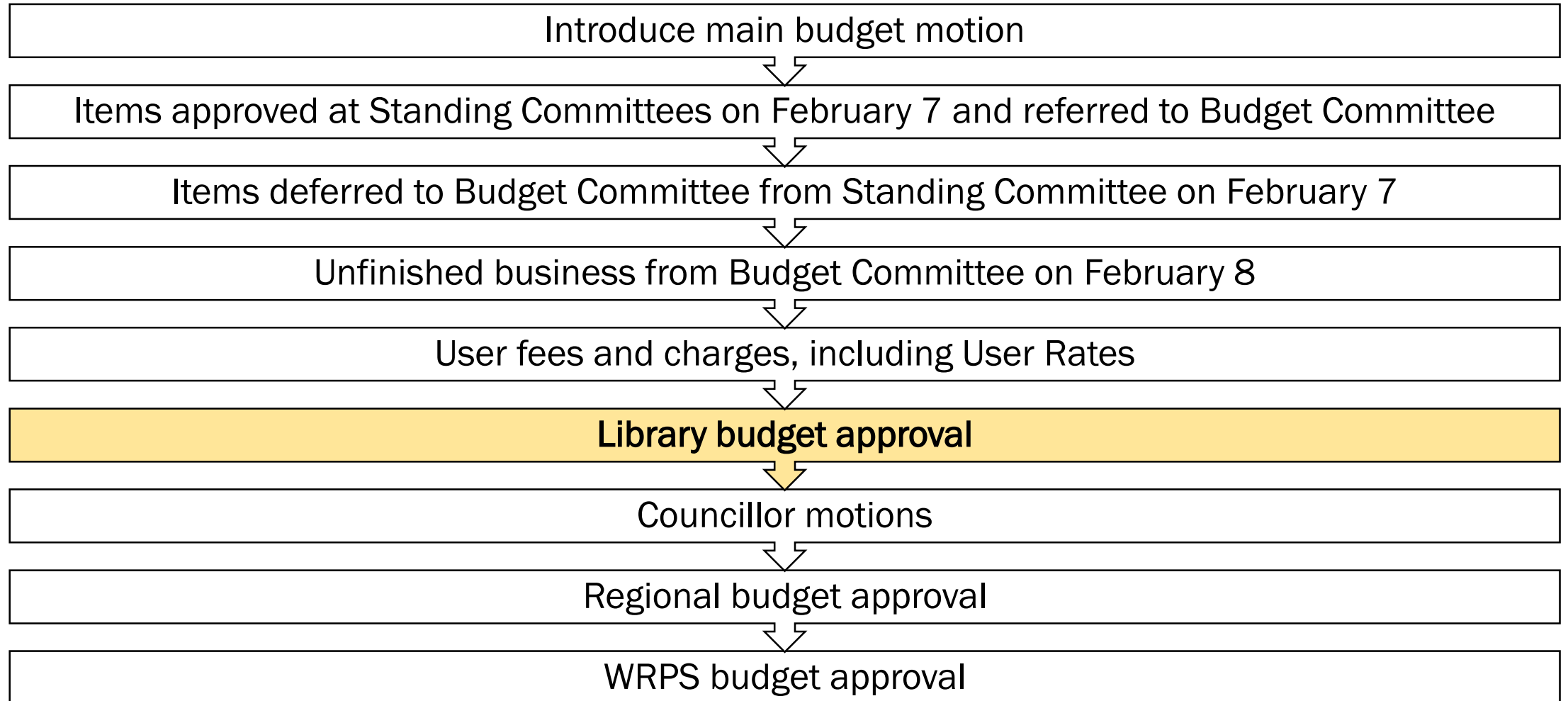
A full list of proposed changes to user fees and charges in 2023 is included in report COR-CFN-23-015 on today's agenda

Minor housekeeping changes for planning fees

Motion:

- That the Regional Municipality of Waterloo repeal By-law 21-072 (A By-law to Establish Fees and Charges for the Regional Municipality of Waterloo), 21-067 (A By-law to Amend the Wholesale Rates), By-law 21-068 (A By-law to Impose the Regional Sewage Rate), By-law 21-069 (A By-law to Impose a Water Service Rate in the Townships of Wellesley and North Dumfries) and 21-070 (A By-law to Impose a Sewage Service Rate in the Townships of Wellesley and North Dumfries); and pass a new Consolidated Fees and Charges By-law including the new and adjusted fees and charges as set out in report COR-CFN-23-015 dated February 22, 2023.

# Today's order of business





# 2023 Region of Waterloo Library Budget

	2022 Approved Budget	Recommended 2023 Budget	\$ Change	% Change
Expenditure	\$3,041,470	\$3,282,398	\$240,928	7.9%
Revenue	\$410,254	\$508,500	\$98,246	24.1%
<b>Property Tax Requirement</b>	<b>\$2,631,216</b>	<b>\$2,773,898</b>	<b>\$142,682</b>	<b>5.4%</b>

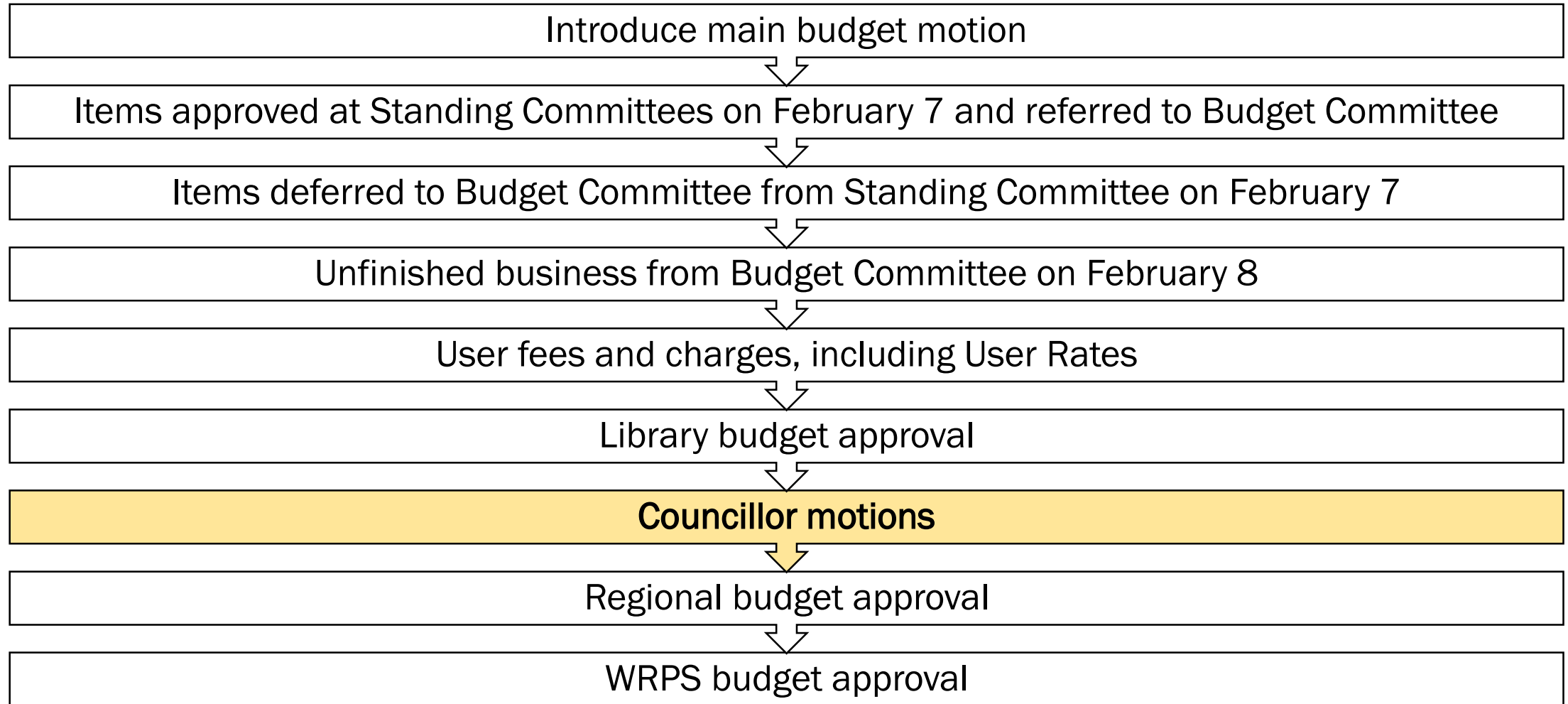
# Library Committee Recommendations

That the Library Committee take the following action with respect to the 2023 Region of Waterloo Libraries (RWL) Budget, as set out in Report COR-CFN-23-009 dated February 9, 2023:

- a) Approve the 2023 RWL Operating Budget with a net property tax levy of \$2,773,898;
- b) Approve the 2023 RWL Library Capital Budget and 2024-2032 Capital Forecast as appended.

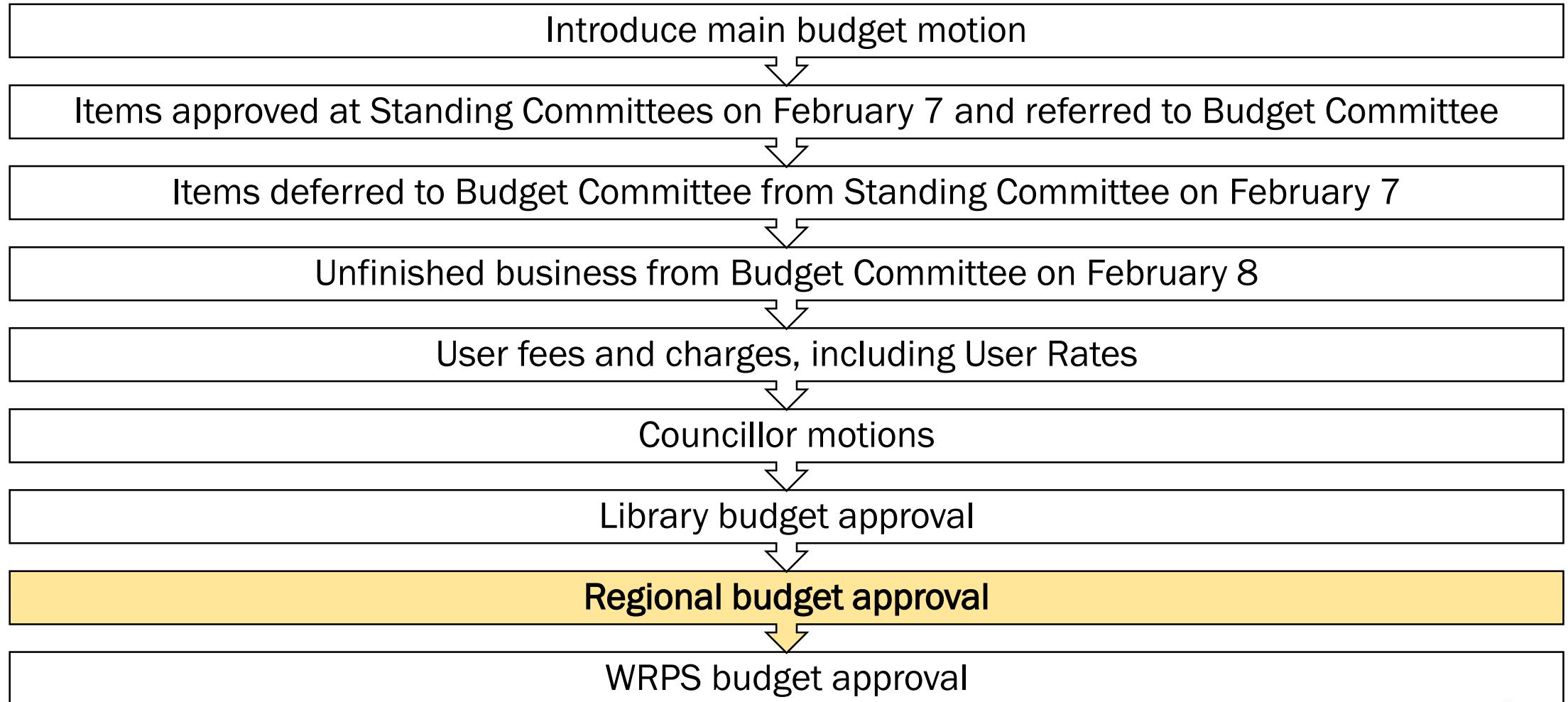
**No action required -  
The Library Budget numbers are included in the Main Budget Motion.**

# Today's order of business



# Councillor Motions

# Today's order of business



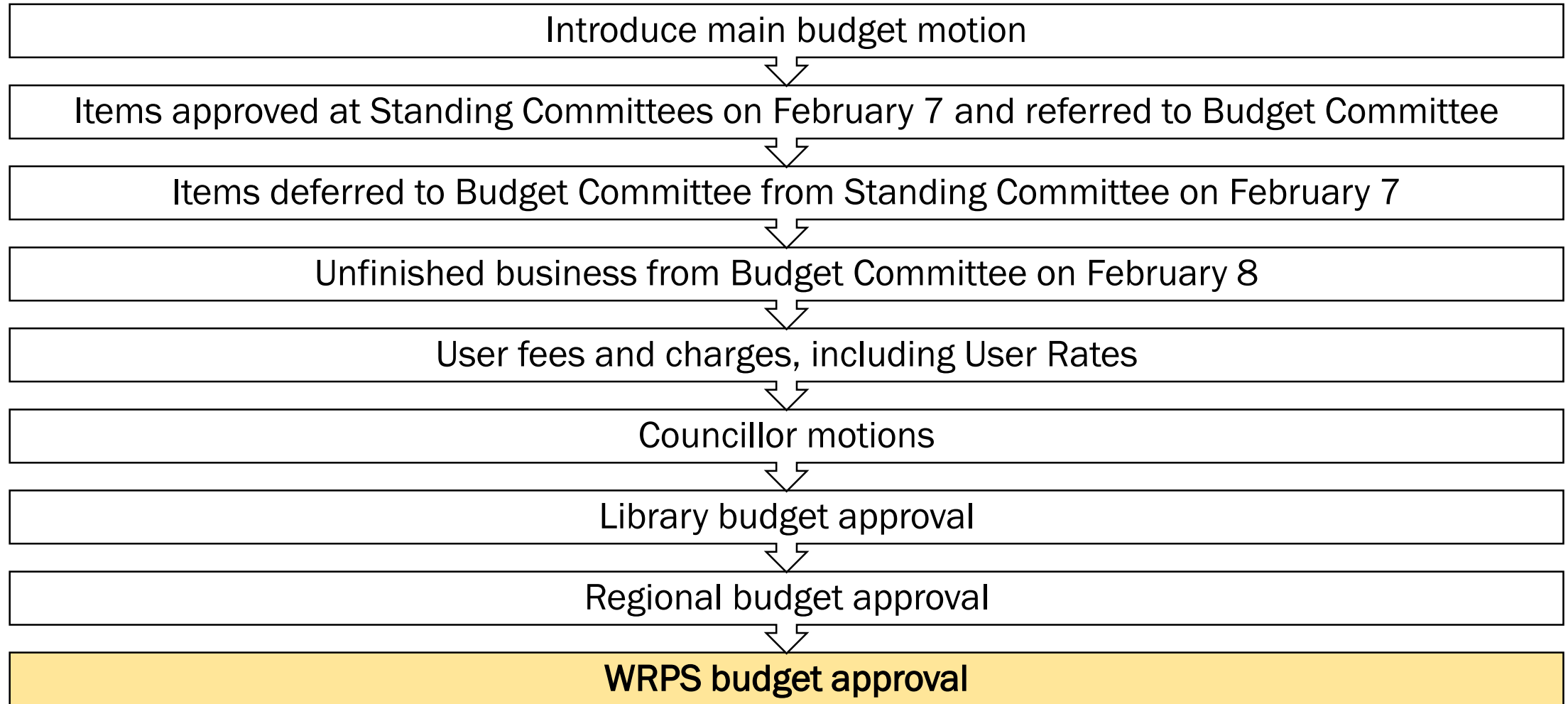
# Approval of Main Budget Motion, **as amended**

That the Regional Municipality of Waterloo take the following action with respect to the 2023 Plan and Tax Supported Operating Budget for regional services:

- a) Approve the 2023 Plan as set out Appendix A of report COR-CFN-23-012 dated February 22, 2023;
- b) Approve the 2023 Operating Budget for regional services (excluding Police Services) as summarized in Appendix E of report COR-CFN-23-012 dated February 22, 2023 **[if amended, add "and as amended by Budget Committee on February 22, 2023" ]** with a net expenditure of \$\_\_\_\_\_ and a property tax levy of \$\_\_\_\_\_ for regional services in 2023;
- c) Approve the 2023 Capital Budget and 2024-2032 Capital Forecast for regional services (excluding Police Services) as summarized in Appendix E of report COR-CFN-23-012 dated February 22, 2023 **[if amended, add "and as amended by Budget Committee on February 22, 2023" ]** and subject to final adjustments for 2022 carry-forwards.



# Today's order of business



# Resolution from Waterloo Regional Police Services Board report 2023-003, dated January 18, 2023

That the Waterloo Regional Police Services Board approve the Waterloo Regional Police Service 2023 Operating Budget net levy of \$214,060,266;

and That the Waterloo Regional Police Services Board approve the Ten Year Capital Forecast, 2023 – 2032, as shown in Appendix G.

# Waterloo Regional Police Service

## 2023 Operating Budget

	Final 2022 WRPS Operating Budget	Proposed 2023 WRPS Operating Budget *
Expenditure	\$219,228,395	\$236,742,817
Revenue	\$23,467,739	\$22,682,551
<b>Property Tax Requirement</b>	<b>\$195,760,656</b>	<b>\$214,060,266</b>
Year over year levy increase	\$10,373,560	\$18,299,610
<b>Year over year % levy increase</b>	<b>5.60%</b>	<b>9.35%</b>
<b>Change in property taxes</b>	<b>3.96%</b>	<b>7.22%</b>

\* As approved by the Police Services Board through report 2023-003, dated January 18, 2023 and forwarded to Budget Committee for consideration

# Waterloo Regional Police Service

## Proposed 2023-2032 Capital Plan (\$ thousands)\*

	2023	2024-2032 Forecast	2023-2032 Total
<b>Total Expenditure</b>	<b>\$31,154</b>	<b>\$157,562</b>	<b>\$188,716</b>
Funding & Financing:			
Development Charge Reserve Funds	839	6,421	7,260
Development Charge Debentures	4,292	14,335	18,647
Property Tax Reserves & Reserve Funds	17,411	80,840	98,251
Contributions from Operating	19	224	242
Property Tax Debentures	8,593	55,722	64,315
<b>Total Funding &amp; Financing</b>	<b>\$31,154</b>	<b>\$157,562</b>	<b>\$188,716</b>

\*As approved by the Police Services Board through report 2023-003, dated January 18, 2023 and forwarded to Budget Committee for consideration



# Draft Resolution – 2023 Waterloo Regional Police Service Budget

That the Regional Municipality of Waterloo take the following action with respect to the 2023 Waterloo Region Police Service Budget:

- a) Approve the Waterloo Regional Police Service 2023 Operating Budget with a net expenditure of \$236,742,817 and a property tax levy of \$214,060,266; and
- b) Approve the Waterloo Regional Police Service 2023 Capital Budget and 2024-2032 Capital Forecast as summarized in Appendix G of Police Services Board report 2023-003, dated January 18, 2023, subject to final adjustments for 2022 carry-forwards.

**Region of Waterloo**

**Corporate Services**

**Corporate Finance**

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**To:** Strategic Planning and Budget Committee

**Meeting Date:** February 22, 2023

**Report Title:** Final 2023 Plan, 2023 Operating Budget and 2023-2032 Capital Program

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**1. Recommendation**

For information.

**2. Purpose / Issue:**

To provide information with respect to Councillor requests and funding requests from delegates at Public Input meetings; to approve the Region's 2023 Plan, the 2023 operating budget, property tax levy and the 2023-2032 Capital Program for direct regional services; and to approve the 2023 operating budget, property tax levy, and capital 2023-2032 Capital Program for the Waterloo Regional Police Service. The main 2023 Plan and Budget motion and draft motions for the Police Services Budget are set out in the meeting agenda.

**3. Strategic Plan:**

The annual plan and budget process aligns resources to the organization's strategic vision and numerous initiatives set out in the Corporate Strategic Plan.

**4. Report Highlights:**

- Budget Committee received the draft 2023 Annual Business Plan (Appendix A) at its Committee meeting January 18, 2023 (COR-CFN-23-004). The Plan and supporting budget supports essential services for the community as it grows and continues to respond to global and local challenges.
- The 2023 Plan and Budget supports the six focus areas of the 2019-2023 Strategic Plan; Thriving Economy, Environment and Climate, Sustainable Transportation, Responsive & Engaging Services, Healthy, Safe & Inclusive Communities, and Our People.
- The 2023 Plan and Budget maintains critical services during a period of unprecedented fiscal challenge and proposes investments focused on areas of top community need. These include accelerating affordable housing and implementing

new initiatives to address the homelessness crisis, transit service recovery and expansion to address new ridership patterns, increased paramedic services to respond to the needs of our rapidly growing community, modernizing and improving the service experience for residents, and more.

- The proposed 2023 operating budget expenditure for Regional Services (excluding Police Services) is \$1.2 billion, and includes a preliminary 2023 property tax levy requirement of \$470.3 million, representing a \$49.2 million increase from 2022. The current 2023 property tax impact for Regional Services (excluding Police Services) is 9.51%, taking into account assessment growth of 1.99%. For 2023 staff have identified \$9 million of reductions that are reflected in the preliminary budget figures above.
- The 2023 budget proposes certain changes to various user fees and charges as outlined in Report COR-CFN-23-015 on this agenda.
- The Region's 2023-2032 capital program proposes investments of approximately \$6.3 billion over ten years, with \$540 million planned in 2023.
- Responses to Councillor requests received through the 2023 Plan and Budget process are included in Appendix B to this report, and a summary of funding requests received from delegates at public input meetings is included in Appendix C.

## **5. Background:**

The 2023 Plan and Budget process is guided by key principles (as outlined in report COR-CFN-23-004) and involved extensive staff review, analytics and community engagement. This extensive process has resulted in a draft plan and budget that responds to the growing needs of the community while balancing affordability. The plan also builds upon successes gained in 2022.

Community Engagement results show that the Plan and Budget align well with community need and expectation in priority areas of housing, homelessness, transit, road infrastructure, health, waste services and climate action.

The 2023 Plan and Budget invests in key strategic priorities that include the following areas:

- Accelerating the creation of and access to affordable housing, increasing emergency shelter capacity, implementing transitional housing and support programs, and the adoption of new hybrid/outdoor models.
- Supporting the community as it adapts to a rapidly evolving economy, addressing talent gaps, providing support for multi-sector business needs, and investing to accommodate and attract continued passenger growth and spin-off economic benefits at the Region of Waterloo International Airport.

