

Regional Municipality of Waterloo

Strategic Planning and Budget Sub-committee Agenda



Date: Wednesday, September 11, 2024
Regular Session: 9:00 a.m.
Location: 99 Regina St. Waterloo, Room 508

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

	Pages
1. Call to Order	
2. Land Acknowledgement	
3. Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”	
4. Presentations	
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6. Other Business	
7. Next Meeting Date - October 02, 2024	
8. Adjourn	



Plan and Budget 2025

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

At the June 4th Administration and Finance Committee meeting, the following direction was provided to staff with regards to development of the 2025 Plan and & Budget:

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

Strategic Plan and Budget Sub-Committee

Schedule

Date	Draft agenda topics
August 14	Overview of the process, timeline and agenda topics
August 28	Review of funding provided by the Region to external organizations, how each stream fits in the Region's Strategic Plan, and areas of overlap between regional and area municipalities' services
September 11	Review of: <ul style="list-style-type: none"> • Services in the base budget and information on what is legislatively mandated for the Region to provide. • The Region's administrative expenses, and what could be done differently operationally including an overview changes underway and benchmarking results.
October 2	Review options, with evaluations against objectives in the Strategic Plan, to achieve a budget that has less than an 8 per-cent tax rate increase, including: <ul style="list-style-type: none"> • Potential service adjustment options • Review of service expansion requests being proposed for 2025

Today's Purpose

To review:

- Information on services provided by the Region including what is legislatively mandated to be provided
- Benchmarking results relating to the Region's administrative costs and services as well as efficiency and improvement projects undertaken by the Region
- Material in response to requests for information from previous Strategic Plan and Budget Sub-Committee meetings

Draft Grant Policy Recommendation

- Amend the grants administration policy and process so that council approves the grant streams, and eligibility, and funding available and staff administer the grants, in alignment with other grant processes ex. Upstream Fund
- Set a bi-annual grants admin policy and stream review to allow council to review eligibility and amend as required, in alignment with the strategic plan
- Any new grants are administered through the creation of a new grant stream, with appropriate policy analysis and community engagement, pending funding approval as part of the Region's Plan and Budget process, in alignment with the strategic plan
- All grant applications require declaring what other grants they are applying for.

Discussion

- **Services provided by the Region including what is legislatively mandated to be provided**

2024 Direct Regional Net Operating Budget Expenditure excl. Police Services (\$ millions)

Department	Discretionary	Legislated	Legislated with Service Level Discretion	Program Support	Total Departmental Expenditure
Community Services	21.9	339.2	126.6	0.4	488.2
Transportation Services	216.2	67.6	4.2	4.8	292.7
Engineering & Environmental Services	7.3	153.3	48.1	13.5	222.2
Planning, Development & Legislative Services	28.8	11.7	23.1	0.7	64.2
Public Health & Paramedic Services	5.5	105.5	1.1	-	112.1
Elected Offices	-	1.6	-	-	1.6
Office of The Chief Administrative Officer	2.5	-	1.5	2.2	6.2
Corporate Services	-	-	-	18.9	18.9
Human Resources & Citizen Service	-	4.0	1.8	8.8	14.7
Corporate Financial	-	15.0	-	14.0	29.1
Total Operating Expenditure	\$282.2	\$697.9	\$206.3	\$63.4	\$1,249.8

Regional Services

•Discretionary:

- ☐ Transit Services (\$216M)
- ☐ Airport (\$21M)

•Legislated:

- ☐ Children's Services (\$161M)
- ☐ Water & Wastewater Services (\$151M)
- ☐ Housing Services (\$142M)
- ☐ Ontario Works Allowances & Benefits (\$91M)
- ☐ Transportation (\$72M)
- ☐ Paramedic Services (\$61M)
- ☐ Waste Management (\$50M)
- ☐ Seniors' Services (\$42M)
- ☐ Employment & Income Support Admin (\$30M)

Program Support:

- ☐ (\$63M total)
- ☐ Information Technology Services
- ☐ Financial Management
- ☐ Procurement
- ☐ Human Resources & Citizen Service
- ☐ Facility & Fleet Planning, Operations & Maintenance
- ☐ Communications, Strategy and Engagement

Discussion

- **Benchmarking results relating to the Region's administrative costs and services (Appendix A to report)**

Discussion

- **Efficiency and improvement projects undertaken by the Region
(Appendix B to report)**

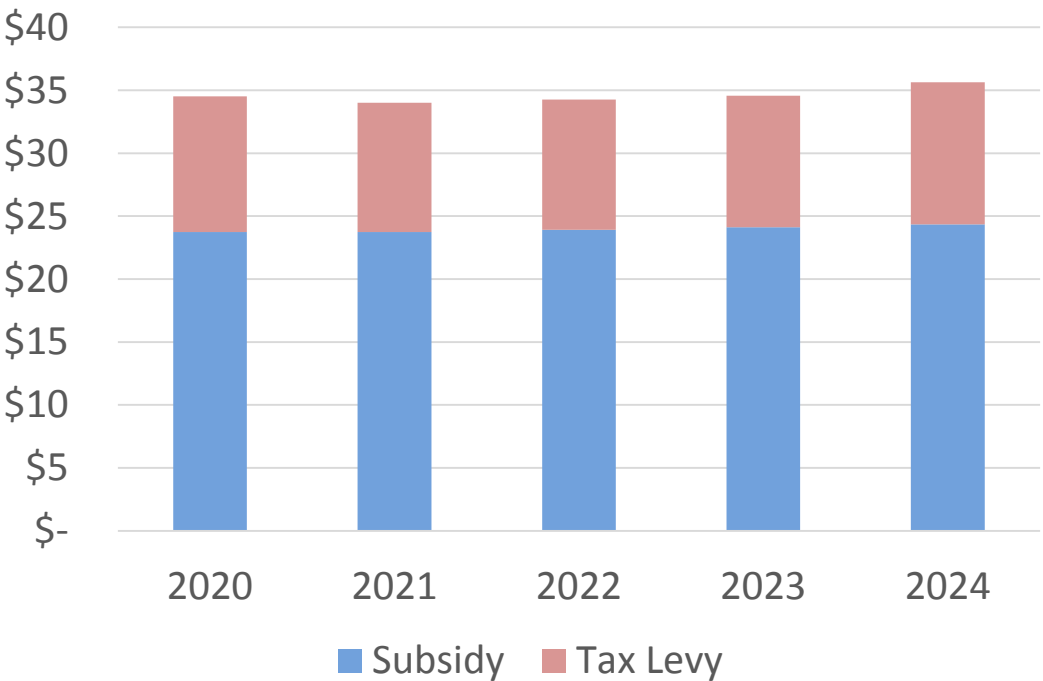
Responses to requests for information from previous Strategic Plan and Budget Sub- Committee meetings

