

Strategic Planning and Budget Committee Minutes



February 8, 2023
9:00 a.m.
Council Chambers

Members Present: K. Redman, D. Craig, R. Deutschmann, J. Erb, S. Foxtan, M. Harris, C. Huinink, C. James, J. Liggett, D. McCabe, J. Nowak, N. Salonen, S. Shantz, B. Vrbanovic, K. Williams, P. Wolf

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1. Call to Order

Chair M. Harris called the meeting to order at 9:02 a.m.

2. Land Acknowledgement

Chair M. Harris provided a land acknowledgement.

3. Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”

P. Wolf declared a pecuniary interest with respect to the presentation on the Airport portion of the Budget, as her husband has a hanger at the Region of Waterloo Airport.

B. Vrbanovic entered the meeting at 9:05 a.m.

4. Presentations

4.1 Preliminary 2023-2032 Capital Budget - Presentation from Regional Staff, Deferred from February 1, 2023

Craig Dyer, Commissioner, Corporate Services and Chief Financial Officer, provided a presentation on the Capital Budget, which was

deferred from February 1, 2023. The presentation is appended to the original minutes.

Bruce Lauckner, Chief Administrative Officer, introduced the guiding principles of the Strategic Plan in relation to the budget process. He reviewed the importance of the Strategic Plan, as it outlines the critical services provided by the Region of Waterloo to residents, as well as the continued need to invest in the future success of the organization.

C. Dyer highlighted the 10 year Capital Program and the relationship between the Operating Budget, Reserves and Reserve Funds; as well as information with respect to Regional Debt Outstanding and reserve balances and how these relate to each other.

In response to the Committee, C. Dyer explained the outcome if the Region of Waterloo did not maintain a AAA credit rating and the effects on the cost of future borrowing for the Region of Waterloo.

Rod Regier, Commissioner, Planning, Development & Legislative Services provided an overview of climate adaptation measures designed to address Council's directives respecting the declaration of climate emergency in 2019, and Council's commitment to reduce greenhouse gasses emissions below 50% by 2030 and 80% by 2050. He highlighted what the Region has achieved to date such as the 15-minute community to reduce transportation emissions and committing and the ION transit system. He also noted the ongoing work that us underway such as the Corporate Carbon Budget, as well as the Climate Adaptation Management Plan.

The Committee recessed at 11:00 a.m. and resumed at 11:16 a.m.

R. Deutschmann left the meeting at 11:16 a.m.

C. Huinink joined the meeting at 11:24 a.m.

C. Huinink joined the meeting at 11:24 am.

4.2 2023 Budget: Supporting the Plan

Mathieu Goetzke, Commissioner, Transportation Services, gave an overview of the the roads transportation budget. He highlighted the ongoing work from the 2018 Transportation Master Plan and the work that is planned for the new master plan to meet set objectives for 2051. He discussed the Regional Road Operating budget for 2023, the Road Safety Program, and the 2023 Regional Roads Capital Program. The presentation is appended to the original minutes.

Cheryl Braan, Director, Corporate Finance; provided an overview of the Regional Roads 2023-2032 Capital Program expenditure. She noted that the total expenditure for the Capital Plan is \$1.1 billion over the course of 2023-2032 and noted that 57% of the cost is related to the renewal program and 40% of the expenditure, \$419 Million relates to expansion program.

R. Deutschmann returned to the meeting at 12:06 p.m.

The Committee recessed at 12:17 p.m. and returned at 12:51 p.m.

In response to the Committee, M. Goetzke noted that the cost for lane markings and signage is funded through the capital budget in coordination with the area municipalities, so that all signage is consistent. He further noted that it is in the budget for 2023 and 2024 to complete the environmental studies for the Cambridge truck by-pass. He highlighted the importance having finalized expenses of the project before integrating the project into the budget process.

Jennifer Rose, Commissioner, Engineering and Environmental Services, provided the Waste Management portion of the budget presentation noting that the Region is responsible for delivering curbside collection of waste, has an active landfill, two public drop-offs, process recycling and yard waste, developing fertilizer with the Guelph organic's facility, and captures landfill gas for renewable energy. She explained that the garbage tipping fee for public drop offs of materials is \$12, which is comparable to other municipalities and highlighted the proposed budget adjustments for 2023.