- Addressing gaps in Public Health services experienced as a result of the pandemic, such as childhood immunization rates, and expanding Paramedic Services to meet the needs of a rapidly growing community.
- Investing in transit recovery, active transportation and micro-mobility growth, core infrastructure, an integrated mobility plan and road safety initiatives.
- Developing a new Water Supply Strategy with updated conservation programs to ensure clean, safe, and environmentally sustainable water supply.
- Reducing GHGs and embracing innovative technologies to minimize the environmental impacts of operations.
- Implementing the Community Safety and Wellbeing Plan and continued roll out of upstream approaches to Reconciliation and Equity across services.
- Improving the service experience for residents through the implementation of a new Digital Service Transformation Strategy.

Underpinning the success of the 2023 Plan will be a need to focus on:

- Accessing and advocating for stable funding from other levels of government to achieve stability in service for areas of evolving community need.
- Balancing growth with investment in asset maintenance and renewal.
- Improving talent attraction, retention and employee wellbeing
- Taking continued action on Reconciliation and Equity, Diversity and Inclusion to improve the lives of every single resident in Waterloo Region.

A more comprehensive overview of the strategic priorities and initiatives in the 2023 Annual Business Plan is included in Appendix A.

### **Responses to Councillor Requests for Information**

Certain requests from Councillors were made through the 2023 Plan and Budget process with respect to Regional programs and services, capital projects and operating budget items. Details regarding requests not yet addressed through previous reports and presentations are outlined in Appendix B.

### **Requests for Funding Received through Public Input Sessions**

The 2023 Plan and Budget process included a number of initiatives to gather input from the public including public input meetings held on January 18, 2023 and February 8, 2023. At these sessions there were a number of requests for funding from delegates representing various organizations. A summary of these requests with staff comments is included in Appendix C. **Direct Regional Services Budget**

The preliminary 2023 operating budget expenditure for Regional Services (excluding police) is \$1.2 billion with funding from senior levels of government (\$407 million), rate revenue (\$150 million), user fees and interest earnings (\$115 million), contributions from reserves (\$27 million), and supplementary tax revenue (\$22 million). As it stands, the net result is a property tax levy requirement of \$470.3 million for 2023, an increase of \$49.2



million (11.7%) over the 2022 budget.

The 2023 Regional operating budget continuity (excluding Waterloo Regional Police Service) inclusive of the Library budget outlined above and assessment growth of 1.99% is provided in Appendix E, and summarized in the following table:

	Expenditure	Revenue	Tax Levy	Change in Property Taxes
<b>Regional budget position, January 18, 2023</b>	<b>\$1,189,902,868</b>	<b>\$720,818,190</b>	<b>\$469,084,678</b>	<b>9.23%</b>
Adjustment, February 7, 2023 Community and Health Services Committee:				
Community Funding Requests in the Housing Stability System (CSD-HOU-23-005)	1,200,000	-	1,200,000	0.28%
<b>Direct Regional Services current position</b>	<b>\$1,191,102,868</b>	<b>\$720,818,190</b>	<b>\$470,284,678</b>	<b>9.51%</b>

The impact of a 9.51% tax increase per \$100,000 of residential assessment is approximately \$40, which translates to approximately \$142 for the average household valued at \$354,500 (CVA valuation date being held at January 1, 2016).

The operating budget proposes a wholesale water rate increase of 2.9%, wholesale wastewater rate increase of 4.9%, retail water distribution rate increase of 2.4% and retail wastewater collection rate increase of 2.9%, effective March 1, 2023. Additionally an increase of \$1.00 to the monthly service charge for retail water distribution and retail wastewater collection are also proposed. User fee changes are also proposed for public transit, waste management and airport, with minor changes planned in other program areas. All proposed changes to user fees and charges are outlined in report COR-CFN-23-015 on this agenda.

Significant drivers impacting the 2023 operating budget include:

- Significant inflationary impacts on various service contracts (waste collection, light rail transit, security, winter maintenance, janitorial, etc.)
- The price of fuel
- Service expansion for Paramedic Services
- Service restoration, adjustment and expansion for Public Transit
- Homeless shelter system costs and expired provincial funding
- Annualization of 2022 service expansions and facility operations (e.g. Northfield Drive Bus Maintenance and Storage Facility, Airport expansion)

- Capital project cost escalation and associated funding

Staff undertake detailed reviews of operating budgets annually. For 2023 staff have identified \$9.0 million of reductions that are reflected in the preliminary budget figures above. This is in addition to the \$11.4 million in 2022 budget reductions and \$15.4 million in 2021 budget reductions. Some of these savings relate to changes in service levels.

The Region's proposed 2023-2032 capital program proposes investments of approximately \$6.3 billion over ten years, with \$540 million planned in 2023. A summary of the 2023-2032 capital plan with funding and financing sources is provided in Appendix E. The 2023 capital budget includes projects that were in progress but not completed at the end of 2022 as well as projects intended to commence during the year. Regional Council annually approves the capital budget for the current year and approves the following nine (9) years as a forecast. During the budget development process, staff have reviewed the need, timing, scope and cost of capital works and adjusted project expenditure profiles to reflect the status of existing projects, planned activity in 2023 and resource capacity, as well as to moderate debt requirements.

The 2023-2032 Capital Plan has been impacted by cost escalation to an extent not seen in decades. Capital cost escalation has been running at 12-18% (year over year) throughout 2022. Capital project expenditure budgets have been adjusted to reflect higher costs resulting from both inflation and supply chain challenges. As capital costs increase, the need for funding from regional reserves and from long-term borrowing increases correspondingly. Compounding matters has been an increase in long-term borrowing rates, which in 2022 reached their highest point in over 10 years.

### **Library Budget**

On February 8, 2023 the Region of Waterloo Library Committee approved the recommendations outlined in COR-CFN-23-009, 2023 Region of Waterloo Library Budget, as follows:

That the Library Committee take the following action with respect to the 2023 Region of Waterloo Libraries (RWL) Budget, as set out in Report COR-CFN-23-009 dated February 8, 2023:

- a) Approve the 2023 RWL Operating Budget with a net property tax levy of \$2,773,898;
- b) Approve the 2023 RWL Library Capital Budget and 2024-2032 Capital Forecast as appended; and
- c) Refer the RWL Budget to the Region of Waterloo's Strategic Planning and Budget Committee for consideration.

The 2023 budget for the Region of Waterloo Library (RWL) with a total tax levy of

\$2,773,898 represents an increase of \$142,682 (5.4%) from 2022. A summary of the 2023 Region of Waterloo Library Budget is provided in the following table:

	<b>2022 Approved Budget</b>	<b>Recommended 2023 Budget</b>	<b>\$ Change</b>	<b>% Change</b>
Expenditure	\$3,041,470	\$3,282,398	\$240,928	7.9%
Revenue	\$410,254	\$508,500	\$98,246	24.1%
<b>Property Tax Requirement</b>	<b>\$2,631,216</b>	<b>\$2,773,898</b>	<b>\$142,682</b>	<b>5.4%</b>

The Region of Waterloo Library is an “area-rated” service, with the property tax levy for libraries assessed uniformly across the four townships.

### Police Services Budget

On January 18, 2023 the Police Services Board (PSB) approved the 2023 Waterloo Regional Police Service (WRPS) budget with a property tax levy of \$214,060,266, which represents a 9.35% levy increase over 2022 and results in a change in property taxes for Police Services of 7.22% net of assessment growth.

	<b>2022 WRPS Operating Budget</b>	<b>2023 WRPS Operating Budget</b>
Expenditure	\$219,228,395	\$236,742,817
Revenue	\$23,467,739	\$22,682,551
<b>Property Tax Requirement</b>	<b>\$195,760,636</b>	<b>\$214,060,266</b>
Year over year levy increase	\$10,373,560	\$18,299,610
<b>Year over year % levy increase</b>	<b>5.60%</b>	<b>9.35%</b>
<b>Change in property taxes for policing</b>	<b>3.96%</b>	<b>7.22%</b>

The Police Services 2023-2032 capital program proposes investments of approximately \$188.7 million across the ten years of the program, with \$31.2 million in 2023.

Figures in \$ thousands	<b>2023</b>	<b>2024-2032 Forecast</b>	<b>2023-2032 Total</b>
<b>Total Expenditure</b>	<b>\$31,154</b>	<b>\$157,562</b>	<b>\$188,716</b>
Funding & Financing:			
Development Charge Reserve Funds	839	6,421	7,260
Development Charge Debentures	4,292	14,335	18,647
Property Tax Reserves & Reserve Funds	17,411	80,840	98,251
Contributions from Operating	19	224	242
Property Tax Debentures	8,593	55,722	64,315
<b>Total Funding &amp; Financing</b>	<b>\$31,154</b>	<b>\$157,562</b>	<b>\$188,716</b>

## 6. Area Municipality Communication and Public/Stakeholder Engagement:

The Region undertakes regular community and stakeholder engagement throughout the year. The results of these engagements and the needs expressed by community through them are reflected in the proposed 2023 Plan and Budget. In addition, staff launched a communications and community engagement campaign relating to the 2023 Plan and Budget. Preliminary findings from the engagement process that have informed the Plan and Budget for 2023 were provided on November 30, 2022 through report CAO-SPL-22-008. Additional findings and insights were provided to the Strategic Planning and Budget Committee through report CAO-SPL-23-002 on February 8, 2023.

## 7. Financial Implications:

The proposed 2023 property tax levy for regional services (excluding police) is \$470.3 million, representing a 9.51% increase to the Region's portion of the tax bill (excluding police). The impact per \$100,000 of residential assessment is approximately \$40, which translates to approximately \$142 for the average household.

The proposed 2023 property tax levy for the Waterloo Regional Police Service (WRPS) is \$214.1 million, representing a 7.22% increase to the WRPS' portion of the tax bill. The impact per \$100,000 of residential assessment is approximately \$14, which translates to approximately \$50 for the average household.

Property Tax Levy			
	Region	Police	Total
2022 approved	\$421,098,956	\$195,760,656	\$616,859,612
2023 current	\$470,284,678	\$214,060,266	\$684,344,944
\$ change	\$49,185,722	\$18,299,610	\$67,485,332
% change	11.7%	9.4%	10.9%
Average Regional Taxes per \$100,000 Residential CVA			
	Region	Police	Total
2022	\$422	\$196	\$618
2023	\$462	\$210	\$673
\$ change	\$40	\$14	\$54
% change in property taxes	9.51%	7.22%	8.78%

Overall, the proposed 2023 operating budgets result in an 8.78% increase to the overall Regional tax bill. The impact per \$100,000 of residential assessment is approximately \$54, which translates to approximately \$192 for the average household. A 1% tax rate increase generates an additional \$6.3 million in tax revenue on the total Regional tax bill.

It is noted that the actual regional tax impact differs across the area municipalities in the Region. While the tax levy requirement for most Regional services is levied in a uniform manner across the seven area municipalities, the tax levy requirement for public transit and library are "area-rated" to specific municipalities, as described in Appendix D.

**8. Conclusion / Next Steps:**

Staff will prepare 2023 tax policy recommendations and associated by-laws to establish 2023 regional tax rates in April.

**9. Attachments:**

Appendix A: Proposed 2023 Annual Business Plan Initiatives

Appendix B: Responses to Councillor Requests

Appendix C: Funding Requests from Public Input Delegations

Appendix D: Funding of Regional Services from Property Taxes

Appendix E: Region of Waterloo 2023 Operating Budget and 2023-2032 Capital Plan Summary Tables (excl. Waterloo Regional Police Service)

**Prepared By: Christopher Wilson**, Manager, Corporate Budgets

**Jennifer Smith**, Director, Corporate Strategy and Performance

**Reviewed By: Cheryl Braan**, Director, Corporate Finance

**Approved By: Craig Dyer**, Commissioner, Corporate Services/Chief Financial Officer

**Connie MacDonald**, Chief Strategy & Communications Officer

**Bruce Lauckner**, Chief Administrative Officer



## **Appendix A - Proposed 2023 Annual Business Plan Initiatives**

The proposed Plan and Budget supports the Strategic Plan 2019-2023 in key areas of focus. The Plan builds upon initiatives from 2022, and factors in the evolving needs of community.

### **Thriving Economy:**

The 2023 plan includes an assessment of key infrastructure and employment lands opportunities and requirements to attract high quality jobs and investment in key sectors. A major part of the Plan includes the growth of the Region of Waterloo International Airport, which is the fastest growing airport in Canada. Attracting and retaining talent will be a significant pillar of the Plan and this goes hand in hand with leveraging Waterloo Region as a community with exceptional quality of life where everyone thrives.

2023 Plan initiatives include:

- Updating the Regional economic development strategy
- Development of a new land portfolio and site readiness process to expedite lands ready for the affordable housing plan.
- Complete planning for shovel-ready lands
- International Airport Master Plan update and sustainability strategy
- Supporting museums as they recover from pandemic closures to increase visitation levels and reimagine cultural offerings.
- Regional Official Plan Review - Stage 2

### **Environment and Climate:**

In 2021, the Region along with the area municipalities committed to a greenhouse gas emission reduction target of an 80% reduction (based on 2010 levels) by 2050 (80by50) and an interim community reduction target of 50% by 2030 (50by30). As the global climate crisis accelerates and our region grows, this commitment becomes even more pressing. Making headway will mean continued commitment to sustainable planning and development practices, investments in sustainable transportation and connected communities, as well as building on successes leveraging innovative tech solutions such as extracting methane from wastewater treatment processes. State-of-the-art technology can also increase system resilience, improve data management and operations, and strengthen protections from a cybersecurity event.

The Region's core infrastructure including water and wastewater treatment facilities, affordable housing stock, and roads and trails are important drivers of economic development, quality of life and social inclusion. Investments in core infrastructure allow for on-going sustainable operations. It is also important to start now to de-risk infrastructure to prepare for warmer, wetter, and wilder weather. Working with Indigenous partners to protect and steward the region's natural environment remains a focus and also supports Reconciliation.

2023 Plan Initiatives include:

- Water supply strategy
- Blue box transition
- Develop carbon budget and corporate climate action plan
- Electric bus pilot
- Climate Adaptation Master Plan
- Implement TransformWR, a ten year plan to transition the Region from fossil fuels to clean energy

### **Sustainable Transportation:**

The Plan continues to build on creating connected communities through a 15-minute neighbourhood lens. Investments in this area focus on making it easy for people to walk, roll or cycle to meet their daily needs. This is achieved through integrated land use planning, and connected mobility planning where pedestrian and cycling networks are integrated with transit.

Although Grand River Transit has seen increased ridership and service throughout 2022, there is still work to do to adjust to new ridership patterns such as increased mid-day travel.

Investment in active transportation continues with a ten-year capital program to build over 200km of active transportation connections. Hand-in-hand with this is the investment in micro-mobility, which supports environmental and climate goals as well as being a more affordable mode of transit for residents.

The Plan also includes sustainable investment for the maintenance of a growing and aging portfolio of assets. Recent implementation of an asset management system is now providing a strong understanding of the state of assets in the portfolio, and informs the careful balance that will have to be struck between daily operations, capital renewal, and growth and expansion.

2023 Plan Initiatives include:

- The GRT recovery and service expansion, including the re-design of the Cambridge transit network.
- Active transportation growth, through a micro-mobility pilot as well as new guidelines and practices for cycling infrastructure.
- Advancing the King Victoria Transit Hub project to prepare the integration of two-way all day rail service, bus and LRT networks in the core.
- A new integrated mobility plan
- Advancing the extension of light rail to Cambridge, with the finalization of an updated business case, as well as limited property acquisitions to protect the proposed alignment.

**Responsive & Engaging Services:**

Municipal service delivery has undergone major changes over the past few years. Digital technology offers new solutions to improve service experiences for residents and businesses. Digital service delivery creates opportunities to be more cost effective as our economic context continues to add pressure to operating and capital budgets. Leveraging digital solutions also allows the organization to take advantage of hybrid working opportunities for staff where appropriate, which reduces the need for physical space and decreases operating costs over time. Underpinning this shift will be the imperative to engage residents in new and equitable ways as the Region transforms service from an equity, diversity and inclusion perspective to improve service offerings and quality of life for residents.

2023 Plan initiatives include:

- Creating a new Corporate Strategic Plan
- Finalizing a Digital Service Transformation Strategy
- Implementing the Corporate Accommodation Master Plan
- Increasing Data Security Measures and Policies
- Implementing a Corporate Fraud Risk Management framework
- Co-designing a Regional Corporate Engagement Framework, based on a Reconciliation and Equity lens.
- Modernizing the Region's information management systems in alignment with the Digital Service Transformation Strategy

**Healthy, Safe & Inclusive Communities:**

The community is still facing the significant impacts of the COVID-19 pandemic. The increasing cost of living is an ever-present challenge, and residents are experiencing housing availability and affordability challenges, with increasing numbers of those experiencing chronic homelessness. There are also a growing number of residents experiencing homelessness with mental health and addictions challenges needing an all of community approach to support and meet these needs.

As the provincial service system manager for housing and homelessness, the Region is working with partners to support residents through the housing and homelessness crisis with limited resources when compared to community need. The additional provincial funding received during the pandemic to support homelessness has expired and this has added further pressures to the sustainability of services in this area. The Plan includes increased regional investment in interim housing solutions to address the current crisis, while the Region works on long-term sustainable solutions.

As work is done to increase access to housing, the development of medium density housing needs to be scaled up to address the missing middle of housing and increase access to all types of housing for residents.

As one of Canada's fastest growing communities, the Region is also seeing increased

need for essential services such as paramedic services, access to child care, seniors services, etc.

2023 Plan initiatives include:

- Advancing Truth and Reconciliation
- Implementing the Community Safety and Wellbeing Plan which includes enhancing equity across all Regional services through investment, adapting program models and new offerings
- Growth strategy for early years and childcare system
- Canada-wide Early Learning Plan
- A plan for Building Better Futures and Ending Homelessness
- The expansion of Paramedic Services to match future growth
- Addressing Public Health service gaps
- Road Safety Plan and Automated Speed Enforcement (ASE) Plan

### **Our People:**

The Plan invests in building a workplace of the future that celebrates diversity and inclusion. The Region is building its brand as a place where current and new employees can grow their careers. Preparing for a multi-generational and changing workforce is a focus for the coming years.

As the labour market shifts, and staff retirements increase, municipal government continues to experience a severe talent shortage which is expected to continue. This affects service delivery to residents in areas such as Paramedics, Senior Care at Sunnyside, clinical staff and Transit. As the fiscal environment becomes more challenging, being competitive as an employer becomes harder. Retention and attraction strategies are a priority for the coming year.

The Region, alongside area municipalities and partner organizations have been on the front line of the pandemic for the past few years. This has affected employees, many of which are facing burnout. A continued focus on wellbeing is built into the plan.

2023 Plan initiatives include:

- Continued investment to build a modern, inclusive, diverse and respectful workplace.
- Creating comprehensive and competitive attraction and retention strategies.
- Building a safe, healthy workplace environment where employees are well and thriving.
- Innovation in digital solutions to improve the employee experience.

Overall, the 2023 Plan is ambitious, reflects evolving community needs and advances achievement of the Region's Strategic Plan 2019-2023 in its final year.

## **Appendix B – Responses to Councillor Requests**

### **1. Truck Diversion Investments in Cambridge**

- As presented to Budget Committee on February 8 2023 these investments include:
  - \$26.4M invested in McQueen Shaver Boulevard and Franklin Road extension
  - \$6M in the budget in 2023 for noise walls pending Council approval
  - \$20M in the capital program for road from Franklin to Dundas
  - \$7M Dundas to Wesley
- It is recommended that further diversion investments be explored through the update to the Transportation Master Plan



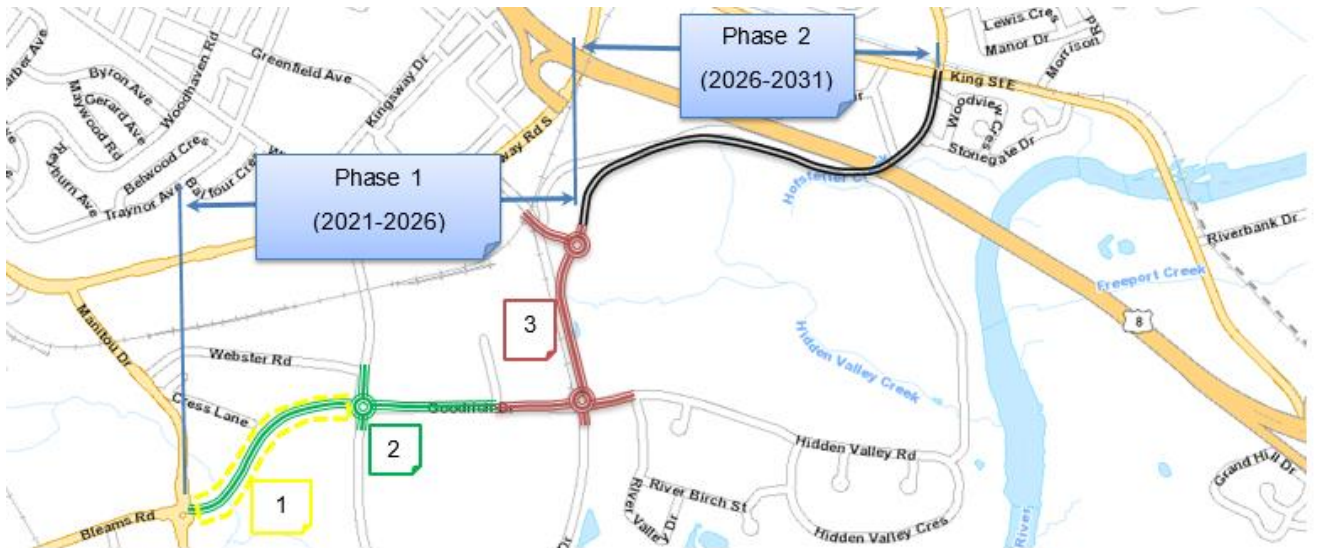
## 2. River Road Extension

Expenditure profile in the draft 2023-2032 Capital Program reflects the following timing of planned construction:

River Road Extension Expenditure Profile (\$M)	2022-2031 Plan	2023-2032 plan	Timing of planned construction
Life to Date Actuals (as at Dec 31, 2021)	\$19.0	\$19.0	
Planned / Budgeted:			
Unspent prior approvals carried forward into 2022	\$19.8	\$2.4*	
2022 New Request	\$1.9	N/A	
Unspent prior approvals carried forward into 2023	N/A	\$19.3**	Complete Phase 1 Contract 1 (yellow) - Tender Phase 1 Contract 2 (green) and start construction - Preliminary (30%) design and MTO review of Phase 2 (Hwy 8 interchange)
2023 New Request	\$1.0	-	
2024	\$10.0	\$10.0	- Complete Phase 1 Contract 2 (green) - Tender Phase 1 Contract 3 (red) and start construction - Detailed design (60%) of Phase 2, MTO and Hydro One review of Phase 2
2025	\$12.0	\$2.0	- Ongoing Construction Phase 1 Contract 3 (red) - Detailed design (90%) of Phase 2, MTO and Hydro One agreements
2026	\$8.0	\$1.0	- Complete Phase 1 Contract 3 (red) - Hydro One tower relocations, Phase 2 - Final design (100%) of Phase 2
2027	\$5.0	\$10.3	Tender Phase 2 contract(s) for River Road and Hwy 8 interchange and start construction
2028	-	\$5.6	Ongoing construction of Phase 2
2029	-	\$11.3	Ongoing construction of Phase 2
2030	-	\$11.8	Ongoing construction of Phase 2
2031	-	\$12.0	Substantially complete construction of Phase 2
2032	-	\$0.8	Surface asphalt and final restoration of Phase 2
<b>Total Project</b>	<b>\$76.7</b>	<b>\$103.1</b>	

\*Estimated 2022 actual

\*\* Amount carried forward into 2023 reflects revised year end spending estimates and will be adjusted based on the final 2022 Actuals



The incremental cost is associated with capital cost escalation and the completion date shifts from 2028 to 2032.