Provincial &
Federal funding
history

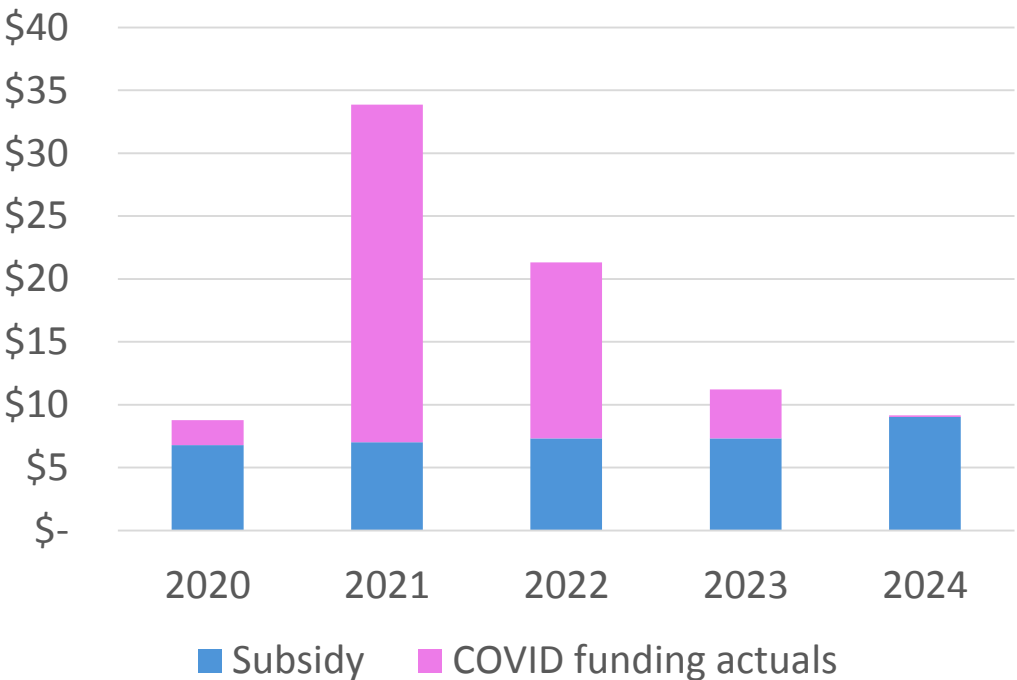
Capital Program
Decision Making

Provincial & Federal Funding History

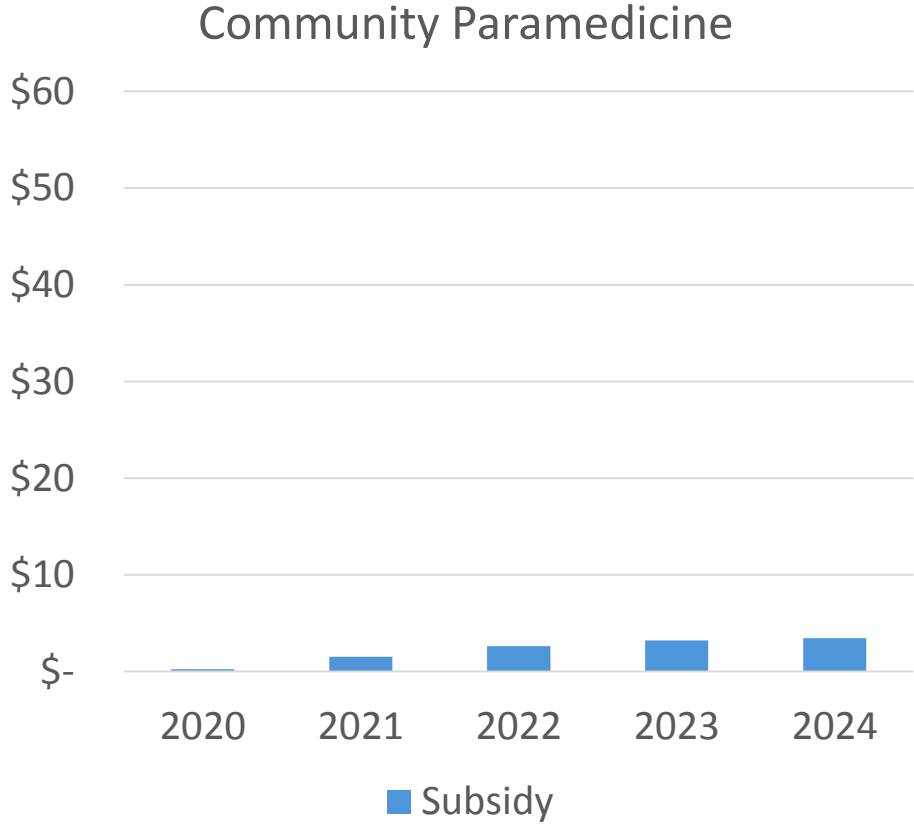
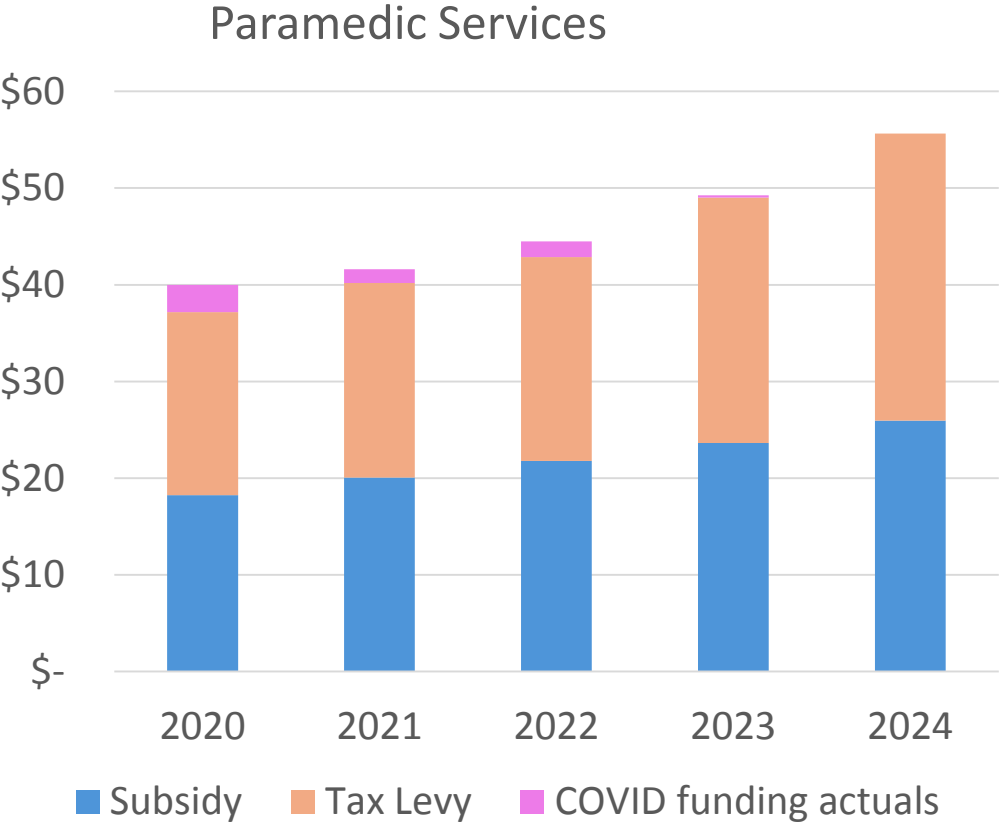
Public Health Cost-Shared Programs