C. Braan provided an overview of the 2023 Waste Management Operating Budget, which is a \$2.1 million tax levy increase over 2023. The increased revenue expected is \$1.6 million in user fees revenue to offset this cost. She noted that the 2023 – 2032 Waste Management Capital Program is largely financed through property taxes, reserve and debenture financing.

In response to the Committee, John Arsenault, Director, Waste Management, explained the increase in costs of drop off fees, has not had a significant impact on deterring people from utilizing this service.

R. Regier gave an overview of the Waterloo Regional Airport and discussed the Regional Airport Master Plan from 2017 attracting carriers to the airport. He noted that there was a significant increase in passengers since launching the plan, but that there has been a significant challenge in meeting the targets with the pandemic, however the data demonstrates

that there is continued growth here and that the level of service is increasing.

M. Harris left the meeting at 1:44 p.m.

R. Deutschmann assumed the chair at 1:44 p.m.

M. Harris returned to the meeting and resumed the Chair at 1:55 p.m.

C. Dyer discussed the Capital Budget for the Region of Waterloo International Airport and the net levy increase of \$3.0 million for expansion, staff resources, a new shuttle service and adjustments to the passenger volume as well as for the new terminal expansion.

In response to the Committee, Helen Chimirri-Russell, Director, Cultural Services, spoke to the work underway at the Doon Heritage Village noting that the work will span over two seasons, but will allow for the continued utilization of green space for programming outside.

Terry Yantzi, Director, Information Technology Services explained the service support provided to the Region and the importance of technology to continue business in the Region for every division. Amber Sare, Director, Talent Acquisition, Client Experience and Solutions highlighted the increased use of technology that residents rely on and that the Region of Waterloo delivers automated service online to meet this need for easier access to services, as well as increasing the speed of service delivery and to have self serve capabilities.

In response to the Committee, T. Yantzi commented that there are vacancies within the IT service department that they are looking to fill. B Lauckner noted that there is a high demand for these positions to meet the organizational needs when it comes to the automation of services and the long-term effects of having automation of services will allow for work to be done more efficiently.

The Committee recessed at 2:48 p.m. and resumed at 3:08 p.m.

C. Dyer resumed the presentation addressing Councillor questions that were raised at the February 7, 2023 meeting with respect to compensation gapping, fluctuating position vacancies and position which are funded through provincial and federal funding. The additional slides are appended to the original minutes.

R. Regier noted that in 2022 Council endorsed a Grant Administration Policy which sets out a process for the organizations and community

stakeholders who may be recipients of the granting program. Within the 2023 budget, there is a proposed reduction in funding of the program. He noted a new set of guidelines has been requested and staff will come back to Council.

Responding to the Committee, R. Regier explained that staff are looking to reduce the impact on the tax levy noting that there is a need for a more systematic approach to support the grants program, and that last year the grants program was expanded significantly. H. Chimirri-Russell noted that each program has their own set of guidelines for the budget and eligibility.

5. Reports

5.1 COR-CFN-23-011, Reserves and Reserve Fund Update

C. Dyer spoke to the reserve and reserve funds, noting that they cover fluctuations in tax and user rate revenues, and are source of funding for capital projects.

The report was received for information.

5.2 COR-CFN-23-010, Municipal Budget Regulation

Moved by D. McCabe

Seconded by C. James

That the Regional Municipality of Waterloo adopt report COR-CFN-23-010 dated February 8, 2023 titled “Municipal Budget Regulation” as required by Ontario Regulation 284/09.

Carried

6. Public Engagement

6.1 CAO-SPL-23-002, 2023 Plan and Budget Engagement Overview

Connie MacDonald, Chief Communications and Strategy Officer, gave an introduction to the presentation respecting the community engagement overview, which looked at the ways to engage and elevate the voices of all residents. She noted the importance of this work for staff and in order to continue to expand engagement approaches. Jenny Smith, Director, Corporate Strategy and Performance; and Deb Bergey, Manager, Community Engagement, outlined the approach and results of the engagement. Lisa Byers, IPSOS, provided a more in depth discussion regarding the survey methodology and detailed findings of the 20 minute

telephone survey to reach the residents of Waterloo Region. The presentation is appended to the original minutes.