This schedule is coordinated with planned City of Kitchener works for a sanitary forcemain in 2024 to 2026. This schedule also allows for the predicted time to coordinate design reviews, approvals and agreements for the new Highway 8 interchange with the Ministry of Transportation and tower relocations by Hydro One. This schedule also provides for a manageable cash flow for funding/financing.

### 3. Roads and Priorities

#### Road Rehabilitation Projects (Value > \$1M) Currently Scheduled for 2023 Construction

		FUNDING SOURCES (\$ MILLIONS)			
PROJECTS	TOTAL BUDGET	CAPITAL RESERVE	RDC RESERVE	CANADA COMMUNITY BUILDING FUND	KEY PROJECT DRIVERS
Urban Rehabilitation					
07384 New Dundee Rd, 50m E of Executive Pl to Reichert Dr.	1.8	1.8			- Pavement in fair condition - Addition of cycling lanes
Rural Rehabilitation					
05758 Herrgott Rd, N Limits of St Clements to Ament Line	3.0	0.1	0.5	2.4	- Pavement in poor condition - Addition of cycling lanes - Been deferred for 5 years
Reconstruction					
05417 Church St, Spruce Ln to Arthur St	4.5	0.4	0.1	4.0	- Pavement in fair condition - Woolwich watermain and sewer replacements - Addition of sidewalks and illumination - Been deferred for 8 years
05498 Myers Rd, Branchton Rd to Water St	1.0	0.4		0.6	- Pavement in very poor condition - Regional watermain replacement and storm sewers - Addition of multi-use trail and illumination - addition of traffic calming measures to address resident concerns - Been deferred for 8 years
05495 Sawmill Rd, River St to Snyders Flats Rd	3.2	2.9		0.3	- Pavement in fair condition - Includes new storm sewer installation - addition of turning lanes at St. Charles St. - Addition of sidewalks, cycling facilities and illumination
05766 Snyder's Road, Gingerich Rd. to Christian St.	2.1	1.3	0.3	0.5	- Pavement in fair condition - sidewalk from Gingerich Rd to Schneller Rd. - Addition of cycling facilities - Been deferred for 5 years

#### Impacts of Deferral of One or Several of these Projects:

- There will be no impact on 2023 property tax levy – funds are set aside annually to meet road rehabilitation financing needs over 10 years, and the current level of funding is not yet at a sustainable level
- Would delay much-needed pavement rehabilitation, sidewalks, cycling facilities and underground service replacements
- Deferring one or more projects would likely result in the need to defer nine or more other projects in subsequent years of the Transportation Capital Forecast due to “domino effect”

#### **4. Waste Receptacles at GRT stops**

- GRT collects garbage from over 200 iXpress stops and at all ION Stations
- Garbage cans are available on all GRT buses for customer use
- All GRT bus stops are cleaned on weekly basis and some high volume stops are cleaned twice per week
- Garbage is collected from high volume iXpress stop twice per week including the University area in Waterloo, Conestoga College iXpress stops and the Delta stops in Cambridge
- Garbage cans are available at GRT stations and terminals including:
  - Fairway Station
  - Conestoga Mall
  - University of Waterloo Station
  - Sportsworld Station
  - Sunrise Centre Station
  - Boardwalk Station
  - Ainslie Terminal
  - Cambridge Centre Station
- Prior to garbage cans being removed from other bus stops in 2022, it was determined that where garbage cans were full or over flowing, this was most often due to pet waste or household garbage being disposed of at bus stops, not garbage from transit customers
- To resume weekly garbage collection at all (240) previously collected GRT stops would cost \$140,000/year
- A one time expense for re-installing the garbage cans would cost approximately \$2,000

#### **5. Compensation Gapping**

- The gapping provision included in the operating budget is reviewed and adjusted annually. Provisions for the last three years are as follows:
  - 2021 Budget = \$4.9M
  - 2022 Budget = \$5.5M
  - 2023 Budget = \$7.0M (\$1.5M increase)

Gapping is highly variable from year to year, with actual gapping estimated to be approximately \$7.3M in 2019, \$7.4M in 2020 and \$5.9M in 2021. Final numbers for 2022 are not yet known, however they are anticipated to be higher than the average from recent years due higher turnover levels, and as such staff have increased the gapping provision included in the 2023 budget to \$7.0M which is deemed to be a manageable risk.

## **6. Digital Transformation Resources**

The 2023 Preliminary Operating budget includes resources to implement a digital transformation strategy at the Region. As noted in the Perry Group report (shared with Council on February 2, 2023 and published here [Service Delivery Reviews - Region of Waterloo](#) ), the potential value across the Region of Waterloo through applying digital transformation is significant.

In order to achieve savings on this scale, the Region needs a significant investment in skilled resources. Regional technology staff are still catching up from work deferred because resources were diverted to pandemic initiatives (upgrades, paused projects, infrastructure improvements). At any given time, about 70% of ITS resources are operational dedicated to providing day-to-day services. This leaves 30% for project/improvement work including digital transformation.

The resources requested in 2023 are a necessary prerequisite to grow our capacity to support all Regional service providers in unlocking this significant Regional capacity. These new resources will provide both the leadership capacity, digital standards (example: architects) and the technical expertise (example: Programmer Analysts) to implement the transformative improvements alongside Region service providers in each division.

As the Perry Group report highlights, the benefits of digital transformation will be felt across the Region, by providing more options for public facing services requiring less effort from the public and that are less costly to provide (thanks to self service and automation). As the Region identifies efficiencies across the organization, staff will be freed from performing current manual, administrative and transactional tasks to allow them to take on more value-added activities.

To demonstrate the kinds of results the Region might expect, the Perry Group reviewed six services and based on an 80% service uptake found close to 30,000 hours of staff capacity that could be “unlocked and repurposed”. Extrapolating this across the Region’s inventory of services and processes points to significant capacity that can be released within the organization through transformation work.



**7. Items raised through the 2023 budget process that will be considered through other forums or processes (e.g. strategic plan, master plans, stand-alone staff reports, etc.):**

- Industrial land strategy – report to Committee end of Q2; strategy by Q4 2023
- Progress on climate action goals – annual report to Committee in Q2
- Integrated Drug Strategy update – report to Committee in Spring 2023
- Cambridge East Boundary Road and Elmira bypass projects, new bridge over Grand River – part of the integrated mobility plan
- GO transit service to Cambridge – report to Committee
- Stage 2 LRT update – update report to Committee (Q2 of 2023)
- Automated Speed Enforcement acceleration – staff to report back to Committee in Q2 of 2023
- Grand River Transit fare structure and age-based discounts – comprehensive review in GRT business plan
- Grand River Transit service to temple in Wilmot – report back to Committee
- King Street Bunker – report to Committee Q3 2023
- Bill 23 impacts – report back to Committee during 2023 following proclamation and release of regulations
- Shelters in Cambridge, comparison to other municipalities – included as part of the Ending Homelessness Plan
- The circular economy and resource re-use/re-purposing to be part of the Waste Master Plan - to be part of the Waste management Master Plan
- Traffic calming in townships - Region will coordinate workshops in March/April with townships per Motion

## Appendix C – Funding Requests from Public Input Delegations

Delegate / Organization (date presented)	Funding Request	Amount	Staff Comment / Response
Leadership Waterloo Region (February 8)	Sustainable funding to focus on new issues and what's coming down the pipe.	\$100,000	Leadership Waterloo Region currently receives \$50,000 per year from the ROW through the Ec-dev grant stream. An application was submitted to the Upstream Fund and the community-led allocation committee did not choose to fund the application. The application can be submitted again in future rounds of granting.
Shore Centre (February 8)	Increased financial support of at least \$50,000 per year in addition to current funding in order to meet the demand for counselling and education and to sustain services.	\$50,000	Shore is a valued partner of ROW. Funding for prenatal care and sexual health services is the responsibility of the Ministry of Health and Long-Term Care. ROW provides funding to SHORE for some of their youth sexual health promotion activities which aligns with provincially funded activities for public health. This funding will be reviewed as part of an upcoming review of funding to community partners for these services. An application could also be submitted through the Upstream fund in future grant rounds.
Cambridge YWCA / YW Kitchener-Waterloo (February 8)	The need for a women's shelter in Cambridge and enhancement of resources for the existing women's shelter in Kitchener.	Not identified	Staff review service level needs and appropriate response as part of the Ending Chronic Homelessness plan underway in 2023.
Porchlight Counselling and Addiction Services (February 8)	Request a funding increase, from \$36,000 per year to \$72,000 per year, for staffing support.	\$36,000	Addiction Counselling and treatment is the funding responsibility of the Ministry of Health and Long-term Care. This request was also included in the appendix of for report CSD-HOU-23-005, dated February 7, 2023 and will be reviewed by staff through the Council approved process.

<b>Delegate / Organization (date presented)</b>	<b>Funding Request</b>	<b>Amount</b>	<b>Staff Comment / Response</b>
Shelter Movers Waterloo Region (February 8)	To increase some staff hours, offset additional costs such as fuel and vehicle rentals and rental fees for training and events.	\$75,000	Staff review service level needs and appropriate response as part of the Ending Chronic Homelessness plan underway in 2023.
Women's Crisis Services of Waterloo Region (February 8)	\$50,000 to research and plan for an extension of the Aspen Place model into Cambridge. \$60,000 to fund an extra Outreach Worker to meet increased demand.	\$110,000	Staff review service level needs and appropriate response as part of the Ending Chronic Homelessness plan underway in 2023.
A Better Tent City (January 18)	Staffing & operating funding.	\$180,000	This request was also included in the appendix of for report CSD-HOU-23-005, dated February 7, 2023 and will be reviewed by staff through the Council approved process.

## Appendix D – Funding of Regional Services from Property Taxes

Net cost of service is levied to municipalities denoted with ✓

Service	Cambridge	Kitchener	Waterloo	N. Dumfries	Wellesley	Wilmot	Woolwich
All Regional Services with the exception of transit and library	✓	✓	✓	✓	✓	✓	✓
Police Services	✓	✓	✓	✓	✓	✓	✓
Conventional GRT to Woolwich (Includes the Breslau Flex Service)							✓
Conventional Transit to Wilmot						✓	
Urban Conventional Transit service	✓	✓	✓				
Urban Transit Mobility service	✓	✓	✓				
Rural Transit Mobility service				✓	✓	✓	✓
Rapid Transit	✓	✓	✓				
Library Services				✓	✓	✓	✓

## Appendix E – Region of Waterloo Operating and Capital Budget Summary Tables (excl. Waterloo Regional Police Service)

### 2023 Operating Budget

	Preliminary Budget (Jan. 18, 2023)	Feb.7, 2023 Amendments	Amended Budget
Expenditure:			
Gross Expenditure	1,353,987,878	1,200,000	1,355,187,878
Recoveries	(164,085,010)	-	(164,085,010)
<b>Net Expenditure</b>	<b>1,189,902,868</b>	<b>1,200,000</b>	<b>1,191,102,868</b>
Revenue:			
Provincial Funding	392,572,112	-	392,572,112
Federal Funding	14,732,021	-	14,732,021
User Fees & Charges	264,710,837	-	264,710,837
Interest Earnings	581,742		581,742
Supplementary Taxes	12,500,000	-	12,500,000
Payments in Lieu of taxes	9,160,339	-	9,160,339
Reserve Funding	26,561,139	-	26,561,139
<b>Total Revenue</b>	<b>720,818,190</b>	<b>-</b>	<b>720,818,190</b>
<b>2023 Property Tax Levy</b>	<b>469,084,678</b>	<b>-</b>	<b>470,284,678</b>
<b>% Change in Property Taxes (Net of Assessment Growth)</b>	<b>9.23%</b>	<b>-</b>	<b>9.51%</b>

### 2023-2032 Capital Plan

	2023	2024-2032 Forecast	2023-2032 Total
<b>Total Expenditure</b>	<b>540,287,352</b>	<b>5,756,648,800</b>	<b>6,296,936,152</b>
Funding & Financing:			
Grants, Subsidies & Recoveries	106,038,575	2,207,108,339	2,313,146,914
Development Charge Reserve Funds	98,042,604	681,626,522	779,669,126
Development Charge Debentures	38,341,200	420,298,280	458,639,480
Reserves & Reserve Funds	246,684,970	1,493,930,967	1,740,615,937
Tax Debentures	51,180,003	953,684,692	1,004,864,695
<b>Total Funding &amp; Financing</b>	<b>540,287,352</b>	<b>5,756,648,800</b>	<b>6,296,936,152</b>



**Region of Waterloo**  
**Transportation Services**  
**Transit Services**

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**To:** Strategic Planning and Budget Committee  
**Meeting Date:** February 22, 2023  
**Report Title:** Grand River Transit Fare Structure – Councillor Requests

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**1. Recommendation**

For information.

**2. Purpose / Issue:**

This report provides a response and implementation details following Council’s direction to “provide a report on the potential options to consider a year pilot project for free transit fares for children under 12, a one-day a week free transit fares for seniors over 65, and Museum considerations for Students as per the public request and investigate the possibility of reserve funding opportunities”.

**3. Strategic Plan:**

The restoration and expansion of transit service levels and appropriate fare structure supports the delivery and funding of Sustainable Transportation Objective 2.1: Enhance the transit system to increase ridership and ensure it is accessible and appealing to the public.

**4. Report Highlights:**

Following Council’s direction, staff is bringing back information on potential new fare programs for youth, seniors and students going to museums, evaluating the feasibility and costs of:

1. A year-long pilot project for free transit fares for children under 12;
2. a year-long pilot project of a one-day a week free transit fare for seniors over 65; and
3. an increase of the group fare discount from 15% to 25%, to support student travel to museums.

**5. Background:**

Transit fares are a critical component of revenue to support required transit service

levels. With ridership levels back to pre-pandemic levels, fare revenue is expected to exceed \$40M in 2023, covering 31% of the system costs. Given the significant increase in fuel costs, as well as staff's proposal to increase service on key routes where ridership is growing in order to mitigate crowding, fare levels have a critical impact on the transit operating budget.

Transit equity is best supported through access to reduced fares based on income through the affordable transit program (ATP), as documented in previous Council decisions leading up to the implementation of this innovative program, not through age-based concession programs.

Transit fares are not the barrier for most residents in terms of their decision-making in choosing to take transit more. Improved service levels are the primary factor to support more residents in making transit their mode of choice for travel.

As directed by Council, staff have reviewed options to offer free transit to certain age categories.

### **Youth fare discounts**

Today, children 4 years old and less ride free. Youth aged 5-12 years old benefit from the family day pass, which enables them to travel for free with an accompanying adult on week-ends and winter and March break.

Council directed staff to examine a proposal brought forward by a delegation, to provide free transit for all youth aged 5-12 years old. While the number of children between 5 and 12 can only be estimated as the Region doesn't track riders by age, it is estimated that children account for approximately 76,000 annual rides, with a revenue of approximately \$150,000. While there may be an increase in usage if no fare was charged, further analysis would be needed to fully understand the potential impacts.

The 2023 Budget includes an introduction of a new extended family day pass to enable adults and youth from the same household to travel together any day of the week for \$10. This new product is proposed to be implemented on July 1, 2023. The increased revenue for the proposed family day pass is expected to offset the fare revenue loss in other categories while having a long-term revenue growth potential.

In addition to this proposal, the implementation of a specific youth discount through the GRT fare system would require a tariff change to add a new product. This would allow a card designed to recognize eligible youth as well as adding a modification to automatically change fare rates once a person reaches the end of the age-based discount. Based on previous similar scale changes requested from our fare system provider, there is an anticipated cost of about \$75,000 and an implementation time of about 6-12 months. In addition to this cost, there are fare evasion risks associated with youth fare cards; in 2020, for example, the TTC published a report which estimated that

one third of all fare evasion was related to adults using youth cards.

Alternatively, the youth discount could be implemented without relying on the presentation of a fare card. As verification of proof-of-age upon boarding could significantly impact travel times and operating costs, staff would not recommend it, so this would generate a risk of fare evasion for youths over 12 years old and Transit Operators would not have any validation mechanism to verify proper fare payment.

Finally, the absence of data collected through fare cards would also make it very difficult to evaluate the ridership change and revenue loss impacts of this pilot.

### **Senior fare discounts**

As noted in the last budget presentation, based on 2021 Census StatCan data for the Region of Waterloo, a smaller proportion of seniors (2.9%) are below the low-income cut-off threshold compared to residents aged 18 to 64 (7.2%). From an equity perspective, staff therefore did not recommend implementing a specific discount for seniors.

Other public programs also exist to help offset transit costs for seniors. For example, the Ontario government offers a [refundable public transit tax credit for seniors](#). Ontario residents are eligible for it if they are 65 years of age or older on the last day of the previous tax year in which they are claiming the credit. Seniors can claim up to \$3,000 in eligible public transit costs and receive up to \$450 each year.

Following a proposal brought forward by a delegation to provide free transit for seniors (defined as 65 years old and over) on Wednesdays and Sundays, Council directed staff to consider a one-year pilot for one-day a week free transit fares for seniors.

There are an estimated 2.9% of GRT riders that are seniors based on the farecard activity from 2019 when it was last possible to track seniors as a separate group. Assuming that a limited proportion of current riders would move to the free fare day, along any broader increase in ridership, it is estimated that a one free weekday would amount to approximately \$230,000 in annual lost revenue.

Given that post-pandemic ridership patterns have shown that crowding is highest on Tuesdays, Wednesdays and Thursdays, the free day for seniors is recommended to be either a Monday or a Friday.

In order to accommodate free fares on one day of the week, a change would be required to the current fare system. Currently a fare variation by time of week is not set up within the system. Based on previous similar scale changes requested from our fare system provider, there is an anticipated cost of about \$75,000 and an implementation time of about 6-12 months.

### **Museum Programs**

Council directed staff to consider fare discounts for students going to museums on field trips. Currently GRT has a fare program that provides for discounts to fares for group purchase or travel; the discount is currently 15% for groups between 25 and 250 people, 25% for groups between 250 and 500 people, and 50% for groups of over 500 people. Classroom programs have occasionally used this approach as an alternative to yellow bus chartering.

To incentivize group travel on transit, the discount level for groups between 25 and 250 people could be increased to 25%. The revenue impact is uncertain although currently few classes are using GRT for field trips, so it is expected to be minimal.

It should be noted that there could be impacts on other transit riders when a class of 25 students, teacher and support chaperones boards a bus with a typical capacity of 55 people. While these would typically occur in the midday, post-pandemic ridership trends have shifted such that there are very busy trips in the midday. In some weeks, the highest number of overloaded trips has been in the midday. Current service improvement plans include increased frequencies on some midday routes, and crowding will continue to be carefully monitored in order to maintain quality of service for all customers.

This program would be most suited for schools that are on, or close to, current GRT routes with relatively direct travel to their activity destination.

## **6. Area Municipality Communication and Public/Stakeholder Engagement:**

**Area Municipality Communication:** None

**Public/Stakeholder Engagement:** Opportunities for input were provided through the 2023 Budget public input sessions.

## **7. Financial Implications:**

The creation of a new extended family day pass is not expected to have any measurable financial impacts, with new revenues offsetting fare revenue loss.

The financial impacts of the fare discount options presented in this report are estimated as follows:

- Free transit for youth aged 5-12 years of age: if implemented by September 1, the 2023 budget impact for revenue loss is estimated at \$50,000; \$150,000 annualized.

- Free transit for Seniors aged 65+ one day a week: if implemented by September 1, the 2023 budget impact for revenue loss is estimated at \$76,000; \$230,000 annualized.
- Increased discount from 15% to 25% for travel in groups of 25-250 people: no measurable financial impacts expected
- Modifications to the GRT EasyGO Electronic Fare Management System: one-time costs of approximately \$75,000 for each of the youth and senior discounts or \$150,000 combined.

## **8. Conclusion / Next Steps:**

Development of the 2023-2027 GRT Business Plan has been initiated and the plan will be presented to Council in Spring 2024. Subject to direction from Council, staff intend to undertake a comprehensive review of the fare structure as part of this strategic planning process and include recommendations when that plan comes forward for Council approval.

## **9. Attachments:**

Nil

**Prepared By:** Blair Allen, Acting Manager, Transit Development  
Neil Malcolm, Acting Director, Transit Services

**Reviewed By:** Neil Malcolm, Acting Director, Transit Services

**Approved By:** Mathieu Goetzke, Commissioner, Transportation Services



**Region of Waterloo**  
**Transportation Services**  
**Transit Services**

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**To:** Planning and Works Committee  
**Meeting Date:** February 7, 2023  
**Report Title:** Transit Services Fare Structure, Discounts and Revenues

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**1. Recommendation**

That the Regional Municipality of Waterloo take the following action with respect to Grand River Transit fares as set out in report TSD-TRS-23-004, dated February 7, 2023:

- a) Endorse the continuation of the affordable transit program (ATP) that provides a discount on fares for individuals and families whose income falls below the existing threshold of 15% above the poverty line as measured by Statistics Canada for a community in Ontario greater than 500,000 persons; and
- b) Approve a 2.5% general public transit fare increase effective July 1, 2023 as set out in the preliminary 2023 Public Transit Operating Budget; and
- c) Direct staff to mitigate the impact of any fare increase for individuals and families eligible for ATP by increasing the discount from 48% to 50% effective July 1, 2023 with a net 2023 property tax levy increase of \$20,500; and
- d) Approve the creation of an extended family day pass applicable every day of the week, decreasing the cost of travel for accompanied youth; and
- e) Direct staff to bring forward a comprehensive review of age-specific fare for seniors and youth discounts forward as part of the new Grand River Transit Business Plan; and
- f) Forward the approved resolutions to the Strategic Planning and Budget Committee for consideration.

**2. Purpose / Issue:**

This report outlines staff's review of the transit budget proposals and options related to fares and provides a preliminary response to Councillors submissions relating to alternative fare proposals.

**3. Strategic Plan:**

The restoration and expansion of transit service levels and appropriate fare structure

supports the delivery and funding of Sustainable Transportation Objective 2.1: Enhance the transit system to increase ridership and ensure it is accessible and appealing to the public.