Public Health 100% Funded Programs

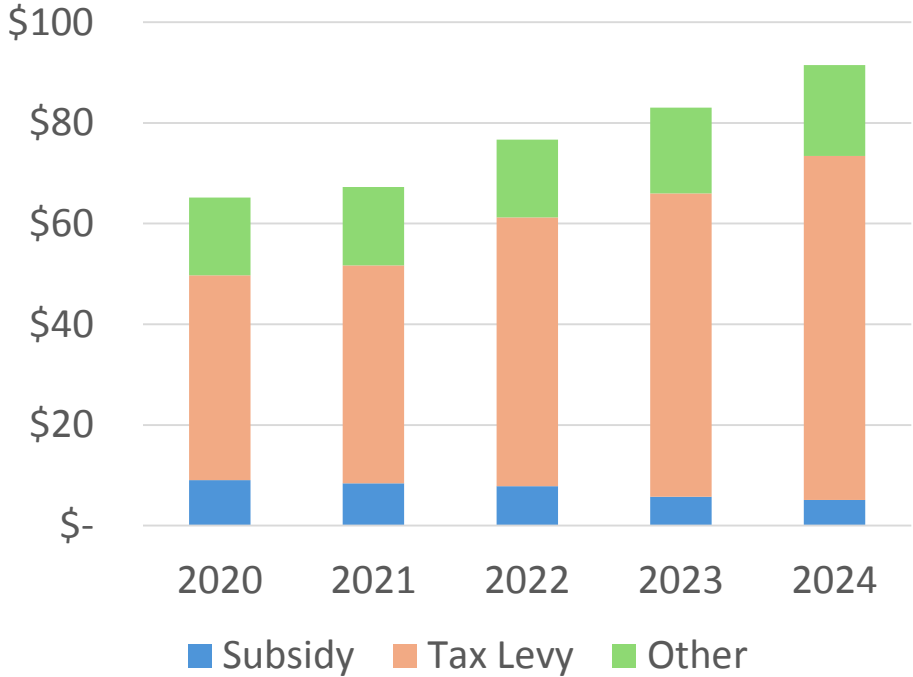


Provincial & Federal Funding History

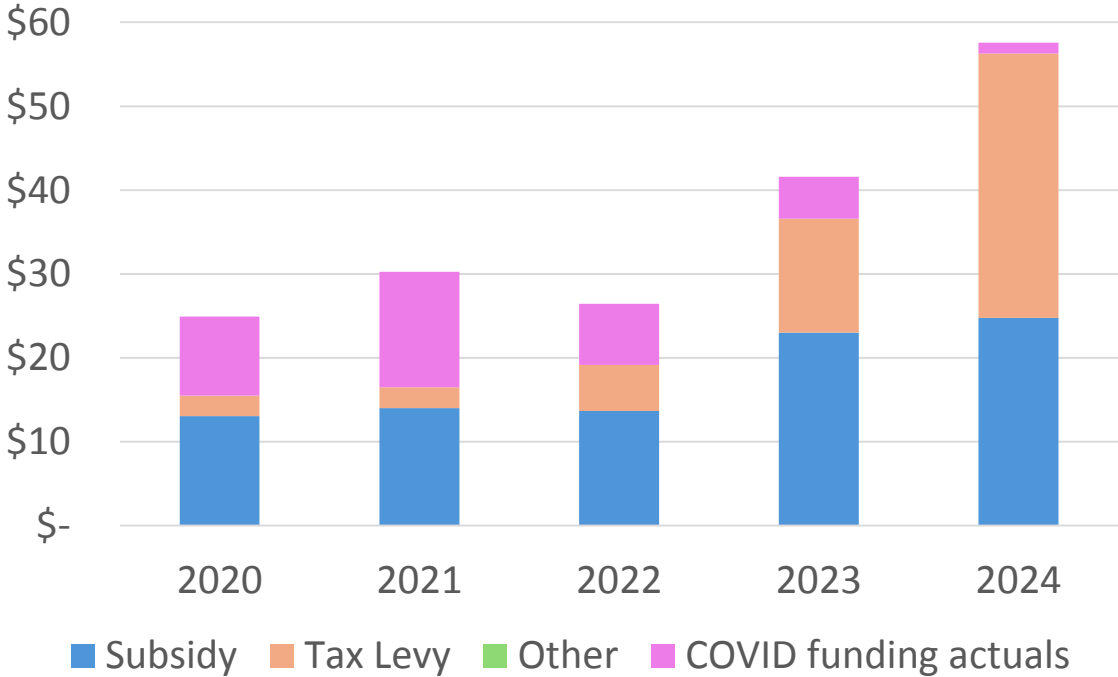


Provincial & Federal Funding History

Housing Services

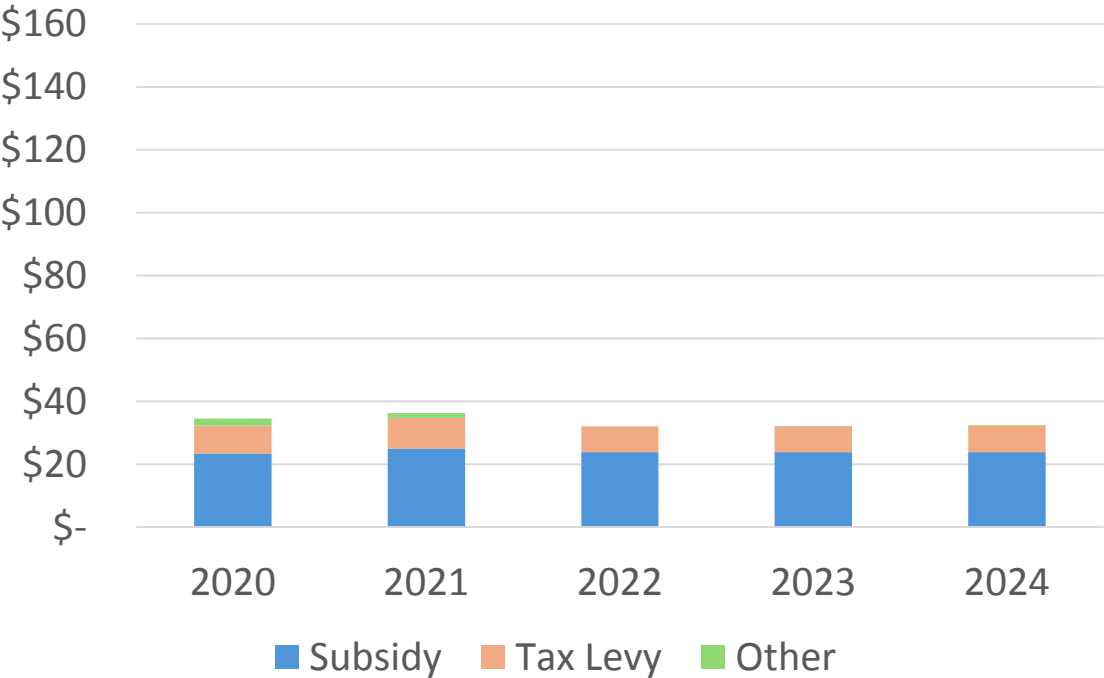


Homelessness

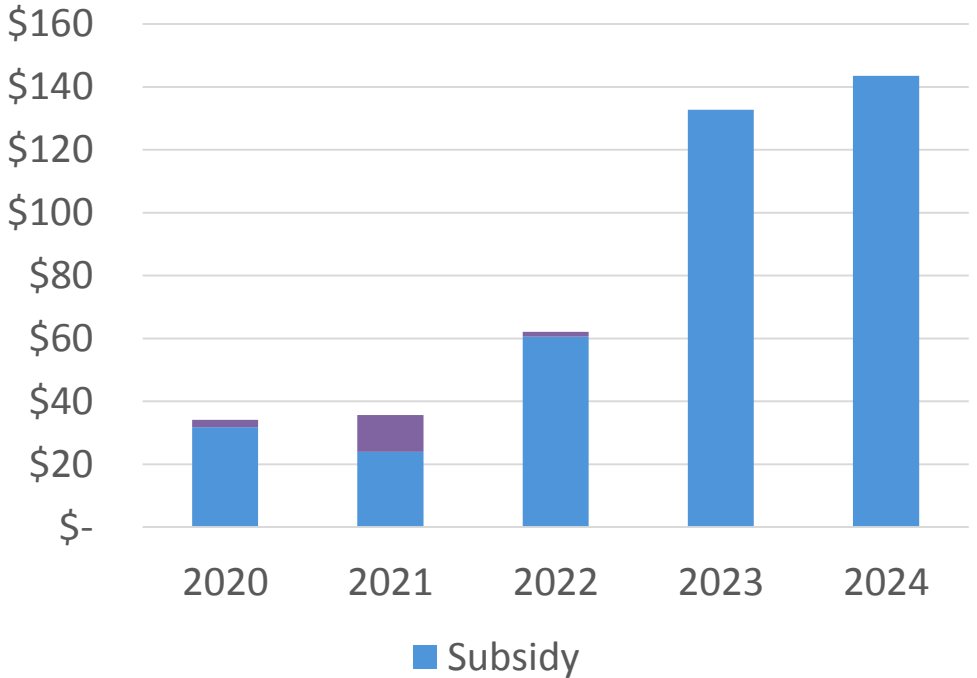


Provincial & Federal Funding History

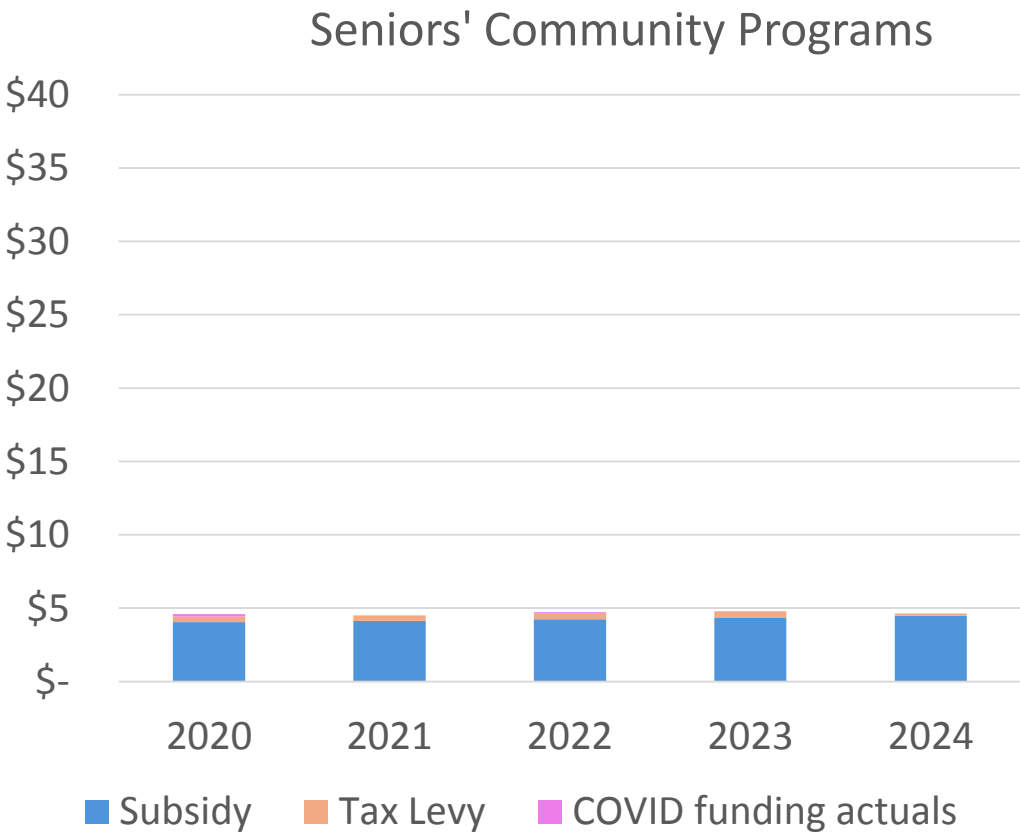
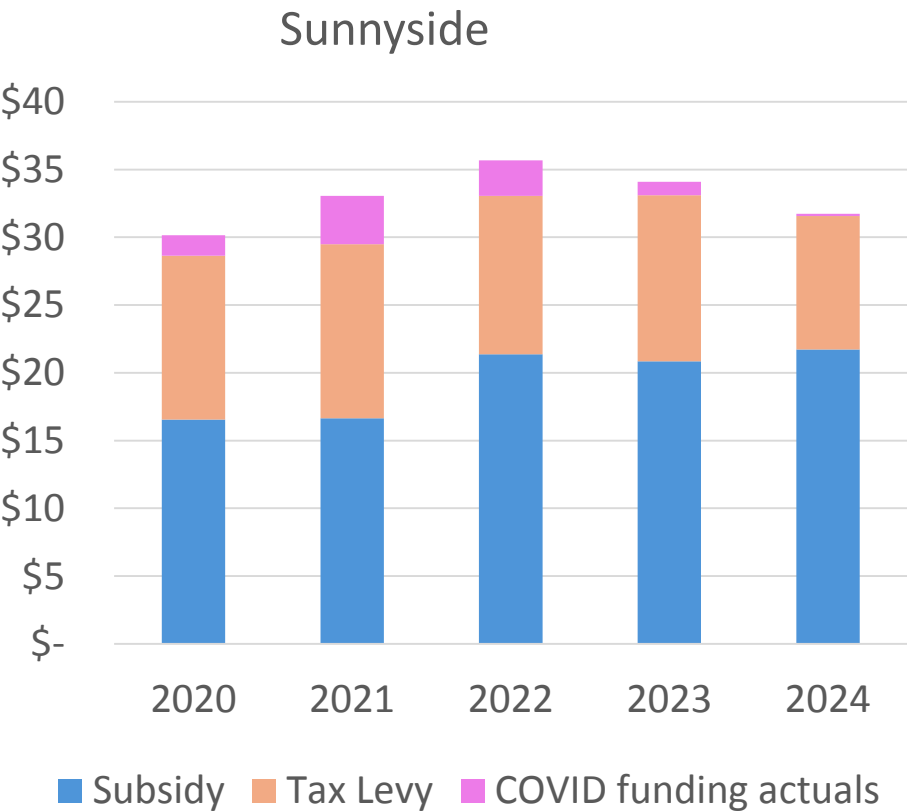