7. Other Business

Moved by D. Craig

Seconded by B. Vrbanovic

That staff report back to the Strategic Planning and Budget meeting on February 22 on the options to create a 1-1.5% percent decrease to the proposed overall budget, with specific impacts to Regional services.

In Favor (6): D. Craig, S. Foxton, M. Harris, N. Salonen, S. Shantz, and B. Vrbanovic

Opposed (9): K. Redman, R. Deutschmann, J. Erb, C. Huinink, C. James, J. Liggett, D. McCabe, J. Nowak, and P. Wolf

Defeated (6 to 9)

Amendment:

Moved by J. Liggett

Seconded by D. McCabe

That the motion be amended to add That staff be given the option to declare that it is not possible

Defeated

7.1 Councillor Deutschmann Notice of Motion

The Committee recessed at 5:10 p.m. and resumed at 10:04 p.m.

Chair M. Harris noted that there was a request to take the motion separately and that if the first part of the motion, to reject the police budget, was defeated the other two parts would not be considered.

The Committee debated the motion noting the varying positions on policing in the community and the limited authority that the Region has over the police budget. A recorded vote was requested.

Moved by S. Foxton

Seconded by J. Liggett

That the Committee approve continuing this meeting of the Strategic Planning and Budget Committee beyond 11:00 p.m.

Carried

Moved by P. Wolf

Seconded by N. Salonen

That the previous question be called.

Carried

Moved by R. Deutschmann

Seconded by C. James

Whereas the safety of our community is the most important priority for elected officials;

And whereas the provision of safety in the community comes in many forms and from many groups;

And whereas the Waterloo Region Police Services performs a very prominent and important role in ensuring safety in our community;

And whereas the Region of Waterloo has recognized the importance of upstream services in preventing crime through ongoing financial support for services that enhance food security, housing security, drug addiction services, mental health services, immigration and refugee services, to name a few of the many services currently supported by the Regional Municipality of Waterloo;

And whereas it is acknowledged that the population of the Region of Waterloo continues to grow, and with this growth brings the need to adequately support a police service that is capable of providing for safety in our community;

And whereas the Region of Waterloo approved the hiring of 35 FTEs for 2022;

And whereas the Waterloo Region Police Services Board (WRPSB) is seeking a further increase of 19 FTEs for 2023, representing a 7.2% budgetary rate increase for 2023, or a monetary increase of \$18,299,610.00;

And whereas it is recognized that in order to ensure safety in our community, the Regional Municipality of Waterloo must find a balance to ensure that we have a sufficiently funded and staffed Waterloo Region Police Services and continuing support for upstream services;

Be it resolved that the budget as presented by the Waterloo Region Police Services Board be rejected by Regional Council and be sent back to the Waterloo Region Police Services Board for review;

And be it further resolved that the Waterloo Region Police Services Board return with a budget that provides for an expansion no greater than 8 FTEs as provided in the WRPSB Budget presentation of November 9, 2022, representing a 1% growth which is consistent with Region of Waterloo population growth for the last two years, with a start date of April 1, 2023;

And be it further resolved that the Regional Municipality of Waterloo will consider the funds, that represent the difference between the WRPSB request for a 7.2% budgetary increase and the amended, WRPS budget rate increase, and the Regional Municipality of Waterloo will direct all or some portion of the funds to upstream services.

In Favor (8): R. Deutschmann, S. Foxton, C. Huinink, C. James, D. McCabe, N. Salonen, K. Williams, and P. Wolf

Opposed (8): K. Redman, D. Craig, J. Erb, M. Harris, J. Liggett, J. Nowak, S. Shantz, and B. Vrbanovic

Defeated (8 to 8)

8. Adjourn

Moved by N. Salonen

Seconded by C. James

That the meeting adjourn at 10:58 p.m.

Carried

Regional Clerk

Regional Chair