#### 4. Report Highlights:

- Transit equity is best supported through access to reduced fares based on income through the affordable transit program (ATP), as documented in previous Council decisions leading up to the implementation of this innovative program (see TES-TRS-19-13/CSD-EIS-19-04 and TES-TRS-19-20/CSD-EIS-19-11).
- The 2023 preliminary transit operating budget assumes an average fare increase of 2.5% effective July 1, 2023. Due to price elasticity of demand, it is anticipated that notionally 106,000 fewer rides will be taken as a result of the fare increase, which is four times less than the number of projected rides generated by the service increases proposed for 2023.
- The ATP offers a 48% discount on fares for individuals or families whose income falls below a certain threshold. In 2021, the threshold was set at 15% above the poverty line as measured by Statistics Canada for a community in Ontario greater than 500,000. The proposed 2.5% fare increase is estimated to result in approximately 17,000 fewer ATP rides due to affordability. This could be mitigated by increasing the discount to 50%, resulting in a 2023 revenue reduction of approximately \$41,000, which would need to be covered by the property tax levy.
- As directed by Council, staff have reviewed options to offer free transit to certain age categories:
  - a. Youth aged 5-12 years of age: It is estimated that 76,000 fare-paid rides by youth are taken annually. If transit service were offered free to this age category, it is estimated that \$150,000 in fare revenue will be foregone that would need to be covered by the property tax levy. An alternative to offering free transit for youth would be to implement a new family day pass at \$10 for 5 family members. The revenue for the proposed family pass would roughly offset the fare revenue loss in other categories while having a long-term revenue growth potential.
  - b. Seniors aged 65+ on Wednesdays and Sundays: It is estimated that approximately 150,000 fare-paid rides by seniors are taken on these days annually. If transit service were offered free on these days, it is estimated that approximately \$306,000 in revenue would be foregone that will need to be covered by the property tax levy. There may be additional impacts

of changes in seniors' behaviour to ride on days when transit is free, but those impacts are difficult to quantify at this time.

- Although affordability is not a specific barrier to transit use among seniors, who are three times less likely than the general population to have low incomes in the Region, understanding how the system works can be an issue for seniors who only travel occasionally. Staff recommend extending the Ride-A-Bus program to encourage seniors to learn how to use the transit system. This would require additional staff time but have no budget impact.
- Development of the 2023-2027 GRT business plan is underway and the plan will be presented to Council in Spring 2024. Staff intend to undertake a comprehensive review of the fare structure as part of that planning process and include recommendations when that plan comes forward for Council approval.

## **5. Background:**

Transit fares are a critical component of revenue to support required transit service levels. With ridership levels back to pre-pandemic levels, fare revenue is expected to exceed \$40M in 2023, covering 31% of the system costs. Given the significant increase in fuel costs, as well as staff's proposal to increase service on key routes where ridership is growing in order to mitigate crowding, fare levels have a critical impact on the transit operating budget.

Transit fares are not the barrier for most residents in terms of their decision-making in choosing to take transit more. Improved service levels are the primary factor to support more residents in making transit their mode of choice for travel. As shown in Appendix B, a very low proportion of riders suggested the fares were too expensive compared to a number of other identified issues. While 8% felt it was getting more expensive from 2017 to 2019, far more issues were identified as needing to be addressed, particularly on-time performance.

The GRT fare structure includes a wide range of products, adapted to different customers depending on frequency of use, age, income levels, etc. The most popular fares used by our customers in 2022 was Pass (51%), U-Pass (20%), Stored Value (18%) and Cash (6%). The complete table of fares and passes can be provided in Appendix A.

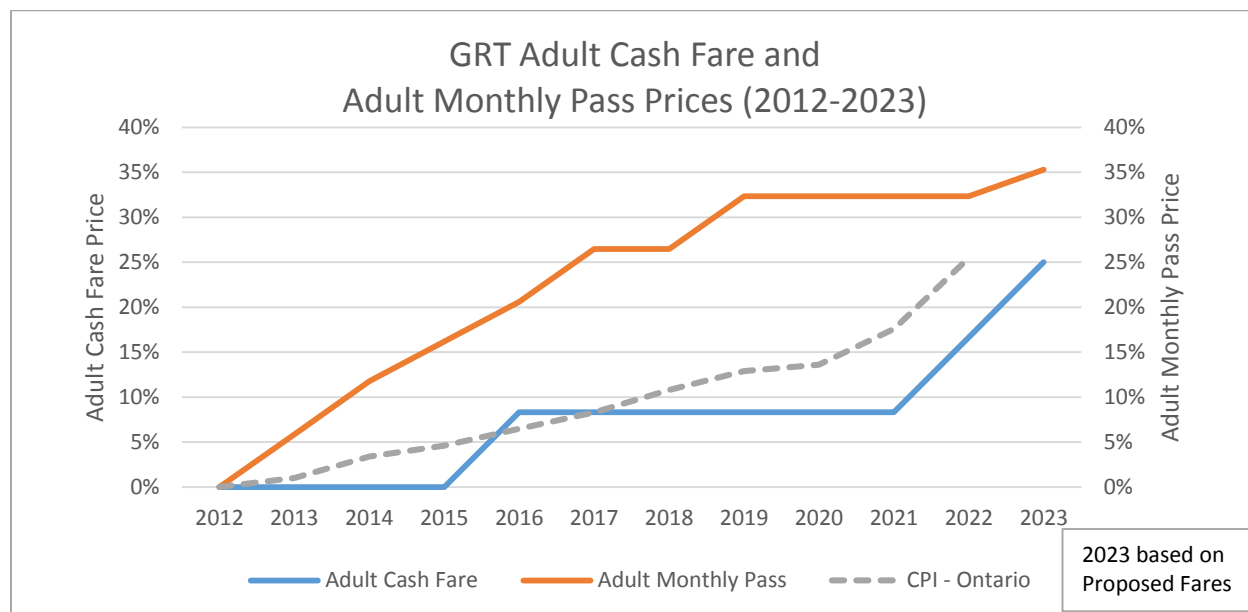
In preparation of the 2023 operating budget proposal, staff projected that inflation (in particular increase in fuel costs) and service reinstatements that Council had directed to implement in 2023 would increase transit costs by over \$12M. In order to mitigate this

impact, and following the guidance of Council to provide options to reduce impacts on the 2023 tax levy, staff developed different scenarios for fare adjustments.

### **GRT fare levels**

GRT fares are usually adjusted each year to cover part of the increases in operating costs. Over the last decade, fares have generally increased by 2% on average per year, except in 2020 and 2021 where fares remained flat to take into account the impact of the pandemic on the community and reflect some reductions in service that were implemented due to low ridership. Fares increased on average by 2% in June 2022.

Year	Fare Increase (Average)	Ontario CPI	Canada CPI
2018	0%	2.4%	2.3%
2019	3.0%	1.9%	1.9%
2020	0%	0.7%	0.7%
2021	0%	3.5%	3.4%
2022	2.0%	6.8%	6.8%
2023 (proposed)	2.5%	-	-



In the 2023 budget proposal shared with Council on February 18, staff presented three scenarios for fare increases, all below inflation.

	Current Fares	2023 Budget Scenario 1 2.5% Fare increase	2023 Budget Scenario 2 5% Fare increase
Cash Fare	\$3.50	\$3.75	\$4.00
Stored Value Payment	\$2.92	\$2.98	\$3.07
Monthly Pass	\$90.00	\$92.00	\$95.00
Annual Revenue Increase		\$545,000	\$1,193,000
Incremental Revenue in 2023 (fare increases effective July 1, 2023)		\$272,500	\$596,500
Net Ridership Change		-106000 (~0.5% ridership loss)	-255000 (~1.1% ridership loss)

The effects of the fare increase on ridership are notional figures forecasted based on average demand elasticity for each fare category. These impacts are evaluated “all other things being equal”, so they do not take into account the increased ridership generated by reallocating resources to increase service on high-demand routes. Report TSD-TRS-23-003 on transit services highlights that proposed service adjustments are expected to support more than 440,000 additional annual rides, which is significantly more than the ridership loss forecasted in any of the fare increase scenarios.

Ridership decreases associated with the proposed 2.5% fare increase is estimated at about 106,000 rides or approximately 0.5% of 2023 projected ridership. The largest impacts are on cash riders with about 47,000 fewer riders and on monthly pass users with about 39,000 fewer riders. ATP pass uses would decrease by about 17,000 rides, which could be mitigated by increasing the discount level of the ATP pass from 48% to 50%, at an estimated cost of approximately \$41,000.

Beyond 2023, as part of the 2023-2027 GRT Business Plan, staff will examine the benefits and costs of gradually decreasing fares over a five year period to below 75% of the current annual adult pass.

### **Equity impacts and the affordable transit program**

In 2019, Council endorsed the new low-income transit program that was put forward in report TES-TRS-19-20/CSD-EIS-19-11. Based on extensive research and a randomized control study whose results were reported in TES-TRS-19-13/CSD-EIS-19-04, a dedicated discount program was established and gradually implemented in 2020 and 2021.

This program provides a 48% discount to households with income below a given threshold. The thresholds were initially based on the Market Based Measure, which



refers to Canada's official measure of poverty based on the cost of a specific basket of goods and services representing a modest, basic standard of living developed by Employment and Social Development Canada (ESDC). This measure is priced for 53 different geographical areas, and the reference used by GRT is that related to “Ontario – large urban population centres with 500,000 persons or more”. In 2021, eligibility to the program was expanded, and current thresholds are 15% above the Market Based Measure (see table below).

Household size	1 person	2 people	3 people	4 people	5 people	6 people
Household income after taxes	\$26,625.95 or less	\$37,654.78 or less	\$46,117.50 or less	\$53,251.90 or less	\$59,537.43 or less	\$65,219.99 or less

### **Youth fare discounts**

Today, children 4 years old and less ride free. Youth aged 5-12 years old benefit from the family day pass, which enables them to travel for free with an accompanying adult on week-ends and winter and March break.

Council directed staff to examine a proposal brought forward by a delegation, to provide free transit for all youth aged 5-12 years old. While the number of children between 5 and 12 can only be estimated as the Region doesn't track riders by age, it is estimated that approximately 76,000 children are currently riding the system with a revenue of approximately \$150,000. While there may be a slight increase in usage if no fare was charged, further analysis would be needed. Most children this age would still be riding while accompanied by an adult. Staff recommend that this proposal be studied in more detail as part of the GRT business plan.

In the meantime, staff recommend the creation of an extended family day pass, to enable adults and youth from the same household to travel together any day of the week for \$10. This new product could be implemented on July 1, 2023. The increased revenue for the proposed family day pass would roughly offset the fare revenue loss in other categories while having a long-term revenue growth potential.

### **Senior fare discounts**

Today, seniors do not benefit from any specific discounts on GRT.

Council directed staff to examine a proposal brought forward by a delegation, to provide free transit for seniors (defined as 65 years old and over) on Wednesdays and Sundays.

Staff estimate that about 155,000 seniors are riding on those days, generating a revenue of \$306,000. It is anticipated that some current riders will move to Wednesday

from other weekdays along with any increase in ridership. There are an estimated 2.9% of GRT riders that are seniors based on the farecard activity from 2019 when it was last possible to track seniors as a separate group.

As noted in the last budget presentation, a smaller proportion of seniors (2.9%) are below the low-income threshold compared to those 18 to 64 (7.2%). From an equity perspective, staff therefore do not recommend implementing a specific discount for seniors.

However, in order to facilitate access for seniors to the transit system, it is proposed to extend the Ride-a-bus program to have additional sessions to assist seniors with learning how to use the current transit system.

## **6. Area Municipality Communication and Public/Stakeholder Engagement:**

**Area Municipality Communication:** None

**Public/Stakeholder Engagement:** Opportunities for input are through the on-going 2023 Budget public input sessions.

## **7. Financial Implications:**

Total Grand River Transit use fee revenue is estimated at \$43M in 2023. The 2023 Preliminary Public Transit operating budget assumes an average fare increase of 2.5% effective July 1, 2023. This would generate \$272,500 in incremental revenue in 2023 (approximately \$545,000 on an annualized basis).

Mitigating the average fare increase for households eligible for the Affordable Transit Program would decrease the revenue by approximately \$41,000 on an annualized basis.

The creation of a new extended family day pass is not expected to have any measurable financial impacts, with new revenues offsetting fare revenue loss.

Should Council direct staff to implement new age-based discounts in 2023, the financial impacts are estimated as follows:

- Free transit for youth aged 5-12 years of age: annualized revenue loss of \$150,000 in fare revenue
- Free transit for Seniors aged 65+ on Wednesdays and Sundays: annualized revenue loss of \$306,000 in fare revenue

**8. Conclusion / Next Steps:**

Any approved Committee recommendations will be forward to the Strategic Planning and Budget Committee for final consideration on February 22, 2023. Development of the 2023-2027 GRT business plan is underway and the plan will be presented to Council in Spring 2024. Subject to direction from Council, staff intend to undertake a comprehensive review of the fare structure as part of that planning process and include recommendations when that plan comes forward for Council approval.

**9. Attachments:**

Appendix A: Table of fares and passes

Appendix B: Grand River Transit customer satisfaction survey (2019)

**Prepared By:** Blair Allen, Acting Manager, Transit Development  
Neil Malcolm, Acting Director, Transit Services

**Reviewed By:** Neil Malcolm, Acting Director, Transit Services

**Approved By:** Mathieu Goetzke, Commissioner, Transportation Services

## Appendix B

### Proposed 2023 Fare Change - 2.5% average increase

Fare Type	2022 Fare	2023 Proposed Fare
Cash/TVM Ticket/Single Ride	\$ 3.50	\$ 3.75
Mobile Payment Single Ride (future)	\$ 3.50	\$ 3.75
Multi-Ride (e-Rides)	\$ 3.25	\$ 3.50
Stored Value	\$ 2.92	\$ 2.98
ATP Stored Value	\$ 1.52	\$ 1.55
Corporate Stored Value (NEW)	\$ -	\$ 2.53
Monthly Pass	\$ 90.00	\$ 92.00
ATP Monthly Pass	\$ 46.80	\$ 47.84
Day Pass	\$ 8.50	\$ 7.50
Family Pass (NEW)	\$ -	\$ 10.00
Mobile Payment Day Pass (future)	\$ 7.00	\$ 7.50
Corporate Pass	\$ 76.50	\$ 78.20
High School Pass	\$ 450.00	\$ 460.00
Summer Pass	\$ 150.00	\$ 156.40
College Pass	\$ 306.00	\$ 306.00
U-Pass	\$ 107.61	\$ 113.30

Appendix X: Grand River Transit Rider Satisfaction Survey 2019

Rank order by total score	Total	Gotten better	Stayed the same	Gotten worse
On schedule/efficient/reliable	15%	25%	3%	1%
Often late/off schedule/not reliable	13%	8%	10%	41%
Good number of routes & buses	11%	19%	1%	1%
Easily accessible (locations, buses, services)	10%	17%	1%	1%
Good customer service/friendly	8%	12%	3%	2%
It's good (General)	8%	10%	6%	1%
Poor customer service/not friendly	7%	3%	4%	29%
Do not feel qualified to comment	6%	3%	16%	--
Poor weekend/evening/rural hours	4%	5%	2%	5%
Services are outdated/not well kept	4%	2%	3%	14%
Transfer time too short/bad connections	4%	3%	3%	11%
Need more routes/too many removed	4%	3%	2%	11%
Services are updated/well kept	4%	6%	1%	1%
Need more buses/stop frequencies	4%	3%	4%	5%
Coming LRT system	3%	3%	2%	7%
Tap to pay is a positive	3%	4%	1%	1%
Too expensive	2%	1%	2%	8%
Feel unsafe at times	2%	1%	--	8%
Too busy/crowded	2%	1%	1%	7%
Tap pay is a negative	1%	--	1%	4%
It's bad (general)	1%	--	--	4%
Don't know	19%	6%	53%	5%

**Region of Waterloo**

**Corporate Services**

**Corporate Finance**

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**To:** Strategic Planning and Budget Committee

**Meeting Date:** February 22, 2023

**Report Title:** Discretionary Grants Update

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**1. Recommendation**

For Information.

**2. Purpose / Issue:**

To provide an overview of the Region's discretionary grant policy and processes that have been established to ensure grant funding is robust, transparent, equitable, purposeful and meets the needs of a growing and diverse community.

**3. Strategic Plan:**

1.1 Create a competitive business-supportive community to help attract, retain and grow employers, talent and investment in Waterloo Region

1.3 Support the arts, culture and heritage sectors to enrich the lives of residents and attract visitors to Waterloo Region.

1.3.2 Develop a robust, transparent and equitable grant funding strategy to support the arts and culture sector.

4.1.2: Support the collective efforts of the Children and Youth Planning Table including the Smart Waterloo Region initiative for children and youth.

4.3 Promote and enhance equity in policies, planning, services and decision-making to positively impact community wellbeing

**4. Report Highlights:**

- Council endorsed a Grants Administration Policy for the development of grant streams and the distribution of grant funding provided by the Region through report PDL-CUL-22-04 dated August 9, 2022. The policy serves as a framework to ensure that grant funding is robust, transparent, equitable, purposeful and meets the needs of a growing and diverse community and supports the Region's strategic objectives.



- The policy links grant funding closely with the Regional Strategic Planning Process as well as the Annual Plan and Budget process.
- The policy states that, wherever possible, grant funding will be provided through council-approved grant programs with eligibility criteria, application and adjudication processes. The Region of Waterloo currently has several Council-approved grant programs (see Appendix A).
- The policy also outlines a framework whereby grant streams will be established or ratified through the strategic planning process for each term of Council. If Council identifies a gap where a grant program could help to meet a strategic goal, Council may direct staff to develop an application-based program to distribute funds allocated to each grant program.
- The following table outlines the overall budget for discretionary grants:

<b>Grant Program</b>	<b>2022 Budget</b>
Arts Fund	\$392,820
Key Cultural Institutions	771,450
Waterloo Region Heritage Foundation	0
Cultural events and festivals	163,550
Entrepreneurial Initiatives	65,600
Community Environmental Fund	100,000
Community Capacity Building/Upstream grants	4,100,000
Capital grant program	0
<b>Subtotal</b>	<b>\$5,593,420</b>
Reduction to preliminary 2023 budget	(82,000)
New housing stability system grant stream	1,200,000
<b>2023 Amended Budget</b>	<b>\$6,711,420</b>

- Staff will bring back specifics regarding grant allocations in accordance with each program's defined decision-making criteria and approval process during 2023. Allocations under the Key Cultural Institutions stream are expected in March/April and the new application process for the Cultural events and festivals stream is expected to launch over the coming months, with allocations in early summer.

## 5. Background:

Municipalities use grants as a tool to help achieve social, economic and cultural goals for residents by supporting the capacity in organizations in the community. Grants can take the form of ongoing operating grants or one-time project grants to organizations or individuals.

Grants leverage the skills and capacity of community partners, often making service delivery more efficient and effective. Reliable annual operating grants from

municipalities help sustain the impact of community organizations and to leverage funding from other levels of government and private sources. One-time project grants have a more targeted impact to further specific community initiatives.

Work was done in 2022 to develop a Grant Administration Policy which provided some guidance to the use of grants as a tool to achieving strategic outcomes. The policy ensures that grants are administered through Council-approved grant programs that outline program objectives, eligibility criteria, and transparent application, adjudication and approval processes. A copy of this policy is included in the report attached as Appendix B.

#### **6. Area Municipality Communication and Public/Stakeholder Engagement:**

Nil

#### **7. Financial Implications:**

The preliminary 2023 operating budget provision for grant streams totals \$6.7M, which represents an overall reduction of \$82,000 from 2022. Council allocated \$2.1M in funding to the Upstream grants stream, \$2M from the Council approved equity investment is allocated to the Community Capacity Building stream and \$1.4M is available for the Region of Waterloo Arts Fund, Waterloo Region Heritage Foundation, Key Cultural Institutions, Cultural Events and Festivals, Entrepreneurial Initiatives, and the Community Environmental Fund. Additionally, on February 7, 2023, Community and Health Services Committee approved the addition of \$1.2M to the preliminary 2023 budget for the creation of a new granting stream supporting the housing stability system. A motion to adopt this approval by Strategic Planning and Budget Committee is included on this agenda.

#### **8. Conclusion / Next Steps:**

Subject to 2023 budget approval by Strategic Planning and Budget Committee and Council, staff will administer the programs as outlined in the policy.

#### **9. Attachments:**

Appendix A: 2023 Discretionary Grant streams

Appendix B: PDL-CUL-22-04 Grant Administration Policy Review

**Prepared & Reviewed By: Helen Chimirri-Russell**, Director, Cultural Services

**Cheryl Braan**, Director, Corporate Finance

**Approved By: Rod Regier**, Commissioner, Planning, Development and Legislative Services

**Craig Dyer**, Commissioner, Corporate Services/Chief Financial Officer

**Appendix A – Discretionary Grant Streams**

Grant Programs (link to guidelines)	Established	Purpose	Project/ Operating	Deadline	Assessment	Approval
<a href="#">Community Environmental Fund</a>	2011	Support community members and organizations carry out projects that protect, promote, and enhance our natural environment - and will help the community transition to a low-carbon, resilient future.	Project	April	Staff	Council (May)
<a href="#">Entrepreneurial Initiatives</a>	2016	Operating support for not-for-profit agencies or networks that: Promote a diverse and sustainable agricultural system and local food industry; Foster innovation and entrepreneurship; Assist with regulatory compliance and strengthen producer collaboration networks; Develop and retain local talent, including high school students; and Welcome new Canadians and help them start businesses.	Operating	March	Staff	Council (June)
<a href="#">Key Cultural Institutions</a>	2016	Provide on-going operating support to the Region's Key Cultural Institutions to ensure vibrant and resilient key cultural institutions that foster a creative citizenry in the cities of Kitchener and Waterloo and the surrounding region.	Operating	September	Staff	Council (May)
<a href="#">Upstream Fund</a>	2022	Supports upstream initiatives that improve fundamental social and economic systems to decrease barriers and improve supports that allow people to achieve their full potential.	Project and Operating	May	Community Change Committee	Community Change Committee
<a href="#">Community Capacity Building</a>	2022	To build capacity within communities that have historically excluded from through other funding streams. With the funds, we will resource community-based organizations that are led by and support First Nation, Inuit and Metis, African,	Project and Operating	May	Community Change Committee	Community Change Committee

Grant Programs (link to guidelines)	Established	Purpose	Project/ Operating	Deadline	Assessment	Approval
		Caribbean and Black identifying, racialized and marginalized groups.				
<a href="#">Capital Grants Framework</a>	2016	Framework for consideration of one-time capital funding requests from local health and social service organizations with which the Region of Waterloo has an ongoing, established partnership or service relationship	project	Ad-hoc	Staff	Council
<a href="#">Region of Waterloo Arts Fund</a>	2002	Support innovative art projects with the potential to spur artistic growth for participating artists and arts organizations and to enhance cultural development throughout the region.	Project	May and October	Board and Artists at Large	Region of Waterloo Arts Fund Board
<a href="#">Waterloo Region Heritage Foundation</a>	1973	Support for heritage-related endeavours that promote an understanding of, and appreciation for our local heritage; and the preservation of places, objects, events or figures of local heritage significance	Project	On pause while until strategic review is complete.	WRHF Board	WRHF Board
Cultural Events and Festivals	Program guidelines under development	Provide open, equitable funding to Cultural Organizations that have a tourism impact.	Project	TBD	TBD	Council (TBD)
Housing Stability System Grant	Program guidelines under development	TBD	TBD	TBD	TBD	TBD

**Region of Waterloo**

**Planning, Development and Legislative Services**

**Culture Services**

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**To:** Chair Helen Jowett and Members of the Administration & Finance Committee

**Meeting Date:** August 9, 2022

**Report Title:** Appendix B - PDL-CUL-22-04 Grant Administration Policy Review.docx

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**1. Recommendation:**

That the Regional Municipality of Waterloo approve the Grant Administration Policy as set out in report PDL-CUL-22-04 dated August 9, 2022.