Children's Services Cost-shared programs



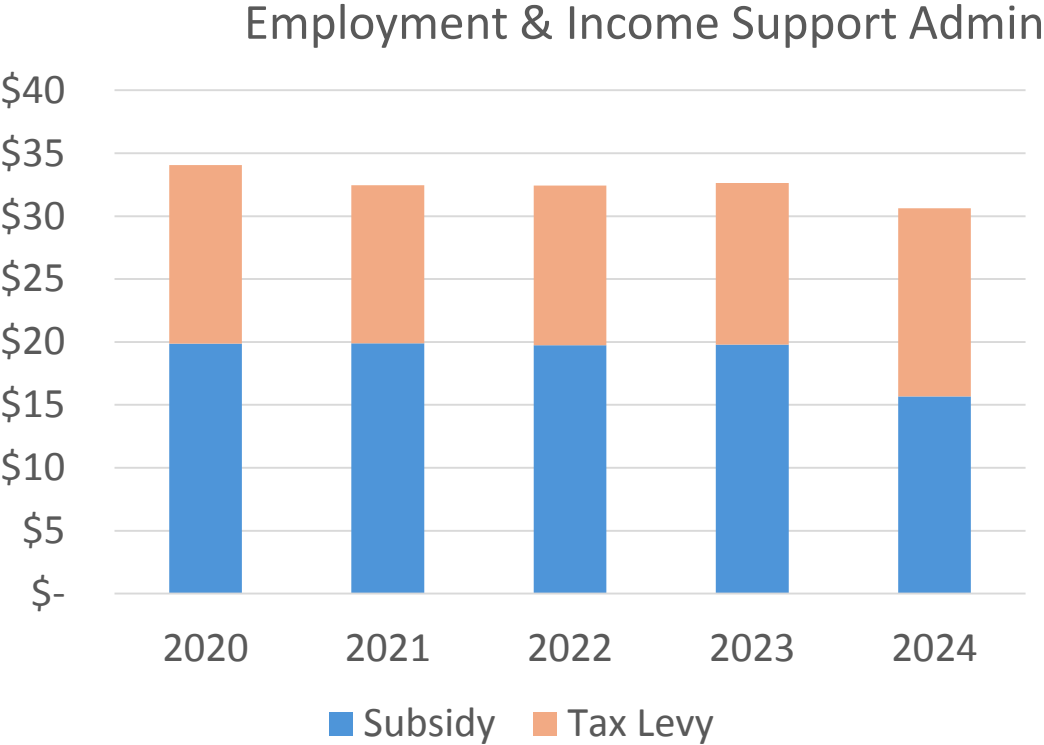
Children's 100% Funded Programs



Provincial & Federal Funding History



Provincial & Federal Funding History



Capital Program Decision Making

Discussion / Questions

Next Steps: Strategic Plan and Budget Sub-Committee

Date	Draft agenda topics
October 2	<p>Review options, with evaluations against objectives in the Strategic Plan, to achieve a budget that has less than an 8 per-cent tax rate increase, including:</p> <ul style="list-style-type: none">• Potential service adjustment options• Review of service expansion requests being proposed for 2025 <p>Responses to requests: Comparison of projected tax increases in other municipalities (where available), risks associated with not implementing proposed service expansions</p>