**2. Purpose / Issue:**

To establish a corporate Grant Administration Policy for the Region of Waterloo to guide discretionary grant funding across the organization.

**3. Strategic Plan:**

Responsive and Engaging Public Service

**4. Report Highlights:**

- The Region of Waterloo Grant Administration Policy establishes a clear definition of a grant that will help guide when this policy will be applied (as opposed to other financial contribution models). It also sets out procedures that guide the administration of grants through all stages of the grant life cycle, including the creation of a new grant program and communicating their outcomes.
- Staff, Council and the community will have a common understanding of what a grant is, when and how they can be used, updated and adjusted to meet Council priorities and community needs.
- The policy creates a framework that will support transparency and accountability, while allowing the necessary flexibility for innovative and responsive approaches to grant funding, targeted at addressing strategic priorities.
- Through conversations with the community, staff know that grant funding programs can often be opaque, cumbersome and difficult to access. This policy

creates space for grant program design to be customized to meet the needs of the community, while ensuring accountability for public funds.

- This policy was created as part of the corporate review of grant funding processes. The policy will guide the review and evaluation of existing grant programs, and the development of new programs. Grant programs will incorporate an open call for eligible applications, clear decision making criteria and processes and revised accountability measures that align with the grant policy. Programs will be designed to ensure that current grant recipients are not precluded from the 2023 grant application processes.
- Key features of the policy include:
  - Grants should be allocated through defined programs.
  - New programs can be created to address emerging strategic priorities.
  - Programs should be customized to meet targeted needs within a basic administrative structure.
  - Programs are approved by Council.
  - Programs are administered by program areas.
  - Programs should be evaluated on a regular basis.

## **5. Background:**

Municipalities have the power to provide grants under the Municipal Act. The Region of Waterloo has been providing grant funding since its inception in 1972. Grants are an important tool for municipalities to foster partnerships in the community. The Region's population is growing and its needs are changing, and the Region's granting processes need to be suitably responsive.

In 2019, KPMG recommended that Discretionary Grants to Other Organizations be reviewed. In 2020, staff reviewed individual discretionary grant allocations in terms of their alignment with the Region's mandate and strategic priorities. Though individual grant allocations supported work that aligned with strategic priorities, where funding was allocated outside of formally defined grant programs, there continued to be confusion in the community on how to access grant funding and an increasing number of community groups delegated directly to Council for support.

On December 8, 2021, Council passed a motion that directed staff to create a committee comprised of members of Council and staff to develop a grant policy that will:

- establish a clear definition of a grant and will guide the administration of grants through all stages of the grant administration life cycle; and



- develop grant programs that will incorporate an open call for eligible applications, updated decision making criteria and processes and revised accountability measures that align with the grant policy and not preclude current grant recipients from the 2023 grant application process.

The Committee met several times between April and July and identified a number of questions that needed to be answered within two key areas:

**1. Current Grant Programs:**

- Are the grant programs currently administered by the Region relevant and do they follow grant administration best practices?
- The Region currently allocates annual funding to several historically funded organizations after programs have been repealed. How can a new grant program be developed to fund these and other equally deserving recipients through open, transparent processes?

**2. New Grant Programs:**

- **Un-funded Community needs:** The Region receives requests for support outside of grant funding programs, should programs be created to support these community needs?
- **Council-identified Funds:** Council has set funding aside for specific purposes. How can we create clear processes around them to ensure transparent stewardship and governance of funds?

The grant review process aims to reset grant funding to establish robust systems to ensure community partners know what support is available, how to access that support and how decisions are made. Council will also be better supported in their stewardship of funds to address strategic objectives.

Grant review is one piece of the puzzle as staff explore how governments and the not-for-profit sector can improve their working relationship to better meet the community's needs. The Region uses many tools (e.g. rebates, sponsorship, fee-for-service) to support the work of not-for-profit organizations for the benefit of the community. However, the grant review process only addressed establishing processes for grant funding.

**6. Area Municipality Communication and Public/Stakeholder Engagement:**

**Area Municipality Communication:** Regional staff consulted with staff from the City of Cambridge, the City of Kitchener and the City of Waterloo about their grant programs and current granting processes.

Staff also undertook a broad scan of other grant policies and administrative practices of municipalities across the country.

**Public/Stakeholder Engagement:** Regional staff met with staff from the Kitchener Waterloo Community Foundation, the Lyle S. Hallman Foundation and the United Way to understand their current processes as well as innovative and emerging granting practices.

**7. Financial Implications:**

Nil

**8. Conclusion / Next Steps:**

Once Council approves the Grant Administration Policy, staff will review current grant programs against the approved policy and bring recommended changes to Council for approval through separate reports, as well as guidelines for any proposed new grant programs.

**9. Attachments:**

Appendix A: Region of Waterloo Grant Administration Policy

**Prepared By:** Helen Chimirri-Russell, Director, Cultural Services

**Reviewed By:** Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer

**Approved By:** Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer

## Appendix A

August 2022

### REGION OF WATERLOO GRANT ADMINISTRATION POLICY

**Policy Statement:** The Region of Waterloo provides grants that assist organizations or individuals in their effort to support the Region's mandate and strategic vision to create an inclusive, thriving and sustainable region of connected rural and urban communities with global reach, fostering opportunities for current and future generations.

**Purpose:** This policy establishes practise in the administration of grant programs to ensure accountability, transparency, effective oversight and reporting of outcomes achieved.

This policy ensures that Regional staff who administer grants are performing necessary steps during the life cycle of the grant, including the creation of new grant programs and the evaluation of existing programs.

#### Definition of a Grant

- A grant is a legal instrument that results in the transfer of money from the Region to the public in order to support a public purpose. Grants have:
  - Defined criteria for who can apply, and for what purposes the funds can be used.
  - A defined intake process.
  - Defined decision-making criteria and approval process.
  - A requirement that recipients sign an agreement and account for funds.
  - No expectation of return or repayment (as long as the terms and conditions of the grant are met).

For clarity, definitions of various types of financial transactions are provided in Attachment I.

#### Operating Details

The Region of Waterloo provides a broad range of grants to the public each year through a variety of grant programs. These grant programs are designed to serve a variety of purposes that further the Region's strategic priorities. It is acknowledged that grants are only one of the tools the Region can use to help it achieve its strategic objectives.

All grants at the Region of Waterloo must be administered in accordance with this policy.

1. Grants should, wherever possible, be allocated through a defined Grant Program. Regional Council may occasionally award a grant outside of a formal program. The **Responding to Community Funding Requests Procedure (Attachment IV)** should be followed.
2. Grant programs will be reviewed and endorsed by each term of Council during the Strategic Planning process.
3. New grant programs can be created to meet emerging strategic priorities by following the **Creating a New Grant Program Procedure (Attachment III)**. Ideally, new programs will come forward as part of the Plan and Budget process.
4. Each grant program has a program guideline document that outlines the purpose, objective, eligibility criteria, decision-making processes, and reporting requirements of each grant award.
5. All Grant Programs and associated Program Guidelines, as well as any changes thereto, must be approved by Council.
6. All Grant Program Guidelines must adhere to the criteria and administration process outlined in **Attachment II Grant Administration Cycle**
7. Grant Programs are administered by program areas, in accordance with approved guidelines.
8. All grant programs will be evaluated on a regular basis.
9. Grant program budgets will be determined as part of the annual Plan and Budget Process.

## **Responsibilities**

Responsibilities under this policy are as follows:

- Council is responsible for approving program guidelines and the amount provided for each Grant Program.
- Program area staff are responsible for designing and administering grant programs that are within their program budgets.
- Corporate Finance will provide guidance on the applicability of this policy to a given situation or proposed payment to a recipient.
- Internal Audit may conduct reviews, assessments or audits to ensure compliance with this policy.

## **Legislative and Administrative Authorities**

Section 107(1) of the Municipal Act:

Despite any provision of this or any other Act relating to the giving of grants or

aid by a municipality, subject to section 106, a municipality may make grants, on such terms as to security and otherwise as the Council considers appropriate, to any person, group or body, including a fund, within or outside the boundaries of the municipality for any purpose that Council considers to be in the interest of the municipality. (2001, c. 25, s. 107 (1))

### **Associated Procedures**

- 1. ATTACHMENT I DEFINITIONS OF OTHER CONTRIBUTIONS NOT COVERED BY THIS POLICY**
- 2. ATTACHMENT II GRANT ADMINISTRATION CYCLE**
- 3. ATTACHMENT III Procedure – Creating a New Grant Program**
- 4. ATTACHMENT IV Procedure – Dealing with a Grant Request outside of formal grant program**
- 5. ATTACHMENT V Procedure – Discontinuing a Grant Program**

**ATTACHMENT I****DEFINITIONS OF OTHER CONTRIBUTIONS NOT COVERED BY THIS POLICY**

- **Flow-Through:** The Region administers process, but does not set the eligibility criteria.
- **Arm's Length Grants:** Payments to third party agencies that are responsible for administering the grant awards to residents on behalf of the Region. In these arrangements, the grantor/grantee relationship exists between the agency and the resident, and not between the Region and the resident.
- **Sponsorship:** A contribution of funds to an eligible organization in return for an identified promotional return to the Region.
- **Donation:** A contribution with no terms or conditions imposed on the recipient or external party and no expectation of reporting or return.
- **Fee-for-Service:** A contribution where the Region receives a good or service directly in return. There is a clear expectation that the recipient will ensure a specific service is delivered in the community.
- **Rebate:** A reimbursement to a recipient for an expense as per a Region incentive program (a program established to encourage certain behaviours to achieve a specific objective). Funding is given to the recipient after an initial outlay.
- **Incentives:** The Region puts a program in place to motivate a certain action.
- **Investment:** A contribution with the expectation of a financial return.
- **Loan:** A contribution with the expectation to be repaid in the future.

## ATTACHMENT II

## GRANT ADMINISTRATION CYCLE

Grant Administration Stage	Grant Administration Step
Pre-Award	<b>Public Notice of Grant:</b> The public is made aware of the Grant in advance of the established deadline.
	<b>Application Submission:</b> Grant applicants submit applications and supporting material by defined deadline.
Selection and Approval	<b>Assessment of Applications and recommendations:</b> Grant applications are assessed for eligibility and recipients are selected in accordance with documented criteria.
	<b>Approval of Grant Recommendations:</b> Approvals are documented and made within established guidelines.
Grant Agreement and Payment	<b>Grant Agreements Signed:</b> Grant agreements are signed by the appropriate parties before the Grant period begins.
	<b>Payment Authorization and release of funds:</b> Authorization for the payment and release of grant funds will be in accordance with program guidelines and will be documented.
Performance Monitoring	<b>Compliance Monitoring:</b> Grant recipient's compliance to the terms and conditions of the Grant Agreement is monitored.
	<b>Final Report review:</b> Comparison of Grant Results against Grant objectives and/or corporate goals are documented.
	<b>Close-out:</b> Completed grants are finalized and closed out, including year-end financial reporting.
Communication and Records Management	<b>Retention of Key Documents:</b> Key documents related to the grant is retained by the program area.
	<b>Communication of Program Outcomes:</b> Program area reports on the outcomes of the Grant Program to Council and stakeholders annually.



**ATTACHMENT III Procedure – Creating a new Grant Program**

1. Members of Council or staff identify a gap where a grant program could help to meet a strategic goal leading into the annual plan and budget process.
  - a. Staff undertake a scoping exercise to assess the need for and feasibility of the proposed program. This could include an environmental scan of supports in place from other levels of government and funding organizations, a review of programs in other jurisdictions that could be adapted and engage the target audience.
2. Staff Develop grant program guidelines that outline:
  - a. The purpose of the program. This can include objectives, goals, expected results and relationship to the Region's Strategic Plan.
  - b. Who can apply and what they can apply for (for example eligibility criteria for applicants and, projects or an outline of eligible grant cap amounts).
  - c. When and how people can express interest in the program (for example application deadlines, and submission criteria).
  - d. How applications will be considered (for example assessment criteria, grant calculation parameters, who is responsible for assessing the application and how they will make recommendations for approval).
  - e. How grant recommendations are approved (for example, who has final approval of grant awards and whether there is an appeals process).
  - f. Expectations of the grant recipients, for example terms and conditions. What applicants need to communicate when their grant is complete (for example reporting requirements).
3. Staff identify a budget and a funding source for the grant program.
4. Staff bring the guidelines to Council for approval.
5. Staff launch the new grant stream and administer the process as outlined in the guidelines.
6. Staff evaluate the program and bring recommendations for revision to Council, as necessary, for approval.

**ATTACHMENT IV Procedure – Dealing with a Grant Request Outside of Formal Grant Program**

1. A member of the community approaches staff or Council to request grant funding for a specific purpose.
2. The request is forwarded to the relevant program area to assess whether the request fits the criteria for an existing grant program.
  - a. If it meets criteria, staff directs the community member towards the grant program guidelines.
  - b. If it does not meet criteria, staff gather additional information.
3. Staff prepare a report for Council approval outlining:
  - a. The scope of the request.
  - b. Whether the request is within the purview of the Region.
  - c. Alignment with the Region's strategic plan.
  - d. Previous funding history.
  - e. A recommendation: to take no action; to consider creating a new funding program; or for a funding amount with a funding source.
4. Council considers the request and background information and passes a motion.

**ATTACHMENT V Procedure – Discontinuing a Grant Program**

From time to time, it may be necessary to discontinue a grant program. Through the regular evaluation of grant programs, it may become evident that a grant program has served its intended purpose, or the grant program no longer aligns with the strategic priorities.

1. Staff bring a report to Council outlining the rationale for discontinuing the grant program, including a timeline for its discontinuation.
2. If Council approve the recommendation, staff will develop a communication strategy to inform stakeholders, including previous grant recipients.

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

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**To:** Administration and Finance Committee  
**Meeting Date:** February 7, 2023  
**Report Title:** Kitchener-Waterloo Symphony One-Time Funding Request

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**1. Recommendation**

That the Regional Municipality of Waterloo take no action with respect to the request for one-time funding for the Kitchener-Waterloo Symphony as outlined in report PDL-CUL-23-001 dated February 7, 2023.

**2. Purpose / Issue:**

To respond to a one-time funding request from the Kitchener-Waterloo Symphony (KWS).

**3. Strategic Plan:**

Thriving Economy: The KWS plays a role in attracting talent and investment and creates a foundation for innovation and economic success, enriching the lives of residents and attracting visitors to Waterloo Region.

**4. Report Highlights:**

- Due to COVID closures, the KWS has had a reduced capacity to generate income. During the pandemic closures, KWS relied on the federal wage subsidy programs to cover the revenues lost from not being able to perform.
- Now that restrictions are lifted, audiences are returning. However, audience patterns for performing arts events across the country have changed. There has been a notable shift from ticket subscription purchases to single ticket sales. In pre-pandemic seasons, subscriptions sales were around \$1 million or 65% of annual ticket sales and provided a cash boost in spring of each year. Subscription sales for the 2022-23 season were less than \$400,000.
- One of the key considerations for KWS's financial model is the sale of subscriptions for the following season, which takes place from February preceding

the season in question. Though the single ticket sales for this season will go some way to offset that gap in income, those sales come closer to the date of the event, leaving a funding gap to fill. Though KWS made significant adjustments to control expenses and explore alternative revenue streams, the lack of revenue for two years and the change in ticket sale patterns has created a significant gap in KWS's cash flow. KWS has a plan to adapt to new audience patterns and the resulting cash-flow rhythms.

- The Symphony has submitted a one-time funding request for \$100,000 to support their operations while they transition from their traditional business model. The preliminary 2023 Operating Budget includes \$771,450 for the Key Cultural Institutions Grant Stream.
- Staff recommend that the Region take no action on the request. The Region already provides annual operating funding for the KWS and is facing a significant 2023 budget increase.

## 5. Background:

### About KWS

The KWS was established in 1945 and is now the third-largest orchestra in Ontario. As one of Waterloo Region's largest cultural organizations, KWS strives to push boundaries, build community, and cultivate world-class talent in this community and continues to be the largest employer of artists and cultural workers in Waterloo Region. KWS presents a diverse concert season of over 2000 concerts annually, performing for over 90,000 audience members each year. It has received national and international attention for its artistry, musicianship and innovative programming.

### Regional Funding to KWS

The Region of Waterloo has provided an annual grant allocation to KWS for over 25 years. In 2022, KWS received an operating grant of \$385,725 from the Region of Waterloo. This represented 7 percent of their overall annual revenues.

### 15 Year Funding History to KW Symphony

2008	65,000	2015	370,900
2009	65,000	2016	370,900
2010	165,000	2017	378,100
2011	360,000	2018	385,662
2012	370,900	2019	385,662
2013	370,900	2020	385,662
2014	370,900	2021	385,725
		2022	385,725

Since 2016, their grant has been allocated through the Key Cultural Institutions (KCI) Grant Stream which is administered through Cultural Services. In 2016, municipal staff (Kitchener, Waterloo and the Region) initiated a collaborative funding and assessment process for the four Key Cultural Institutions (KCIs) (PDL-CUL-17-04). KCIs are large organizations that contribute to the social and economic prosperity of the Region, creating jobs, wealth, attracting visitors and stimulating creative thought and activity. Reliable municipal operating funding is necessary to sustain the impact of these organizations and to leverage funding from other levels of government and private sources.

### **Impact of Pandemic on KWS**

For the two years from March 2020, performances for live audiences were prohibited and, in spring 2022, restricted in terms of numbers of which could attend. KWS is confident that audiences will return in the next one to two years, however, a significant segment of KWS's core audience is currently not attending.

During the pandemic, KWS received funding through federal support programs. This support allowed KWS to keep delivering to their community while live performances were not permitted. In 2021/22, KWS recorded a loss of around \$170,000 (about 3 per cent), in the context of annual revenue of approximately \$5 million.

The majority of KWS's costs are accounted for in its salaries paid to 52 professional musicians and the compact administrative team. The costs of a live concert are not lower when only a limited number of audience members can attend. Also, symphonies make programming commitments to artists around two years ahead of the performance.

### **6. Area Municipality Communication and Public/Stakeholder Engagement:**

**Area Municipality Communication:** The Key Cultural Institutions grant program is a collaborative funding initiative between the Region of Waterloo, the City of Kitchener and the City of Waterloo. The 2022 municipal contributions to KWS were: Region of Waterloo \$385,725 , City of Kitchener \$272,626 and City of Waterloo \$98,000. Regional staff are working with area municipal staff to assess submitted applications. Contributions for 2023 are processed by each municipality within their respective budget processes.

**Public/Stakeholder Engagement:** Nil

### **7. Financial Implications:**

In 2022, KWS received an operating grant of \$385,725 from the Region of Waterloo, and their application for their 2023 annual operating grant through the Key Cultural Institutions grant program is currently being assessed. If Council wished to approve the request, the additional \$100,000 would be added to the 2023 Property Tax levy, or alternatively, could be funded from the Tax Stabilization Reserve.

**8. Conclusion / Next Steps:**

Nil

**9. Attachments:**

Appendix A: December 21, 2022 letter from KWS

Appendix B: December 13, 2022 Letter to Minister Lumsden

Appendix C: December 13, 2022 Letter to Minister Rodriguez

**Prepared By:** Helen Chimirri-Russell, Director, Cultural Services

**Approved By:** Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer  
and Rod Regier Commissioner, Planning, Development & Legislative Services



December 21<sup>st</sup> 2022

Karen Redman  
Chair  
Region of Waterloo  
150 Frederick St  
Kitchener ON N2G 4J3

Dear Karen

Further to my letter in November and our subsequent meeting, I am writing with an exceptional, one-time request to the Regional Council.

The recent history: Success during the pandemic, but big challenges remain for the Symphony

For the two years from March 2020, performances for live audiences were prohibited and, in spring 2022, restricted in terms of numbers who could attend. KWS was acclaimed within this community for the online service we provided during the time of maximum restrictions and hailed beyond for success in monetizing that work. But in reality this 'success' translated into only a trickle of sales income and a loss of connection with some of our audience. Today some audiences are not ready to convene in a concert hall or other venue. We are confident that audiences will return in the next one to two years, but we know that a significant tranche of the Symphony's core audience is currently not attending.

The federal supports which allowed KWS to keep the organization whole – and thus keep delivering to our community through innovative other means during COVID19 and subsequently be ready immediately to re-start public performances – dwindled to nothing at the end of the previous season. The level of support that KWS received through THRP, the successor to CEWS that was designed for the tourism and culture sectors, declined through spring 2022, though fortunately it continued at the lower levels just to the end of KWS's seasonal contract with its musicians in May. For the first time in seven years, in 2021/22 KWS recorded a loss (of around \$170,000, in the context of annual revenue of approximately \$5 million). The vast majority of KWS's costs are accounted for in its salaries paid to 52 professional musicians and the compact administrative team. The costs of a live concert are not lower when only a limited number of audience members can attend. Whereas CEWS covered the income gap in the previous year, the lower income from the revised wage subsidy scheme in 2021/22 did not.

The 2021/22 season

All the performing arts across Canada – and further afield – have been impacted by slow post-pandemic recovery in the current season. Most of the challenges faced by KWS are mirrored across the country. Some elements of our season are attracting audiences at a similar level to pre-pandemic, but some are not. The pattern is far from predictable, but initial experience suggests that concerts with a well known

'brand' or household name attached are proportionally more successful. Some of KWS's more enterprising work, such as working with contemporary Canadian composers or guest artists from equity-seeking groups (both of which are key to the orchestra's mandate) are harder to sell. Moreover, although the pandemic showcased KWS's capacity to be agile in its planning, the most stable and successful approach to programming involves making commitments to artists around two years ahead of the performance.

One of the key considerations for KWS's financial model is the sale of subscriptions for the following season, which takes place from February preceding the season in question. In pre-pandemic seasons that accounted for around \$1 million or 65% of annual ticket sales and provided a cash boost in spring of each year. Even if audience numbers are strong for many concerts in the remainder of the current season, we suspect that subscription sales in spring 2023 for the 2023/24 season will not come close to 2019 numbers, the last year with sales not impacted by the pandemic. Subscriptions purchased in February 2020 were largely refunded and no subscriptions were sold in 2021. Subscription sales for the current season were less than \$400,000. Though the single ticket sales for this season will go some way to offset that gap in income, those sales come closer to the date of the event, leaving a cash gap to fill.

### Local factors

To make matters worse for KWS, COVID19-related complications for refurbishment work at Centre In The Square meant that the season opening could not take place at the only venue in the Region designed for symphony orchestra performances, and which attracts audiences from right across the Region. We were grateful to Drayton Entertainment's Hamilton Family Theatre in Cambridge which accommodated the opening weekend of the season, even with its much smaller audience capacity. Though it was good to add to KWS's performance statistics in Cambridge and better than cancelling the start of the season, the reputation of Centre In The Square as a facility and patron confidence in the ability of KWS to deliver concerts at its principal venue were undermined. This factor is gradually being erased from patrons' minds, but it is impossible now to make up for low ticket sales in September and October.

### KWS Plans for the future

In 2022 KWS completed a new Strategic Plan to increase yet further the reach of the orchestra across our community, embracing the opportunity brought by a larger and increasingly diverse population. The Plan involves securing and strengthening partnerships, connecting with new audiences and increasing further the representation of all parts of the community in KWS's decision-making. Even this season projects such as Thorgy Thor, video games music and Murdoch Mysteries in concert have shown that the Symphony can connect in a new way to large new audiences. For all these performances, at least 50% of the people buying tickets were new to KWS. We are ready to scale up education and community work, such as the weeks of community outreach concerts as well as the Bridge to Music instrumental training for families whose economic circumstances would prohibit such opportunities for talented youngsters. Meanwhile, we are commencing conversations with partners to further foster KWS's reputation for



KITCHENER-WATERLOO

SYMPHONY

exploring the many links between music and the mathematical sciences, building on the region's excellent reputation in that field.

CONRAD CENTRE FOR THE PERFORMING ARTS

36 King St. W Kitchener ON N2G 1A3

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[kwsymphony.ca](http://kwsymphony.ca)

### Our request

The challenge now is to construct a bridge to the opportunities ahead. The financial reality in the current season (which is also KWS's financial year) shows a considerable deficit, which is gradually being reduced through better-than-expected ticket sales for some concerts and increased commitments from several key KWS donors. Moreover, the likelihood of reduced subscription sales in spring 2023 (compared to pre-pandemic numbers) creates a cash crunch. An exceptional, one-time additional support of \$100,000 would help the Symphony to navigate the current season.

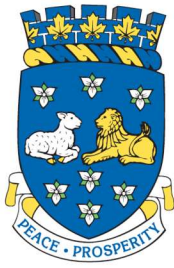
As the flagship performing arts organization serving the whole region, KWS has proven over the last three years that it has the enduring capacity to bring joy and solace to our community at times of celebration and reflection. We create a space for individual creativity and collective experience. Though the challenges we face at the moment are common in our field, the role of the orchestra in this community is unique and hugely valued. We have a bright future in a growing and diversifying region, delivering on your Council's strategic goals. We now need some extra support to get to the point where sustainability can be restored.

KWS has registered for a delegation to make a presentation to Regional Council on 18 January 2023. I very much look forward to a productive discussion at that meeting.

Please let me know if any further information would be helpful before that meeting.

Season's greetings

Andrew Bennett  
Executive Director



OFFICE OF THE REGIONAL CHAIR  
Karen Redman

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The Honourable Neil Lumsden  
Minister of Tourism, Culture and Sport  
6<sup>th</sup> Floor, 438 University Avenue  
Toronto, Ontario M7A 1N3

December 13, 2022

Dear Minister Lumsden,

For years the Kitchener-Waterloo Symphony has provided exceptional musical programming, events, and opportunities for Ontarians. As you know, cultural and arts organizations were severely impacted by the pandemic and continue to feel the force of the economic aftershocks. We recognize that the provincial government has stepped up on numerous occasions to support this sector.

I am writing today to back requests by local organizations such as the KW Symphony for continued support for this sector. While the worst of the economic impacts may be behind us, there are lagging trends such as slow ticket sales that limit recovery. On behalf of our residents, I would ask that your government continue to work with local members of provincial parliament and organizations like the KW Symphony to stabilize the sector.

Thank you for your attention to this matter and for your continued support of our local arts and culture organizations.

Sincerely,

Karen Redman  
Chair, Regional Municipality of Waterloo

cc: Andrew Bennet, Executive Director, Kitchener-Waterloo Symphony  
Jess Dixon, MPP Kitchener South–Hespeler  
Catherine Fife, MPP Waterloo  
Mike Harris Jr., MPP Kitchener–Conestoga  
Laura Mae Lindo, MPP Kitchener–Centre  
Brian Riddell, MPP Cambridge



OFFICE OF THE REGIONAL CHAIR

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The Honourable Pablo Rodriguez  
Minister of Canadian Heritage  
15 Eddy Street, 12th Floor  
Gatineau, Quebec K1A 0M5

December 13, 2022

Dear Minister Rodriguez,

For years the Kitchener-Waterloo Symphony has provided exceptional musical programming, events, and opportunities for Canadians. As you know, cultural and arts organizations were severely impacted by the pandemic and continue to feel the force of the economic aftershocks. We recognize that your government has stepped up on numerous occasions to support this sector.

I am writing today to back requests by local organizations such as the KW Symphony, as well as national organizations such as Orchestras Canada, for continued support for this sector. While the worst of the economic impacts may be behind us, there are lagging trends such as slow ticket sales that limit recovery. On behalf of our residents, I would ask that your government continue to work with local members of parliament and organizations like the KW Symphony to stabilize the sector.

Thank you for your attention to this matter and for your continued support of our local arts and culture organizations.

Sincerely,

Karen Redman  
Chair, Regional Municipality of Waterloo

cc: Andrew Bennet, Executive Director, Kitchener-Waterloo Symphony  
Valerie Bradford, MP Kitchener South–Hespeler  
Hon. Bardish Chagger, MP Waterloo  
Tim Louis, MP Kitchener–Conestoga  
Bryan May, MP Cambridge  
Mike Morrice, MP Kitchener–Centre

**Region of Waterloo**

**Corporate Services**

**Corporate Finance**

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**To:** Strategic Planning and Budget Committee

**Meeting Date:** February 22, 2023

**Report Title:** 2023 User Fees and Charges Update

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**1. Recommendation**

That the Regional Municipality of Waterloo repeal By-law 21-072 (A By-law to Establish Fees and Charges for the Regional Municipality of Waterloo), By-law 21-067 (A By-law to Amend the Wholesale Rates), By-law 21-068 (A By-law to Impose the Regional Sewage Rate), By-law 21-069 (A By-law to Impose a Water Service Rate in the Townships of Wellesley and North Dumfries) and By-law 21-070 (A By-law to Impose a Sewage Service Rate in the Townships of Wellesley and North Dumfries); and pass a new Consolidated Fees and Charges By-law including the new and adjusted fees and charges in the 2023 Budget as set out in report COR-CFN-23-015 dated February 22, 2023.

**2. Purpose / Issue:**

To approve new and adjusted User Fees and Charges to come into effect at various times throughout the year.

**3. Strategic Plan:**

This report supports strategic objectives found in the Corporate Strategic Plan, and particularly section 5.4 Ensure the Region provides value for money and long term financial sustainability under Focus Area 5, Responsive and Engaging Public Service.

**4. Report Highlights:**

- Section 391 of the Municipal Act authorizes municipalities to establish and maintain a list of services subject to fees or charges. As part of the 2023 budget development process, all service areas have reviewed Regional user fees and charges.
- The preliminary 2023 Water and Wastewater Budget includes the following proposed rate increases effective March 1, 2023:
  - Wholesale water and wastewater rates charged to area municipalities:

- Water Supply: 2.9%
  - Wastewater Treatment: 4.9%
- Retail rates for customers in Wellesley and North Dumfries:
  - Water distribution: 2.4%
  - Wastewater collection: 2.9%
  - Increase of \$1.00 to the monthly service charges for water distribution and wastewater collection.
- The proposed 2023 Transit Services budget includes an average fare increase of 2.5%, with detailed increases varying by fare type, effective July 1, 2023.
- Waste Management fees are proposed to increase on April 1, 2023. This includes tipping fees for recyclables (\$5/MT) and general refuse/garbage (\$10/MT) and the special handling load rate. The minimum fee per visit to landfill and transfer stations is proposed to increase from \$10 to \$12.
- Proposed changes for Airport Services include a new general terminal charge and an updated parking rate structure.
- Minor changes to fees and charges are proposed for Seniors' Services, Housing Services, Council and Administration Services, Cultural Services and the Region of Waterloo Library.

## 5. Background:

Section 391 of the Municipal Act authorizes municipalities to establish and maintain a list of services subject to fees or charges. By-laws 21-072 (A By-law to Establish Fees and Charges for the Regional Municipality of Waterloo), 21-067 (A By-law to Amend the Wholesale Rates), 21-068 (A By-law to Impose the Regional Sewage Rate), 21-069 (A By-law to Impose a Water Service Rate in the Townships of Wellesley and North Dumfries), and 21-070 (A By-law to Impose a Sewage Service Rate in the Townships of Wellesley and North Dumfries) have been adopted to fulfill this requirement. Through the 2023 budget process, these by-laws will be consolidated into one by-law covering all user fees and charges.

As part of the 2023 budget process, service areas have reviewed their fees and charges and, where appropriate, staff are proposing changes to certain fees. Appendix A provides a list of fees that are proposed to be introduced or changed during 2023. Certain program area fee changes are highlighted below.

A preliminary list of proposed changes to user fees and charges was presented to the Strategic Planning and Budget Committee on January 18, 2023 through report COR-CFN-23-005. Highlights of the significant changes are set out below.



**a) Public Transit Fares**

The proposed 2023 Transit Services budget includes an average fare increase of 2.5%, with detailed increases varying by fare type, effective July 1, 2023. Fares were last increased in July 2022, and there was no increase in 2020 or 2021. The table below outlines the 5 year history of GRT fare increases.

Year	Fare Increase (Average)
2018	0%
2019	3%
2020	0%
2021	0%
2022	2%
2023 (proposed)	2.5%

Proposed Transit fare changes, effective July 1, 2023, include the following (a full list of proposed changes is included in Appendix A):

Description	Current Fee	Proposed Fee	Increase
Cash Fare	\$3.50	\$3.75	\$0.25
Adult Monthly Pass	\$90.00	\$92.00	\$2.00
Stored Value Payment	\$2.92	\$2.98	\$0.06
Stored Value Payment (Affordable Transit Program)	\$1.52	\$1.55	\$0.03
Multi-Ride Fare	\$3.25	\$3.50	\$0.25
Student Summer Pass (Jul. and Aug.)	\$150.00	\$156.40	\$6.40

**b) Waste Management fees and charges**

Proposed fee changes within Waste Management, effective April 1, 2023, include increases to tipping fees for recyclables and general refuse/garbage, the special handling load rate and a change in applicable rate for inert materials to general waste. The proposed fee changes are outlined in the table below.

Description	Current Fee	Proposed Fee	Increase
Waste tipping fee	\$88.00 / MT	\$98.00 / MT	\$10.00 / MT
Recyclables tipping fee	\$44.00 / MT	\$49.00 / MT	\$5.00 / MT
Special handling fee	\$176.00 / MT	\$196.00 / MT	\$20.00 / MT

\*MT - Metric Tonne

Additionally, the minimum fee per visit to landfill and transfer stations is proposed to increase from \$10 to \$12 effective April 1, 2023.

The foregoing fee changes for Waste Management are projected to increase 2023 revenue by \$946,000.

### **c) Airport Services fees and charges**

The Airport is introducing a self-serve bag drop program as part of the improvements to the terminal building. The Airport has contracted with SITA, a company with substantial experience working with airports all around the world to implement and maintain “common use” technology and infrastructure. To cover the cost of the new technology and streamlined experience, a new General Terminal Charge of \$2.00 per departing passenger is proposed to cover capital and maintenance costs of the system. Subject to Council approval this fee would come into effect on March 1, 2023 and is expected to generate \$600,000 in revenue which has been reflected in the preliminary 2023 budget.

Additional proposed fee changes include an increase to landing fees and replacement of hourly, weekly and daily parking with value, premium and short term parking. Subject to Council approval the new parking fee structure would come into effect on March 1, 2023.

### **d) Water/Wastewater user rates**

Staff are proposing a wholesale water supply rate increase of 2.9% in 2023, effective March 1, 2023, consistent with the projection provided during the 2022 budget, and a wholesale wastewater treatment rate increase of 4.9% effective March 1, 2023. The proposed water and wastewater rates will assist with maintaining the long-term financial sustainability of the program.

The rates to be charged to area municipalities for water supplied and wastewater treated as of March 1, 2023 are outlined in the table below.

<b>Description</b>	<b>Current Rate / m3</b>	<b>Proposed Rate per m3 as of March 1, 2023</b>
Water Supply	\$1.1271	\$1.1598
Wastewater Treatment	\$1.3429	\$1.4087

For retail customers in Wellesley and North Dumfries, staff propose a water distribution rate increase of 2.4% and a wastewater collection rate increase of 2.9% effective March 1, 2023. These are consistent with the projections provided during the 2022 budget. The monthly service charge for water is recommended to increase by \$1.00 to \$11.00 and similarly for wastewater the monthly service charge is recommended to increase by \$1.00 to \$10.00. The monthly service charge assists

with covering the large proportion of fixed operating costs. The table below outlines the proposed rates for customers connected to the Region's water distribution system or wastewater collection system in the Townships of Wellesley and North Dumfries effective March 1, 2023:

Description	Proposed Rate / m3	Proposed Fixed Fee / month
Water Distribution	\$3.28	\$11.00
Wastewater Collection	\$2.46	\$10.00

Additional proposed changes to fees are outlined in Appendix A relating to user rate charges to area municipalities, the rates and fixed fees for the distribution and collection systems in the Townships of Wellesley and North Dumfries, water meters (19 mm service), sewer surcharge rate and sampling fees.

#### e) Other service areas

Other minor changes to Regional fees and charges are proposed as follows:

- **Seniors' Services** - Increases to the Regular Day Program and meals.
- **Housing Services** - Increase to the lock change or key fob replacement.
- **Council and Administrative Services** - Introduction of an application fee under Freedom of Information and Protection of Privacy.
- **Cultural Services** - Introduction of a new fee to reproduce historic images.
- **Region of Waterloo Library** - New fees for Memory Lab storage devices.
- **Community Planning** – New fee exemption for affordable housing development applications with confirmed government funding.
- **Public Health** - Elimination of fees for vaccine preventable diseases, increases for thermometers and contraceptive rings.
- **Paramedic Services** - Increases to special event coverage fees and requests for information.

Since the January report, some additional minor changes have been identified and are being proposed, including:

- **Planning** - Proposed reduction in condominium amalgamation and condominium exemption fees from \$6,150 to \$3,150 based on feedback from applicants and to better align with fees being charged by other municipalities.
- **Transit** - The creation of an extended family day pass for Transit Services applicable every day of the week, decreasing the cost of travel for accompanied youth as outlined in report TSD-TRS-23-004 dated February 7, 2023.

**6. Area Municipality Communication and Public/Stakeholder Engagement:**

Nil.

**7. Financial Implications:**

The estimated incremental user fee revenue increase in 2023 associated with the proposed fee changes is outlined in the table below (areas with minimal revenue changes have been excluded):

<b>Division</b>	<b>Incremental 2023 revenue (\$000's)</b>
Airport	\$600
Grand River Transit	\$273
Waste Management	\$946
Water Services	\$4,574
<b>Total</b>	<b>\$6,393</b>

The estimated incremental revenue identified in the table above have been incorporated into the preliminary 2023 operating budget.

**8. Conclusion / Next Steps:**

Subject to Council approval, a new Consolidated Fees and Charges By-law will be posted on the Region's website and changes to user fees and charges will be implemented accordingly.

**Attachments:**

Appendix A: Proposed Changes to the Fees and Charges By-Law

**Prepared By: Emily Dykeman**, Financial Analyst

**Chris Wilson**, Manager, Corporate Budgets

**Reviewed By: Cheryl Braan**, Director, Financial Services and Development Financing

**Approved By: Craig Dyer**, Commissioner, Corporate Services/Chief Financial Officer

## Appendix A – Proposed Changes to the Fees and Charge By-Law

Description	Current Fee	Effective Date	Proposed Fee
<b>COMMUNITY SERVICES</b>			
<b>Seniors' Services - Sunnyside Home</b>			
<b>Community Alzheimer Program</b>			
Regular Day Program	\$18.50	April 1, 2023	\$19.00
Transportation	\$3.25 (one-way) \$6.50 (round trip)	April 1, 2023	Delete
Lunch Visit (meal)	\$8.75	April 1, 2023	\$9.00
Cancellation without Notice - Overnight Stay. Follows the Respite Program - Overnight Stay rate	\$40.24	April 1, 2023	Follows the Respite Program - Overnight Stay rate
<b>Housing Services (Waterloo Region Housing)</b>			
<b>Parking Fees</b>			
Lock Change or key FOB Replacement	\$75.00	March 1, 2023	\$150.00
<b>PLANNING, DEVELOPMENT &amp; LEGISLATIVE SERVICES</b>			
<b>Council and Administrative Services</b>			
<b>Freedom of Information and Protection of Privacy</b>			
Application Fee	New	March 1, 2023	\$5.00
<b>Cultural Services</b>			
<b>Archives</b>			
Research Time	\$7.50 for each 15 minutes	March 1, 2023	First 15 minutes free then \$30.00/hour
Photocopies/printouts	\$0.20 per page	March 1, 2023	First 10 pages free then \$0.20/page
<b>Reproductions of Historic Images</b>			
Personal Use (JPEG)	New	March 1, 2023	no charge
Commercial Use (TIFF)	New	March 1, 2023	\$20.00/image
High Res (TIFF)	New	March 1, 2023	\$20.00/image
Commercial use handling fee per order	New	March 1, 2023	\$10.00
Audio visual digital files	New	March 1, 2023	price on request
<b>Region of Waterloo Library</b>			
<b>Media Storage and Other Supplies</b>			
DVD & case- Memory Lab	New	March 1, 2023	\$1.00
CD & case - Memory Lab	New	March 1, 2023	\$1.25
USB stick - Memory Lab	New	March 1, 2023	\$7.50

Description	Current Fee	Effective Date	Proposed Fee
<b>Community Planning</b>			
<b>Condominium Plans</b>			
Exemption	\$6,150	Exempt	\$3,150
Amalgamation	\$6,150	Exempt	\$3,150
Review of Scoped Environmental Impact Statement	\$2,300	March 1, 2023	Delete
The fees listed under Community Planning do not apply to any application facilitating the creation of affordable residential development that has confirmed committed Federal, Provincial or Municipal funding to subsidize the creation of affordable housing units as per the ROP definition under a government program.		March 1, 2023	
<b>Airport Services (Region of Waterloo International Airport)</b>			
<b>Passenger Facilitation Fee</b>			
General Terminal Charge	New	March 1, 2023	\$2.00
Regular Parking - Hourly	\$5.00	March 1, 2023	Delete - Replace with Value Parking
Regular Parking - Daily	\$10.00	March 1, 2023	Delete - Replace with Premium Parking
Regular Parking - Weekly	\$70.00	March 1, 2023	Delete- Replace with Short Term Parking
Value Parking - Daily	New	March 1, 2023	\$11.00
Premium Parking - Daily	New	March 1, 2023	\$16.00
Short Term Parking - Hourly	New	March 1, 2023	3.00/hour, Max. \$24/day, 30 min. free
<b>Landing Fees*</b>			
2,500-21,000 kg	\$7.75	March 1, 2023	\$8.00
21,001-45,000 kg	\$7.75	March 1, 2023	\$8.00
Greater than 45,000 kg	\$7.75	March 1, 2023	\$8.00
Helicopters	\$7.75	March 1, 2023	\$8.00
<b>PUBLIC HEALTH &amp; EMERGENCY SERVICES</b>			
<b>Infectious Diseases, Dental and Sexual Health</b>			
<b>Vaccine Preventable Diseases</b>			
Havrix (720 iu) (Booster)	\$50.00	March 1, 2023	Delete
Havrix (1440 iu)	\$75.00	March 1, 2023	Delete
Hepatitis B	\$40.00	March 1, 2023	Delete

Description	Current Fee	Effective Date	Proposed Fee
Twinrix (Jr)	\$50.00	March 1, 2023	Delete
Twinrix	\$75.00	March 1, 2023	Delete
Thermometer (cold chain)	\$85.00	March 1, 2023	\$91.00
<b>Contraceptive</b>			
Injection Contraceptives	\$25.00	March 1, 2023	\$34.00
Oral Contraceptives (Diane;Cyclen;Yaz; Tricyclen) per pack	\$20.00	March 1, 2023	Delete
Contraceptive Ring	\$10.00	March 1, 2023	\$11.00
<b>Paramedic Services</b>			
<b>Special Event Coverage - Regular</b>			
Single Paramedic plus vehicle	\$93.00 / hour; \$371.00 minimum	April 1, 2023	\$95.00 / hour; \$378.00 minimum
Two Paramedics plus vehicle	\$160.00 / hour; \$634.00 minimum	April 1, 2023	\$162.00 / hour; \$646.00 minimum
Single Paramedic	\$66.00 / hour; \$263.00 minimum	April 1, 2023	\$67.00 / hour; \$268.00 minimum
<b>Special Event Coverage - Short Notice (Overtime - OT) - or Full Time Staff</b>			
Single Paramedic plus vehicle	\$126.00 / hour; \$500.00 minimum	April 1, 2023	\$128.00 / hour; \$512.00 minimum
Two Paramedics plus vehicle	\$234.00 / hour; \$936.00 minimum	April 1, 2023	\$229.00 / hour; \$915.00 minimum
Single Paramedic	\$99.00 / hour; \$393.00 minimum	April 1, 2023	\$101.00 / hour; \$403.00 minimum
<b>Special Event Coverage - Public Holiday (Overtime - OT)</b>			
Single Paramedic plus vehicle	\$158.00 / hour; \$634.00 minimum	April 1, 2023	\$162.00 / hour; \$647.00 minimum
Two Paramedics plus vehicle	\$290.00 / hour; \$1,160.00 minimum	April 1, 2023	\$296.00 / hour; \$1,183.00 minimum
Single Paramedic	\$132.00 / hour; \$526.00 minimum	April 1, 2023	\$134.00 / hour; \$537.00 minimum
<b>Special Event Coverage - Other</b>			
Vehicle - Ambulance	\$27.00 / hour; \$108.00	April 1, 2023	\$28.00 / hour; \$110.00



Description	Current Fee	Effective Date	Proposed Fee
	minimum		minimum
Vehicle - Emergency Response Unit (ERU)	\$24.00 / hour; \$95.00 minimum	April 1, 2023	\$28.00 / hour; \$110.00 minimum
Supervisor	\$70.00 / hour; \$283.00 minimum	April 1, 2023	\$71.00 / hour; \$289.00 minimum
<b>Request for Information</b>			
Ambulance Call Reports (Fee is per request; not hourly)	\$101.00	April 1, 2023	\$103.00
<b>TRANSPORTATION AND ENVIRONMENTAL SERVICES</b>			
<b>Grand River Transit</b>			
Cash Fare (exact change only)	\$3.50	July 1, 2023	\$3.75
Adult Monthly Pass	\$90.00	July 1, 2023	\$92.00
TravelWise Corporate Pass	\$76.50	July 1, 2023	\$78.20
<u>Mobile Payment:</u>			
Single ride*	\$3.50	July 1, 2023	\$3.75
*Day Pass (earned/capped after 2 single rides in one day)			
Day Pass - Single	\$8.50	July 1, 2023	\$7.50
Family Pass	New	July 1, 2023	\$10.00
Stored Value Payment (Adult)	\$2.92	July 1, 2023	\$2.98
Stored Value Payment (Affordable Transit Program [ATP]) Notes: 2	\$1.52/ticket	July 1, 2023	\$1.55/ticket
Corporate Stored Value	New	July 1, 2023	\$2.53/ticket
Monthly Pass (Affordable Transit Program ATP) Notes: 2	\$46.80	July 1, 2023	\$47.84
Multi-Ride Fare (Notes: 3)	\$3.25	July 1, 2023	\$3.50
Summer Pass (July and August)	\$150.00	July 1, 2023	\$156.40
UPass (per school term for eligible students at Wilfrid Laurier University and University of Waterloo) (Notes: 4 - Updated)	\$107.61	July 1, 2023	\$113.30
<b>GO Transit and Multi-Modal Hub</b>			
GO Transit Fare Integration Cash Fare (includes MobilityPLUS)	\$0.50 cash co-fare	March 1, 2023	Delete
<b>Waste Management</b>			
ICI - General Refuse/Garbage	\$88.00	April 1, 2023	\$98.00
Minimum fee per visit to landfill and transfer stations	\$10.00	April 1, 2023	\$12.00
Special Handling load rate	\$176.00	April 1, 2023	\$196.00
Recyclables (Loads must not be mixed with garbage) (All regular blue box materials, yard waste, brush, leaves, grass, inerts*, appliances and scrap metal)	\$44.00	April 1, 2023	\$49.00