Region of Waterloo
Chief Administrative Officer
CAO

To: Strategic Planning and Budget Sub-Committee

Meeting Date: September 11, 2024

Report Title: Administrative Costs and Efficiency Programs

1. Recommendation

For Information.

2. Purpose / Issue:

To provide summary information related to administrative costs and efficiency programs.

3. Strategic Plan:

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

4. Report Highlights:

- The Region of Waterloo provides over 200 services to the Waterloo Region community.
- The Community is rapidly growing to 1 million people, community needs are changing/becoming more complex, climate change impacts are becoming more pervasive, and the Region is facing an increasingly challenging fiscal framework as it responds to these needs.
- To meet these needs and challenges the Region proactively manages its costs, champions efficiency, while safeguarding the quality of service, growth and achievement of broader impacts towards the goals set out in the Region's Strategic Plan: Growing with Care.
- Over the past five years (2020-2024) the Region has achieved approximately \$41.6 million in efficiency savings and consistently performs well against comparators in administrative cost-related performance indicators.
- This is reflected specifically in Appendix A, MBNCanada 2022 Cost Efficiency Related Performance Indicators Report. The MBNCanada report shows that:
 - The Region's performance was in the top or middle third of reporting municipalities in 76% (53 out of 70) of measures. Statistical measures

have been excluded.

- Services with “top third” results (with “top third” meaning lower costs per unit or higher performance) include Child Care, Emergency Medical Services, Accounts Payable operating costs, Facility Operations costs, Governance and Corporate Management costs, Information Technology costs, in house and external Legal operating costs, long term resident and family satisfaction, and costs of waste collection.
- Although yet unpublished, the 2023 preliminary results related to administrative costs would suggest that the Region is tracking similarly to the 2022 results in terms of performance in Accounts Payable, Facilities, Fleet, General Government, General Revenue, HR and Citizen Service, IT, Legal, Payroll and Procurement.
- These measures, alongside other performance tracking processes, such as quarterly reporting of Growing with Care progress, ensure a robust framework to facilitate service delivery improvement, innovation and excellence across the organization.
- Over the past several years the Region has employed rigorous service reviews as follows:
 - Region of Waterloo Service Review Final Report (KPMG, December 2019)
 - Identifying Opportunities to leverage AI (Price Waterhouse Cooper, April 2021)
 - Service Transformation Strategy Final Report (The Perry Group, January 2023)
- These reviews have prompted significant service changes, adoption of new service models and provided guiding strategic direction that the organization continues to build off.
- The development of the Region’s first Digital Service Transformation Strategy offers a practical blueprint for improvement and innovation that will help the organization to leverage and scale existing and new technologies to meet the demands of a growing diverse community in better and more affordable ways.
- This strategy is an actionable path to rethink and redesign services through the lens of digital capabilities, equity and environmental sustainability.
- The report recommends an extensive program of change that includes five focus areas to build new capacity and capability. The approach supports gradual, iterative and adjustable implementation.
- The key recommendations aim to:
 - Bring forward radical improvements in service experience for residents.
 - Make it easier for employees to do their work and focus on high

- value activities, and
 - Optimize organizational resources in a fiscally challenging context.
- Appendix B provides a summary of recent operational efficiency, improvement and innovation projects in the areas of:
 1. Leveraging digital solutions to enable residents' easier access to information, self-serve options and improved opportunities to engage with the Region
 2. Adoption and utilization of business solutions that optimize business processes and workflows
 3. Technologies that improve employee collaboration, streamline processes for Councillor business, meetings and information flow
 4. Improved data integration, visualization and analytics for decision support
 5. New service delivery models that maximize existing staff capacity, curtail future costs to respond effectively to increasing service demands
 6. Focus on energy efficiency

5. Background

- At the June 4th Administration and Finance Committee meeting, the following direction was provided to staff with regards to development of the 2025 Plan and Budget: that Staff conduct a comprehensive review of the Region's administrative expenses, and what could be done differently operationally.
- Every year, efficiencies and cost savings are realized through a number of mechanisms, including: utilities and energy saving retrofits, reviewing and adjusting staffing levels and overtime requirements, training, conferences, meetings, mileage and travel, new user fees and revenue streams, office supplies and minor maintenance, consulting fees and purchased goods and services, and service level adjustments. Over the past five years, \$41.6 million in savings has been achieved.
- Several rigorous service reviews have been completed over the past few years, prompting significant changes. Appendix B provides a summary of recent operational efficiency, improvement and innovation projects. Some examples include:
 1. Leveraging digital solutions to enable residents' easier access to information, self-serve options and improved opportunities to engage with the Region:
 - Implementation of the Region's first Call Centre Chatbot and Interactive Virtual Agent (IVA), coupled with state-of-the-art digital queue technology increases the options for the 360,000+ annual calls from residents to interact with Regional services in the most convenient way while