Description	Current Fee	Effective Date	Proposed Fee
*Starting April 1, 2023, the General Refuse/Garbage fee will be applicable for inert materials			
<b>Water Services</b>			
Wholesale Water Rate (for Area Municipalities)	\$1.1271	March 1, 2023	\$1.1598
Wholesale Wastewater Rate (for Area Municipalities)	\$1.3429	March 1, 2023	\$1.4087
<b>Retail Water/Wastewater</b>			
Water Distribution Rate	\$3.20	March 1, 2023	\$3.28
Water Distribution Fixed Rate	\$10.00	March 1, 2023	\$11.00
Wastewater Collection Rate	\$2.39	March 1, 2023	\$2.46
Wastewater Collection Fixed Rate	\$9.00	March 1, 2023	\$10.00
Wastewater Collection Increase for Customers only on Wastewater Collection System	Flat annual fee based on volume estimate plus 2.9%	March 1, 2023	Flat annual fee based on volume estimate plus 2.9%
Water meters (19 mm service)	\$125.00	March 1 2023	\$155.00
<b>Sewer Surcharge Formula Treatment Unit Costs per Kilogram</b>			
Rs = Total Suspended Solids (TSS) in \$/kg	\$0.54	March 1, 2023	\$0.65
Rb = Carbonaceous Biochemical Oxygen Demand (CBOD) in \$/kg	\$0.74	March 1, 2023	\$0.74
Rp = Phosphorus (P) in \$/kg	\$4.90	March 1, 2023	\$5.05
Rk = Total Kjeldhal Nitrogen (TKN) in \$/kg	\$1.34	March 1, 2023	\$1.43
<b>Hauled Wastewater Disposal Rates per Truckload</b>			
Septage (per 15 cubic meter truck)	\$173.77	March 1, 2023	\$249.12
Holding Tank (per 15 cubic meter truck)	\$86.17	March 1, 2023	\$175.32
<b>Inorganic Lab Tests:</b>			
Alkalinity	\$19.30	March 1, 2023	\$19.90
Ammonia (as N) - biosolids	\$30.90	March 1, 2023	\$31.85
Ammonia (as N) - water	\$28.85	March 1, 2023	\$29.70
Chemical Oxygen Demand	\$19.15	March 1, 2023	\$19.70
Colour Investigation	\$52.00	March 1, 2023	Delete
Conductivity	\$10.45	March 1, 2023	\$10.75
Cyanide	\$32.55	March 1, 2023	Subcontracted*
Dissolved Organic Carbon	\$30.70	March 1, 2023	\$31.60
Hardness – Calculation (Ca & Mg are additional)	\$6.50	March 1, 2023	\$6.70
Hexavalent Chromium	\$26.45	March 1, 2023	Subcontracted*
IC parameter – individual anion	\$19.05	March 1, 2023	\$19.60
ICP/MS Metal – individual elements	\$18.55	March 1, 2023	\$19.10
Mercury OR Silver	\$25.35	March 1, 2023	\$26.10
Oil & Grease – Speciated	\$41.70	March 1, 2023	Subcontracted*
Oil & Grease – Total	\$34.60	March 1, 2023	Subcontracted*
Ortho-phosphate [SW/WW]	\$32.55	March 1, 2023	Subcontracted*

Description	Current Fee	Effective Date	Proposed Fee
Ortho-phosphate and Phosphates [DW]	\$34.10	March 1, 2023	Subcontracted*
pH	\$9.25	March 1, 2023	\$9.55
Phenol – Low Level	\$24.40	March 1, 2023	Subcontracted*
Pre-treatment – lab filtration	\$7.55	March 1, 2023	\$7.80
Sulphide	\$33.60	March 1, 2023	Subcontracted*
TKN (High Level)	\$30.90	March 1, 2023	\$31.85
TKN (Low Level)	\$32.95	March 1, 2023	\$33.95
Total Organic Carbon	\$23.40	March 1, 2023	\$24.10
Total Dissolved Solids	\$16.75	March 1, 2023	\$17.25
Total Solids	\$14.75	March 1, 2023	\$15.20
Volatile Solids (when done with TS)	\$8.75	March 1, 2023	\$9.00
Total Suspended Solids	\$15.70	March 1, 2023	\$16.15
Volatile Suspended Solids (when done with TSS)	\$8.75	March 1, 2023	\$9.00
True Colour	\$17.85	March 1, 2023	\$18.40
Turbidity	\$16.90	March 1, 2023	\$17.40
Un-ionized Ammonia	\$48.05	March 1, 2023	\$49.50
UV Transmittance	\$15.35	March 1, 2023	\$15.80
Volatile Fatty Acids	\$40.70	March 1, 2023	Subcontracted*
<b>Biological Lab Tests</b>			
Biochemical Oxygen Demand (Total OR Carbonaceous)	\$32.55	March 1, 2023	\$31.15
HPC	\$18.60	March 1, 2023	\$19.55
Membrane Filtration [Biosolids] - per test	\$42.75	March 1, 2023	\$44.05
Membrane filtration [DW] - per test	\$18.60	March 1, 2023	\$19.55
Membrane Filtration [SW/WW] - per test	\$25.65	March 1, 2023	\$26.95
Presence/Absence (Colilert)	\$16.90	March 1, 2023	\$17.40
<b>Organic Lab Tests</b>			
1,4 - Dioxane	\$319.65	March 1, 2023	\$329.25
2-methyl-4-chlorophenoxyacetic acid	\$152.50	March 1, 2023	\$157.10
Amines	\$197.40	March 1, 2023	Subcontracted*
Base Neutral Semi-volatiles	\$269.00	March 1, 2023	\$277.05
Benzo(a)pyrene	\$152.50	March 1, 2023	\$157.10
Benzene, Toluene, Ethylbenzene and Xylene	\$72.80	March 1, 2023	\$75.00
Bis (2-ethylhexyl) phthalate / Di-n-octyl phthalate	\$198.45	March 1, 2023	Subcontracted*
Dioxins and Furans	\$885.05	March 1, 2023	Subcontracted*
Diquat / Paraquat	\$179.05	March 1, 2023	\$184.40
F2 – F4 Petroleum Hydrocarbons	\$99.20	March 1, 2023	Subcontracted*
Glycols	\$94.15	March 1, 2023	Subcontracted*
Glyphosate	\$236.40	March 1, 2023	\$243.50
Haloacetic Acids (5 individual compounds)	\$230.20	March 1, 2023	\$237.10

Description	Current Fee	Effective Date	Proposed Fee
and total)			
Metolachlor	\$152.50	March 1, 2023	\$157.10
Nitrilotriacetic Acid	\$57.25	March 1, 2023	Subcontracted*
Phenoxy Acid Herbicides	\$208.70	March 1, 2023	\$214.95
Polyaromatic Hydrocarbons	\$147.55	March 1, 2023	Subcontracted*
Polychlorinated Biphenyls	\$143.40	March 1, 2023	\$147.70
Schedule 24 Volatile Organic Compounds	\$122.60	March 1, 2023	\$126.30
Single VOC analyte	\$66.75	March 1, 2023	\$68.75
Trihalomethanes	\$73.15	March 1, 2023	\$75.35
VOC Target list	\$159.80	March 1, 2023	\$164.60
<b>Field Tests and Sampling</b>			
Routine sampling (per tap)	\$17.50	March 1, 2023	\$18.40
Chlorine Residuals (field)	\$14.65	March 1, 2023	\$15.40
Dissolved Oxygen (field)	\$19.15	March 1, 2023	\$15.40
pH (field)	\$14.65	March 1, 2023	\$15.40
Temperature (field)	\$10.30	March 1, 2023	\$10.60
Turbidity (field)	\$19.15	March 1, 2023	\$15.40
<b>Additional Services</b>			
Drinking Water Adverse Reporting	\$30.55 to \$45.80	March 1, 2023	\$38.65
DWIS / LRMA uploads	\$7.15 to \$10.20	March 1, 2023	\$7.65
Municipalities/Townships - DW Weekly Program Fee	\$156.70	March 1, 2023	\$164.55
RMOW - DW Weekly Program Fee	\$407.85	March 1, 2023	\$428.25
Special sampling hourly rate (Regular)	\$61.35	March 1, 2023	\$64.40
Special sampling hourly rate (After hours, 2 hour minimum)	\$87.50	March 1, 2023	\$91.90
Subcontracted Analysis Audit and Setup	\$257.50	March 1, 2023	\$265.25
<b>Notes / Additional Charges (as applicable):</b>			
A \$105 Premium will be applied for each day that overtime costs are incurred.			
Subcontracted Analysis and Services*			
* Analytical charges will be applied as they are incurred.			
* Adverse Reporting and DWIS Upload fees will be applied as they are incurred.			



January 24, 2023

Regional Councillor Michael Harris  
Strategic Planning and Budget Committee Chair  
Regional Municipality of Waterloo  
150 Frederick Street Kitchener ON  
N2G 4J3

Dear Councillor Harris,

**Re: 2023 Waterloo Regional Police Service Operating and Capital Budget**

On behalf of the Waterloo Regional Police Services Board and all members of the Waterloo Regional Police Service (WRPS), we look forward to presenting the proposed 2023 Operating and Capital Budget to the Strategic Planning and Budget Committee on Wednesday, February 1, 2023.

Waterloo Regional Police Services Board Vice-Chair, Dr. Karin Schnarr, will provide introductory remarks. Kirsten Hand, WRPS Director of Finance and Assets, and I will provide a comprehensive presentation regarding our recommendations and an overview of service demands.

Attached is a copy of the report (2023-003) that was presented to the Waterloo Regional Police Services Board on January 18, 2023.

The Waterloo Regional Police Services Board passed the following motion on January 18, 2023:

*That as part of a multi-year plan for an increase in sworn officers of 55 over 2023, 2024 and 2025, the Waterloo Regional Police Services Board approve the Waterloo Regional Police Service (WRPS) 2023 Operating Budget net levy of \$214,060,266; and*

*That the Waterloo Regional Police Services Board approve the 10-Year Capital Forecast, 2023 – 2032 (Appendix G).*

In addition to this report and the presentation that will be shared on February 1, 2023, we will also provide Region of Waterloo Council members with a *2023 WRPS Budget Information Package*, which will highlight trends and statistics involving WRPS and other comparable police services across the province.

The proposed budget that will be presented on February 1, 2023 is the result of considerable discussion, research, and effort on behalf of our membership. It highlights the need for an investment in public safety within our community as a result of increased violent crime and calls for service, as well as continued demands from the community for enhanced service. We cannot compromise the safety of those who live in this ever-growing community but, instead, must prepare and invest to ensure a safe and prosperous future.

The Vision of our Service is that *“every person in Waterloo Region is safe and feels safe.”* To achieve this, we recognize the need to also commit to system-wide community solutions to address the root causes of crime and victimization.

We must continue to work in collaboration to find the best solutions possible to ensure the health, safety and wellbeing of all residents we serve.

Waterloo Region, like most communities across the province, is facing challenging times. We believe our proposed budget will allow your Police Service to maintain the level of public safety that the community expects and deserves, while creating opportunities for continued evolution and financial stability.

We continue to be proud of the leadership, commitment, and dedication our members provide to the Waterloo Region community 24/7/365. Likewise, we are grateful for your continued leadership, support, and consideration of our proposed 2023 Operating and Capital Budget.

We look forward to discussing our shared commitment to providing the best service possible to all residents of Waterloo Region.

Sincerely,



Mark Crowell  
Chief of Police

Cc.

Ms. Meghan Martin, Police Services Board  
Ms. Karen Redman, Chair, Region of Waterloo  
Mr. Bruce Lauckner, CAO, Region of Waterloo

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**Subject:** 2023 Operating and Capital Budget Approval

**From:** Finance Unit  
Finance and Assets Branch

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

**Date:** January 18, 2023

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### Board Recommendation

That the Waterloo Regional Police Services Board approve the Waterloo Regional Police Service (WRPS) 2023 Operating Budget net levy of \$214,060,266; and

That the Waterloo Regional Police Services Board approve the 10-Year Capital Forecast, 2023 – 2032 (Appendix G).

### Summary

The population of Waterloo Region has grown significantly over the last decade; however, the number of officers per 100,000 population has declined and WRPS is well below both provincial and national averages (Appendix A). Additionally, over the last decade, the Total Crime Severity Index (CSI) in Waterloo Region has gone from 59.19 in 2012 to 79.0 in 2021, an increase of 34% (Appendix B). When compared to other large police services in Ontario, the WRPS is above the median for total CSI, violent CSI and non-violent CSI. In 2022, Waterloo Region experienced an overall increase in incidents of crime when compared to 2021, specifically with the following:

- 56 percent increase in shootings;
- 27 percent increase in weapon violations;
- 36 percent in luring cases under cybercrime; and,
- 19 percent increase in impaired driving charges (Appendix C).

As the Police Services Board is aware, KPMG recently undertook a Neighbourhood Policing Staffing and Workload Review that examined staffing needs and patrol workloads for WRPS. KPMG concluded that an increase in WRPS frontline officer complement was necessary in the coming years to address high officer case loads and declining clearance rates. The proposed 2023 budget aligns with that KPMG report by making the necessary investments in frontline services.



WRPS is recommending that the Police Services Board approve the proposed 2023 Operating Budget, which makes critical investments in public safety across Waterloo Region. This includes the addition of 19 uniform officers for high demand policing areas, including frontline and victim-focused areas. With our deep commitment to public safety, these frontline investments are necessary now to ensure WRPS is able to keep pace with population pressures and the increasing rate of crime across the Region. The recent tragic events involving police fatalities in Ontario has also underscored the importance of our commitment to WRPS member health, safety and wellbeing. Included in this proposed budget are additions to our Wellness and Recruitment Units to ensure our members remain healthy, at work, and to support meeting ambitious recruitment goals.

The WRPS is undergoing a multi-year planning, modernization and recruitment strategy aimed to keep pace with public safety realities in Waterloo Region. Once fully recruited and hired, the 35 positions approved through the 2022 Operating Budget will enhance the following areas: Frontline Patrol, Real Time Operations Centre, Emergency Response Unit, Missing Persons, Cybercrime/Child Exploitation, Human Source Management, Major Crime, Break and Enter, Auto Theft and Robbery. With a challenging recruitment environment and no staffing additions made in either 2020 or 2021, WRPS is doubling efforts towards a total Service commitment to recruitment for these positions, including the creation of a *WRPS Uniform Recruitment Steering Committee*.

Through prudent investments, the proposed 2023 Operating Budget is the next step in this multi-year strategic plan and will see 19 officers hired in WRPS priority areas (see chart below for further information).

Primary Areas of Investment for 2023 Proposed Budget	
Frontline Patrol Services	Investment in frontline patrol services is required to meet population growth, increased calls for service demand and increase presence in both urban and rural communities.
Intimate Partner Violence (IPV) Unit	IPV continues to be a national issue and affects many in Waterloo Region. In 2022, IPV investigated 1,860 cases, laying 1,463 charges. Service-wide, WRPS received 6,190 calls for IPV related service and five of six homicides in Waterloo Region were family-violence related.
Special Victims Unit, Senior Support Team, and Human Trafficking Unit	These units investigate violent crimes within Waterloo Region and require significant resources to investigate and maintain community safety. The Special Victims Unit and the Intimate Partner Violence Unit are high-volume areas that require specialized training and collaboration with community partners to ensure survivors of sexual and intimate partner violence receive the best care possible and that offenders are held accountable. These units received 889 reports in 2022.
Wellness	Investing in the Wellness Unit is an investment in both the police service and the community, resulting in healthier employees, improved retention rates, and improved recruitment efforts. With increased officer workload and use of overtime in WRPS, supporting member wellness is essential.

## 2023 WRPS Operating Budget

### Operating Budget

The 2023 Base Operating Budget estimate is \$209,842K, which is an increase of \$14,082K or 7.19% from 2022. Nineteen sworn officers have been added to the proposed 2023 Operating Budget, which will add \$4,218K or 2.15%. As a result, the proposed Operating Budget (Appendix F) is \$214,060K or a 9.35% increase, which represents a tax impact of 7.22% on the police portion of the Regional property tax bill. **Importantly, a delayed intake of April 1, 2023, for the 19 sworn officers, which would align with the next Ontario Police College (OPC) intake, would see a budget reduction of \$1.055M, an increase year-over-year of 8.81%, and with a property tax increase of 6.69%.**

Salaries and Wages account for a 4.9% year-over-year budget increase (Appendix F). This includes items such as:

- The annualization of the 35 sworn staff expansion from 2022 and associated civilian support component;
- The addition of 19 sworn staff expansion in 2023 and associated civilian support component (full year impact);
- The addition of two civilian positions approved by the Police Regionalized Information Data Entry (PRIDE) committee;
- Cost of living adjustment (COLA), negotiated premiums, step/grade progressions; and,
- A reduction of the salary vacancy target.

Additionally, minor adjustments were made to Temporary Full-Time to reallocate money to the Base Operating budget (Appendix E).

### Budget Forecast

WRPS continues to strive towards a sustainable, incremental staffing expansion strategy that is aligned with meeting the needs of the community to smooth out staffing additions. The multi-year Operating Budget and staffing forecast is below.

\$K

Year	Operating Budget	Increase	Increase	Change in Property Taxes	Sworn Officer Expansion
2023	\$214,060	\$18,300	9.35%	7.22%	19
<b>***2023</b>	<b>\$213,006</b>	<b>\$17,245</b>	<b>8.81%</b>	<b>6.69%</b>	<b>(April 1, 2023) 19</b>
2024	\$227,587	\$13,527	6.32%	n/a	18
2025	\$238,459	\$10,872	4.78%	n/a	18

\*\*\*A start date of April 1, 2023 for the requested 19 officer expansion would reduce the proposed budget by \$1,055K or 0.54%, to an increase year-over-year of 8.81% and a property tax increase of 6.69%.

While this proposed budget will begin to address immediate needs, a multi-year sworn officer expansion strategy is being proposed as follows:

- 19 officers in 2023
- 18 officers in 2024
- 18 officers in 2025

This total proposed expansion of 55 officers over several years will address immediate operational and community needs and the realities of the current police officer recruitment challenges that exist locally and province-wide. Further, it would bring the WRPS officer-to-population staffing ratio closer to comparable police services in Ontario, as well as provincial and national average ratios. This proposed staffing expansion is supported by the 2022-2023 KPMG analysis to address rising violent crime, high officer case load and declining clearance rates in Waterloo Region.

The Police Services Board will receive regular updates regarding ongoing forecasting and attrition planning to ensure the success of immediate and long-term uniform recruitment efforts for 2023-2025. A cross-collaborative *WRPS Uniform Recruitment Steering Committee* has been initiated with the following focal areas: (1) Human Resources Processes, Staffing and Scheduling Optimization; (2) Outreach and Mentoring Initiatives; and, (3) Corporate Communications Planning.

#### Employee Cost Pressures

In addition, there has been significant benefit cost increases that impact the total budget by 2.7% year-over-year. This is due to:

- Annualization of the 35 sworn officer expansion in 2022;
- 19 sworn officer expansion in 2023;
- Enhanced Canada Pension Program;
- Higher Workplace Safety and Insurance Board actuals due to presumptive legislation and post-traumatic stress disorder;
- Phased-in increases to health and dental rates; and,
- Higher salaries and retiree benefits.

#### Further Budgetary Pressures

- Removal of one-time funding from the 2022 Budget, including \$1.6M from the 2021 Operating Budget surplus and \$0.5M from the benefit stabilization reserve, impacted the 2023 Operating Budget by 1.1%;
- Increased capital reserve contributions (reduce debt financing);
- Strategic Business Plan investments (DEMS, communication tools, technology);
- Partial annualization of the new Central facility;
- Overall inflation; and,
- Debt financing offset by reduced sick leave payments to eligible members.

## Capital Budget

A minor adjustment was made to the 10-year Capital forecast to reflect the revised timing of the Human Resource Information System (HRIS) project #50017. However, the total 10-year Capital forecast remains at \$188,716K (Appendix G).

## Regionalized Emergency Services and Programs

The WRPS also provides leadership, coordination and support to a variety of Regionalized services and programs including:

- Public Safety Answering Point (PSAP);
- 911 Communications Centre;
- Dispatch services for municipal by-law services;
- Grand River Conservation Area (GRCA) and Region of Waterloo Flood Alert;
- Support of ALERT Waterloo Region; and,
- Support of Regional and Municipal Emergency Management exercises.

## **Background**

On November 9, 2022 (report #2022-197), four draft 2023 Operating Budget scenarios and a 10-year Capital forecast position were presented to the Police Services Board. The four draft Operating Budget scenarios ranged from a 7.19% to a 13.43% increase year-over-year based upon various sworn staffing addition scenarios.

The proposed 2023 Capital Budget was \$24,693K. On December 14, 2022 (report #2022-202), six scenarios were presented to Police Services Board that provided varying levels of sworn officer additions across a three-year horizon ranging from adding 8 to 55 sworn officers in 2023. Information was also provided around the level of resources required to deliver the *Police Services Act* (PSA) mandate and the areas of WRPS where those resources would be placed.

The proposed 2023 Capital Budget was \$31,356K. The Police Services Board requested additional information on scenario #3, the addition of 19 sworn officers in 2023, including a three-year financial forecast, recruitment information and the benefits to the community.

The presentation to Regional Council is February 1, 2023 and final Region of Waterloo approval is scheduled for February 22, 2023. Assessment growth has been finalized at 1.99%. The police portion of the property tax bill represents approximately 32% of the total tax levy for Regional services, consistent since at least 2012.

## **Strategic Business Plan**

This report supports the Strategic Business Plan goal to proactively plan for long-term organizational growth and its financial requirements, aligned with the objective of responsible spending and accountability.

## **Financial and/or Risk Implications**

The budget report as presented proposes 2023 budget information.