- maximizing existing resources.
 - Implementation of web application software that manages and builds service-related on-line forms to improve resident experience. This solution has full logic capability, advanced reporting functionality, the ability to take payments and to assign workflow, reducing processing time.
2. Adoption and utilization of business solutions that optimize business processes and workflows:
 - Automated messaging to road maintenance staff during peak demand events, reducing time while improving the accuracy of callouts and optimizing scheduling.
 - Creating efficiencies across client referral processes, appointment booking and automation of Electronic Medical Record entries, replacing the need for time consuming manual transcription by Public Health Staff (133% reduction in staff time).
 3. Technologies that improve employee collaboration, streamline processes for Councillor business, meetings and information flow:
 - Implementation of full web conferencing solutions across the Region to facilitate digital collaboration, reducing employee travel-time and mileage expenses
 - e-Scribe implementation, a digital end-to-end Council meeting management solution, enabling electronic voting functionality for both in-person and remote council meetings and streamlined workflows for review, package assembly and distribution
 4. Improved data integration, visualization and analytics for decision support:
 - In-house development of an integrated Growing with Care performance dashboard, providing up to date status updates on the Region's key strategic initiatives and saving costs associated with off the shelf commercial software.
 - Continued implementation of the Region's Asset Management decision-support software to enable more efficient management of our most significant assets accurately, consistently and in a single system.
 5. New service delivery models that maximize existing staff capacity, curtail future costs to respond effectively to increasing service demands:
 - Optimizing Regional office space needs to reduce current and future administrative office footprint, reduce lease, facility maintenance and energy costs amounting to \$100

million over the next 20 years

- Multiple Paramedic Services innovations, such as Fit2Sit, Alternative Care Pathways that provide patients with the care they need, while reducing offload delays getting paramedics back on the road faster

6. Focus on energy efficiency:

- Corporate Energy Plan implementation of 210 energy conservations projects saving over \$2 million in utility costs and leveraging over \$8 million of new incentives and grants
 - Each of the above examples offer a snapshot of what's possible with continued investment in digital service transformation, innovation and business optimization activities.
- Investment in these programs is needed to save costs in the longer term for fiscal resilience and affordability for the taxpayer.

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: Nil

Public: Nil

7. Financial Implications:

Over the past five years (2020-2024) the Region has achieved approximately \$41.6 million in efficiency savings.

8. Conclusion / Next Steps:

The Strategic Planning and Budget Sub-committee may choose to develop recommendations regarding the content of this review to present to the Strategic Planning and Budget Committee in October 2024.

9. Attachments:

Appendix A: MBNCanada 2022 Cost Efficiency Related Performance Indicators

Appendix B: Summary of Regional Efficiency, Improvement and Innovation projects

Prepared By: Van Vilaysinh, Manager, Corporate Strategy and Strategic Initiatives

Christopher Wilson, Manager, Corporate Budgets

Reviewed By: Jennifer Smith, Director Corporate Strategy and Performance

Approved By: Connie MacDonald, Chief Communications and Strategy Officer

Appendix A: MBNCanada 2022 Cost Efficiency Related Performance Indicators

Program Area	2022 Analysis per HRC-ADM-23-001
Accounts Payable	<ul style="list-style-type: none"> The Region's cost per invoice processed was the lowest amongst all municipalities for 2022. The number of invoices processed by each accounts payable staff member was well above the median, ranking fourth highest. The Region was below the median of 71.15% in invoices paid within 30 days at 68.4% for 2022.
Council & Administrative Services	<ul style="list-style-type: none"> The number of formal Freedom of Information requests (MFIPPA) received per 100,000 population in 2022 was the third lowest amongst all municipalities. Staff interprets this result as positive due to the Region's transparent and inclusive communication policies and active and routine disclosure practices. The percent of formal freedom of information requests, extensions and 3rd party notices completed within legislated timelines was above the median in 2022.
Facilities	<ul style="list-style-type: none"> The Region's cost to maintain its municipal headquarters building on a per square-foot basis was the lowest among all municipalities. The Region reported the third lowest energy consumption (electricity and natural gas usage) for a headquarters building per square foot of all reporting municipalities.
Fleet	<ul style="list-style-type: none"> The operating cost per vehicle kilometre traveled is above the median for light vehicles and below the median for medium and heavy vehicles. The percent of unplanned maintenance work order hours has increased since 2020 and is above the median.
General Government	<ul style="list-style-type: none"> The Region's costs for General Government (including costs relating to governance and corporate management) as a percentage of total municipal costs is the lowest among upper-tier municipalities. General Government is comprised of Council, the Clerk's office, CAO's office, a portion of Finance, Human Resources and Citizen Service, Communications, and Facilities Services.
General Revenue	<ul style="list-style-type: none"> The percent of all revenues billed increased from 2021 and is above the median. The cost to process and collect each invoice has decreased from 2020 to 2022 and is below the median. The Region's percent of billed revenue that was written off has remained at 0.1% and is below the median.

Program Area	2022 Analysis per HRC-ADM-23-001
	<ul style="list-style-type: none"> The average collection period for invoices as measured in days has decreased from 2020 to 2022 and is below the median.
Human Resources and Citizen Service	<ul style="list-style-type: none"> The Region's Human Resources administration operating cost per T4 has increased from 2021 but remains below the median cost and is aligned to costs in 2020. The Region's overall permanent employee turnover rate has increased from 2020 to 2022 and is above the median.
Information Technology	<ul style="list-style-type: none"> When compared to the upper-tier municipalities, the Region is above the median with respect to the number of visits to the municipal website per capita despite declining since 2020 2021, which could be attributed to the decrease in COVID related website traffic. The average number of technology devices in use per municipal FTE remains above the median. The Region's cost for information technology services, which includes operating costs plus amortization but excludes annual capital investment related to IT assets, is well below the median value for 2022.
Legal	<ul style="list-style-type: none"> In-house legal operating costs relative to overall municipal operating and capital expenditures have decreased since 2020 and remains well below the median. The in-house legal operating costs per in-house lawyer has increased since 2020 but remains well below the median. The total external cost per total municipal legal costs has increased slightly in 2022, however, remains well below the median.
Payroll	<ul style="list-style-type: none"> The operating cost to process a payroll direct deposit or cheque remains below the median cost in 2022. The number of payroll direct deposits and cheques processed per Payroll FTE remains above the median.
Procurement	<ul style="list-style-type: none"> The Region's percentage of goods and services purchased through a procurement process decreased from 2020 to 2022 but remains above the median. The centralized purchasing operating cost per \$1,000 of goods and services purchased has increased since 2020 but is well below the median. The average number of bids received per bid call has decreased from 2020 and is well below the median.