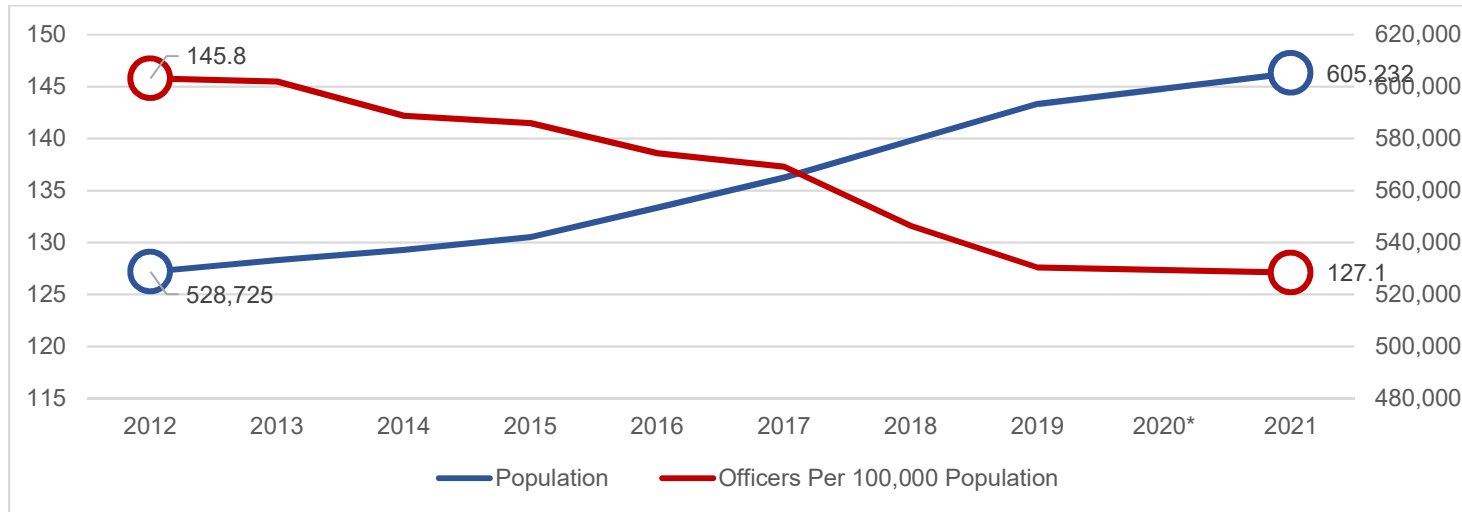
## **Attachments**

- Appendix A: Officers Per 100,000 Population and Waterloo Region, 2012-2021
- Appendix B: Crime Severity Indexes for Waterloo Region, 2012-2021
- Appendix C: Crime Trends in Waterloo Region from 2021-2022
- Appendix D: Major Factors Impacting the Operating Budget Increase
- Appendix E: Revised FTE Complement Information
- Appendix F: 2023 Proposed Operating Budget
- Appendix G: 2023-2032 Capital Forecast

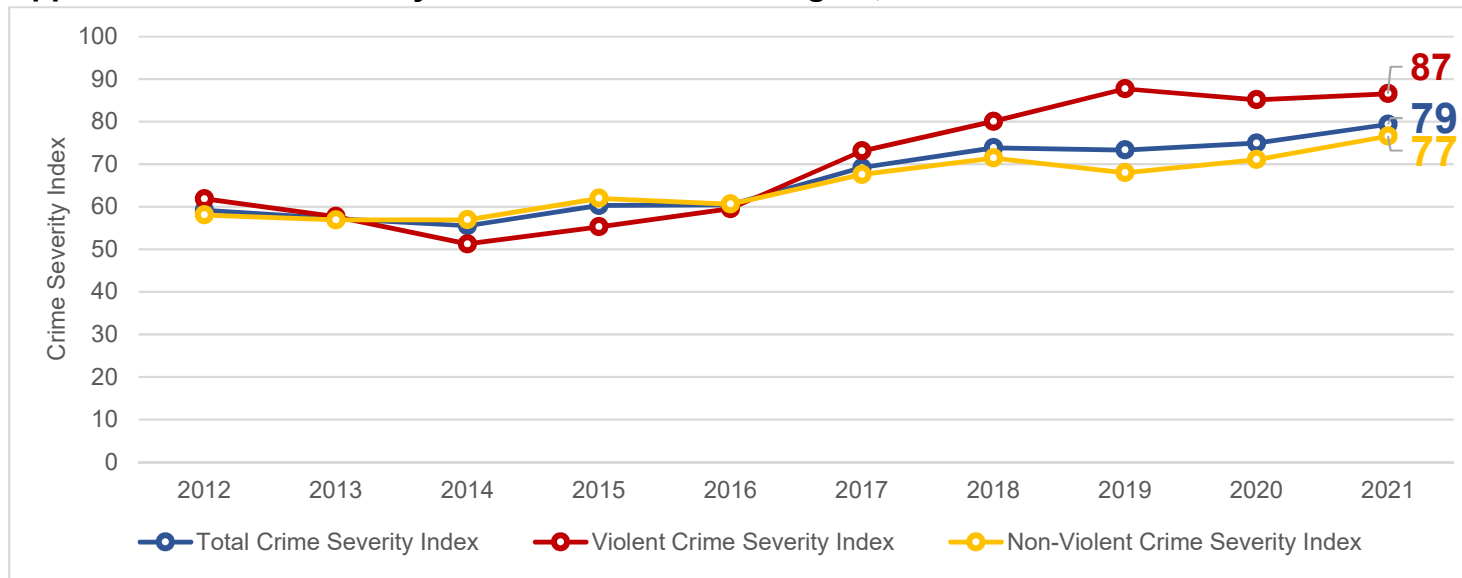
**Prepared By:** Kirsten Hand, Director, Finance and Assets Branch  
Brennan Reniers, Manager, Finance Unit

**Approved By:** Mark Crowell, Chief of Police

### Appendix A: Officers Per 100,000 Population and Waterloo Region, 2012-2021



### Appendix B: Crime Severity Indexes for Waterloo Region, 2012-2021

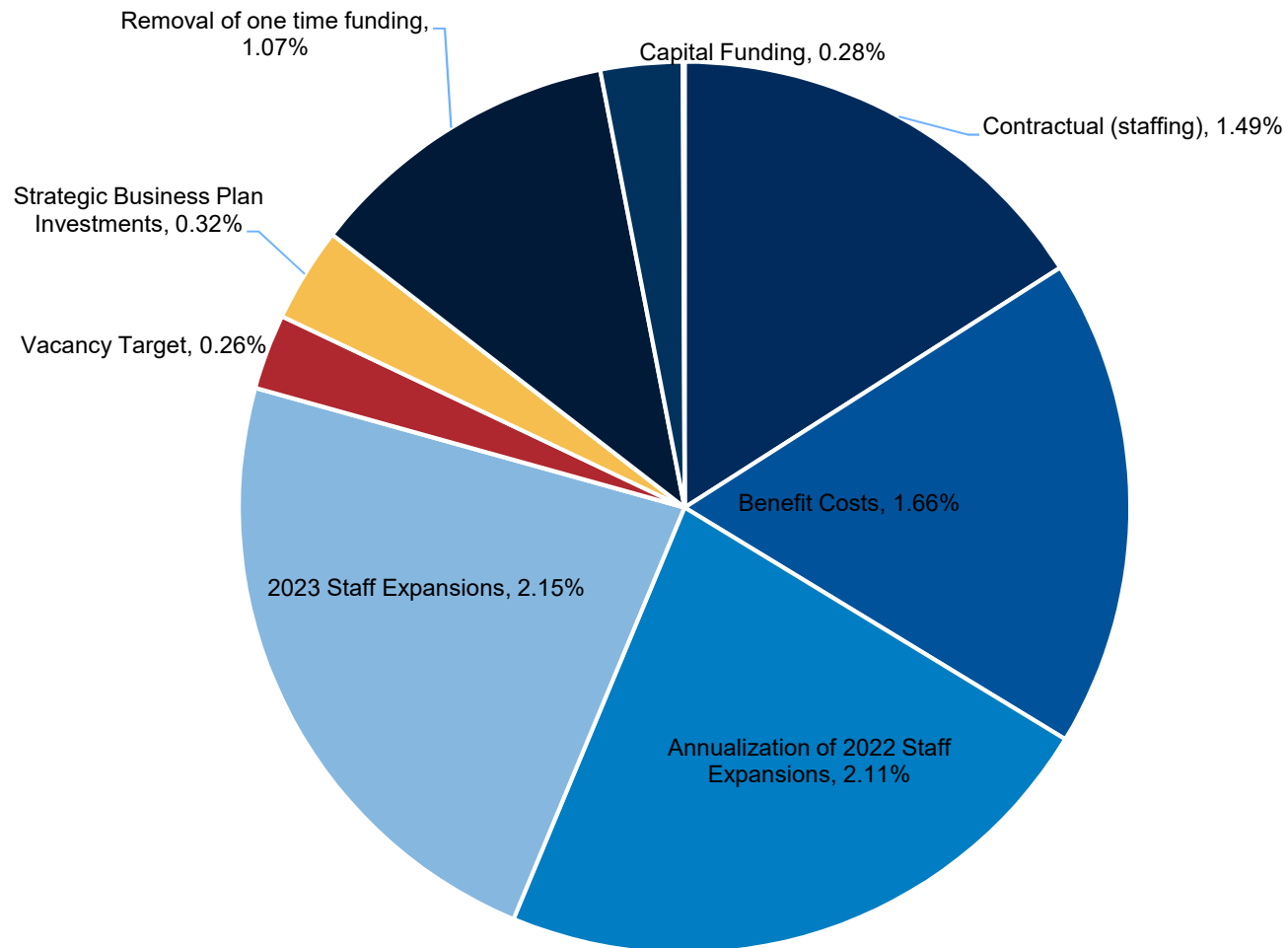


**Appendix C: Crime Trends in Waterloo Region from 2021-2022 (WRPS)**

Service Type	Percentage Change	2022 Data	2021 Data
Shootings	56% Increase	25	16
Weapons Violations	27% Increase	625	492
Intimate Partner Violence Calls for Service	0.7% Increase	6190	6145
Intimate Partner Violence Unit Cases	0.2% Increase	1860	1856
Child Pornography Cases	5% Increase	338	321
Luring Cases	36% Increase	19	14
Extortion Cases	43% Increase	254	178
Sextortion Cases	39% Increase	216	156
Impaired Driving Charges	19% Increase	911	769



## Appendix D: Major Factors Impacting the Operating Budget Increase



**Appendix E: Revised FTE Complement Information**

	Sworn	Civilian	Total
<b>2022 Authorized</b>	<b>818</b>	<b>379</b>	<b>1,197</b>
Sworn Expansion	19		19
PRIDE Civilian Expansion	0	2	2
Reallocations	(4)	5	1
<b>2023 Authorized</b>	<b>833</b>	<b>386</b>	<b>1,219</b>
PSB Executive Assistant		1	1
Secondments	9		9
<b>2023 Budgeted Resources</b>	<b>842</b>	<b>387</b>	<b>1,229</b>
Part-Time (FTE)		26.1	26.1
Temporary Full-Time (FTE)		13.7	13.7

## Appendix F: 2023 Proposed Operating Budget

	2022 Approved Budget	Base Budget Adj	2023 Expansion Requests	Proposed Budget	\$ Change	% Change
<b>EXPENDITURES</b>						
Salaries & Wages	137,080,155	6,525,075	3,026,023	146,631,253	9,551,098	6.97%
Benefits	41,380,027	4,272,478	921,138	46,573,643	5,193,616	12.55%
<b>Total Staffing Costs</b>	<b>178,460,182</b>	<b>10,797,553</b>	<b>3,947,161</b>	<b>193,204,896</b>	<b>14,744,714</b>	<b>8.26%</b>
Other Allowances & Benefits	4,184,194	(828,867)	0	3,355,327	(828,867)	(19.81%)
Office Supplies	188,244	(27,249)	0	160,995	(27,249)	(14.48%)
Materials & Supplies	3,026,856	360,844	270,839	3,658,539	631,683	20.87%
Maintenance & Repairs	1,219,631	(23,427)	0	1,196,204	(23,427)	(1.92%)
Minor Vehicle Equipment	14,571	592	0	15,163	592	4.06%
Small Equipment (PRIDE/Grants)	671,433	(3,441)	0	667,992	(3,441)	(0.51%)
Services	3,242,786	1,035,624	0	4,278,410	1,035,624	31.94%
Fees	7,289,572	368,534	0	7,658,106	368,534	5.06%
Rents	921,503	(4,304)	0	917,199	(4,304)	(0.47%)
Financial Expenses	5,551,677	1,037,686	0	6,589,363	1,037,686	18.69%
Communication Costs	1,711,018	(32,693)	0	1,678,325	(32,693)	(1.91%)
Meetings & Travel	574,686	3,214	0	577,900	3,214	0.56%
Interdept'l Charges From	5,909,551	326,243	0	6,235,794	326,243	5.52%
Interfund Transfers (Vehicle Reserve)	1,968,000	195,000	0	2,163,000	195,000	9.91%
Interfund Transfers (Capital Reserve)	3,384,000	100,000	0	3,484,000	100,000	2.96%
Interfund Transfers (General Reserve)	0	0	0	0	0	#DIV/0!
Interfund Transfers (Insurance)	910,491	(8,887)	0	901,604	(8,887)	(0.98%)
Interfund Transfers (RDC)	0	0	0	0	0	#DIV/0!
<b>Other Operating</b>	<b>40,768,213</b>	<b>2,498,869</b>	<b>270,839</b>	<b>43,537,921</b>	<b>2,769,708</b>	<b>6.79%</b>

	2022 Approved Budget	Base Budget Adj	2023 Expansion Requests	Proposed Budget	\$ Change	% Change
<b>Total Expenditures</b>	<b>219,228,395</b>	<b>13,296,422</b>	<b>4,218,000</b>	<b>236,742,817</b>	<b>17,514,422</b>	<b>7.99%</b>
<b>REVENUES</b>						
General Police Revenue	3,269,781	(114,824)	0	3,154,957	(114,824)	(3.51%)
Ministry Grants	8,044,361	279,065	0	8,323,426	279,065	3.47%
PRIDE Revenue	2,657,659	77,262	0	2,734,921	77,262	2.91%
Fire Services Revenue	586,418	43,379	0	629,797	43,379	7.40%
Miscellaneous Revenue	5,137,736	194,247	0	5,331,983	194,247	3.78%
Interfund Contributions (RDC)	1,671,784	835,683	0	2,507,467	835,683	49.99%
Interfund Contributions (Reserves)	2,100,000	(2,100,000)	0	0	(2,100,000)	(100.00%)
<b>Total Revenue</b>	<b>23,467,739</b>	<b>(785,188)</b>	<b>0</b>	<b>22,682,551</b>	<b>(785,188)</b>	<b>(3.35%)</b>
<b>NET LEVY</b>	<b>195,760,656</b>	<b>14,081,610</b>	<b>4,218,000</b>	<b>214,060,266</b>	<b>18,299,610</b>	<b>9.35%</b>

## Appendix G: 2023-2032 Capital Forecast

	2022	2023	2023										2023
	CF	Req	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	- 2032 Total
<b>EXPENDITURE</b>													
<b>Program Area Capital</b>													
50000 Police Vehicles and Equipment	215	4,114	4,329	3,549	4,677	1,701	2,438	3,147	2,253	4,002	1,712	2,888	30,696
50001 Automated Asset and Evidence Solution	197	463	660	452	391								1,503
50004 Police Vehicles - Growth	240		240	71	71	71	71	71	71	71	71	71	879
50005 Information Technology		60	60										60
50011 Voice Radio HW and SW Upgrades		323	323		150	14,105			1,396	13			15,987
50012 Training Facilities Expansion						767	8,945	8,945					18,657
50016 Business Intelligence Tool	157		157										157
50017 HRIS	619	2,314	2,932	1,681	202								4,815
50018 Body Worn and In Car Video	318	96	413	142	178								733
50024 Administrative Phone System	14	6	20							800			820
50025 Next Generation 911	501	1,063	1,564	442					800				2,805
50027 IT Security		221	221										221
50028 AFPIS/Livescan Software				700	700								1,400
50029 Automated Transcription Software					250								250
50030 Video Conference	54	20	74		300								374
50035 Information Management				680									680
50045 WRPS Voice Radio Infrastructure	350		350										350
50046 New Central Division (200 Frederick St)	5,760		5,760	359									6,119
50047 Facilities Refresh and Furniture		408	408	416	425	433	442	451	460	469	478	488	4,470
50048 Police Equipment	614	2,209	2,822	1,887	2,073	4,070	2,401	2,588	2,234	2,845	3,816	2,357	27,092
50051 Central Division Renovation/Expansion									2,492				2,492
50052 Headquarters Parking Upgrades	552	94	647										647

	2022	2023	2023										2023 - 2032 Total
	CF	Req	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	
50053 Headquarters Renovations								575	11,500	14,055			26,130
50055 Reporting Centre Expansion												1,533	1,533
50056 North Division Renovation						185							185
50057 North Division Parking Upgrades											4,889		4,889
50060 Police Furniture - Growth				13	13	13	13	13	13	13	13	13	113
50061 Police Equipment - Growth	280		280	81	81	81	81	81	81	81	81	81	1,010
50063 Electric Vehicle Charging Stations	20	80	100	40									140
50064 Magazine Explosive Storage	65		65										65
50068 Facility Security Upgrades	216	300	516	300	300	300	300	300	300	300	300	300	3,216
50069 Evidence Management Facilities Upgrades	300		300										300
50070 Technical Investigations System				200									200
50071 Body Scanner				214									214
50072 Disaster Recovery	90	76	166	600		200		600					1,566
50073 DEMS Storage							1,200						1,200
50074 UPS replacement		725	725	250									975
50075 WRPS Facilities Master Plan		140	140										140
50076 Public Safety Communications Center		3,000	3,000										3,000
<b>Total Program Area Capital</b>	<b>10,562</b>	<b>15,712</b>	<b>26,274</b>	<b>12,077</b>	<b>9,810</b>	<b>21,925</b>	<b>15,890</b>	<b>16,770</b>	<b>21,599</b>	<b>22,648</b>	<b>11,360</b>	<b>7,731</b>	<b>166,084</b>
<b>Facilities Managed Capital Renewal</b>													
75012 Firearms Training Facility Renewal	10		10	24	626			12				124	795
75013 Police South Division Renewal	790	483	1,273	223	224	578	222	164	71	114	297	579	3,744
75014 Police North Division Renewal	215	12	227	678	125	12	265	253	12	169	266	306	2,312
75016 Police Headquarters Renewal	681	1,736	2,417	909	918	524	241	890	1,130	1,435	2,195	636	11,295
75017 Police Investigative Services Renewal	384	12	396	49	12	165	114	181	124	24	18	188	1,270
75018 Police Reporting Centre Renewal	109	430	539	211	114	272	118	35	295	13	11	16	1,624

	2022	2023	2023										2023 - 2032 Total
	CF	Req	Total	2024	2025	2026	2027	2028	2029	2030	2031	2032	
75021 Police New Central Division Renewal				50	75	100	125	150	175	200	225	250	1,350
75022 Police Voice Radio Building Renewal		19	19		12	43		11	69	86	4		242
<b>Total Facilities Managed Capital Renewal</b>	2,190	2,690	4,880	2,144	2,107	1,693	1,084	1,696	1,875	2,040	3,015	2,099	22,632
<b>TOTAL EXPENDITURE</b>	12,752	18,403	31,154	14,221	11,916	23,618	16,974	18,466	23,474	24,688	14,376	9,829	188,716
<b>FUNDING &amp; FINANCING</b>													
<b>Grants / Subsidies / Recoveries</b>													
Grants & Subsidies													
Recoveries													
<b>Development Charges</b>	(3,623)	(1,509)	(5,132)	(340)	(165)	(933)	(6,963)	(7,026)	(2,651)	(1,711)	(165)	(824)	(25,908)
Reserve Funds	801	39	839	165	165	350	165	228	2,651	1,711	165	824	7,260
Debentures	2,822	1,470	4,292	176		583	6,798	6,798					18,647
	(3,623)	(1,509)	(5,132)	(340)	(165)	(933)	(6,963)	(7,026)	(2,651)	(1,711)	(165)	(824)	(25,908)
<b>Property Taxes / User Rates</b>													
Reserves and Reserve Funds	(4,526)	(13,087)	(17,613)	(11,125)	(10,838)	(8,354)	(6,664)	(8,770)	(7,053)	(10,383)	(9,318)	(8,132)	(98,251)
3980066 Lifecycle Reserve Police	1,399	1,922	3,321	1,644	2,095	1,651	1,084	1,685	1,806	1,954	3,011	2,099	20,350
3981300 Police Capital Reserve	2,989	6,772	9,760	5,933	4,268	5,003	3,142	3,938	2,994	4,427	4,594	3,145	47,205
3982340 Police Vehicles & Equipment Reserve	215	4,114	4,329	3,549	4,677	1,701	2,438	3,147	2,253	4,002	1,712	2,888	30,696
General Tax Supported Capital Reserve													
Other Reserve Funds													
Contributions from Operating		19	19		12	43		11	69	86	4		242
Debentures	4,525	4,068	8,593	2,755	700	14,289	3,347	2,659	13,702	12,509	4,889	874	64,315
<b>TOTAL FUNDING &amp; FINANCING</b>	12,752	18,403	31,154	14,221	11,916	23,618	16,974	18,466	23,474	24,688	14,376	9,829	188,716



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**From:** Megan Ruttan [REDACTED]  
**Sent:** February 8, 2023 6:21 PM  
**To:** Regional Clerk <RegionalClerk@regionofwaterloo.ca>  
**Subject:** Re: Delegation confirmation to 2023 Strategic Planning and Budget Public Input Meeting - February 8, 2023

**\*\*EXTERNAL ALERT\*\* This email originated from outside the Region of Waterloo.**

Hi Terri,

Thank you and please find enclosed my delegation for the February 8, 2023 Waterloo Regional Council meeting re: the Police Budget.

I'm standing in solidarity with other advocates speaking out against the increase in the police budget. Chair Redman is fond of saying "we measure what we value." Well, we also fund what we value and the police budget has become an ever increasing sink of money that could easily be going to community supports. Police do not support community; rather, police harm, murder, and criminalize people who have already been failed by our institutions. If funding correlates to how much we value something, Waterloo Region clearly values police more than they value the most vulnerable among us. We do not value life.

Speaking of measuring, there have been many quantifiable studies on how policing actually contributes to harms more than it actually helps. I do not exaggerate when I say that police killings are in the news every day - moreso than other kinds of community violence. And not just in the US. I'm sure many of my fellow advocates have spoken on this tonight. But specifically, as a climate organizer and community advocate, It seems very clear to me that policing is and has been used to silence dissent around the protection of land, not only in Canada but also across the world. As recently as last month, police killed a young land defender in Atlanta who was part of a group protecting a swathe of forest. The police raided the encampment and committed murder because they wanted to build "Cop City," a training facility for police that included a mock city. Policing as an institution is treated with more reverence than life, human and non human.

As climate impacts roll in, policing will be used to silence dissent rather than help speed along our necessary transition to a world that is more sustainable and just. In Germany, again last month, climate activists were removed from another forest so that a coal mine could be built there. The RCMP trains snipers on Indigenous land protectors on their land in British Columbia on behalf of the Coastal GasLink pipeline. Atlanta's police aren't the only force meant to protect property rights and the status quo rather than community. In a world made increasingly chaotic by climate change, there will be more desperate people just trying to survive. Increasing the police budget only enables the harms the institutions cause to these people. Rather than climate justice, we will see the continued death drive of the status quo. There is no progress against our collective suffering, there is no justice, to be found in the institution of policing.

Council always says its hands are tied re: the police budget and that you don't actually have the power to change anything. But the least you could do is take a stand and resist this increase in a budget that will not help anyone in our community.

Thank you,

Meg Ruttan Walker