Leveraging digital solutions to enable residents' easier access to information, self-serve options and improved opportunities to engage with the Region:			
Project Name	Project Description	Project Outcome	Time or \$ Savings?
Chatbot and Interactive Virtual Agent for resident service requests and interactions	Deploy a natural language chatbot that can be programmed to provide automated answers to commonly asked questions from residents online and without needing to call the Service First Contact Centre (SFCC), increasing options for service.	The SFCC receives 350,000 calls annually. The Region deployed a chatbot and Interactive Virtual Agent, coupled with state-of-the-art queue management technology and programmed responses for common questions in three high volume departments. In addition to saving staff time so they can respond to calls that need the most support, residents now enjoy enhanced accessibility and responsiveness, significantly reduced wait times and increased overall service satisfaction.	Time - reduced number of calls to SFCC that require human interaction.
Digital forms	Deploy an online form software solution to allow the Region to replace paper-based forms or fillable PDF forms with fillable online forms that have full logic capability, reporting, the ability to take payments and to assign actions internally.	The Region implemented FormBuilder, a tool that allows staff in business units to create, update and maintain their own web-based forms. New forms allowed for more guidance to those filling them out, validation of entries for more accurate data, and allowed us to retire other online payment solutions.	Cost - Eliminated the cost and maintenance effort of additional online payment solutions. Time - Reduced the processing time for submitted forms.

Deploy a new Development Application Tracking solution for community planning	Will replace a number of existing ad hoc point technology systems used to manage development applications with a single master solution to manage the end-to-end processes involved with development applications.	<p>Intended outcomes:</p> <ul style="list-style-type: none"> • Reduce average elapsed time to process applications by 25%. • Reduce time staff spend processing planning applications by 50% • Reduce planning status inquiries / contacts by applicant or agent to Planner by 50%. • Reduce paper storage costs by 20% and paper use / costs by 50%. • Increase customer/applicant satisfaction by 50%. • Move from 6 monthly status reporting to near real time. • Reduce number of delayed responses from application reviewers by 75%. 	Project is still underway and intended to save both time and costs .
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Adoption and utilization of business solutions that optimize business processes and workflows:			
Project Name	Project Description	Project Outcome	Time or \$ Savings?
Work shift management and scheduling improvements for road maintenance personnel	Building from existing bespoke software, create a system that can be used to send automated messages to road maintenance personnel to staff peak demand events (e.g.: plow drivers for winter storms)	We deployed a system that replaces manual telephone calls to staff with automated messages to fill shifts, reducing the amount of time and effort that activity takes, and improving the accuracy of the callouts.	Time - reduce effort required to staff road maintenance shifts
Ocean Add-On application for EMR used in Public Health (PH) -PS Suite	<p>Ocean implementation creates efficiencies across all aspects of client referral processes, appointment booking, and secure communications through:</p> <ul style="list-style-type: none"> • auto population of PH client charts from referral forms, replacing manual transcription by PH staff. • secure communication pathway with clients reducing postage costs and 	<ul style="list-style-type: none"> • 67% reduction in staff time taken to process referrals in one program • 75% reduction in mailing costs across two program programs (\$4000 per year) and 50% of staff time saved on preparing/printing mailing labels • Elimination of all staff time spent on appointment reminders (1600 appts @ 5 mins each=133 hrs) • 133% reduction in staff time (500 hrs down to 	Time and cost savings.

	<p>eliminating need for staff to individually provide appointment reminders.</p> <ul style="list-style-type: none"> Replacing multiple appointment booking systems with one system and supporting clients with online appointment scheduling, reducing reliance on phone-based support from PH staff. 	100 hrs per year) dedicated to manual entry of client screening information.	
Digitize the collection of staff shift availability at Sunnyside Home	Building from the existing bespoke software for a similar function in Paramedic Services, the Region created an online application where Sunnyside Home staff can submit their shift availability online instead of using a paper form.	The Sunnyside Home availability app takes in to account staff shift scheduling rules specific to the applicable collective bargaining units and allows staff to submit their availability online. Time to submit has been reduced for staff, and time to enter the information from paper forms has been reduced for scheduling staff. Reports on who has submitted make it easier to understand compliance.	Time - effort to submit and enter shift availability data.
MCAD solution	Approved in the 2024 budget and in the process of being implemented. Creates a digital interface from the CACC to the ambulance / paramedics to notify and assign them to a 911 call.	Reduction in dispatch radio air traffic and improves information flow and accuracy for 911 responses.	Time Savings during assignment of 911 responses.
Ministry of Health CAD5 solution	Digitally connects Cambridge CACC to ROWPS Electronic Patient Care Record system.	Result is more accurate time stamps, addresses, and other data fields as paramedics no longer have to manually enter the information into the EPCR.	Time savings for paramedics when completing documentation.
Implement DocuSign to enable digital signatures	Implement the DocuSign solution and transition Region processes that would have required a wet signature to use digital signatures.	Since implementing DocuSign, online document packages are automatically routed to multiple signatures to be electronically signed. Typical response times for getting documents signed has gone from weeks to days (or less). Previous costs of sending physical documents (courier) have been reduced.	Time - elapsed time to execute documents Cost - print and courier costs

Maximizing Creative Multimedia Services operating model	Realignment of creative and multimedia services and corporate services for printer and mail services.	The re-structuring of the MFD printer contract to Corporate Services is ongoing and has already resulted in increased staff capacity in other areas. The move also aligns with other complementary service provisions currently provided by ITS. The mail services component of this realignment is in progress. Once completed, this move will result in increased capacity for staff to focus on program specific outcomes.	Time- Resulted in freed up staff time, and increased capacity.
Automated digital solution to process Accounts Payable invoices	Deployed a software solution that will scan invoices the Region receives and automatically enter them into the Region's financial systems and route them for approval and payment.	The Oracle WebCentre solution allows the Region to more efficiently store, upload, and process approx. 60,000 invoices each year.	Time and cost - Reduced effort for AP clerks to process invoices and faster turnaround for invoice payment, reducing late fees.
Software license reclamation	Evaluated the usage of specific software products to see whether our license counts could be reduced by finding users that no longer require use of the software (i.e., left the Region, changed roles, etc.).	In the past 12 months, the license counts for three significant enterprise software tools has been reduced by 50%.	Cost - license costs of unused/underused licenses reduced.

Technologies that improve employee collaboration, streamline processes for Councillor business, meetings and information flow:

Project Name	Project Description	Project Outcome	Time or \$ Savings?
Web conferencing	Implemented the ability for Region staff to host online meetings with staff and external parties.	Using Microsoft Teams and Zoom, the Region has transformed our culture to embrace online meetings. In 2Q 2024, across the Region we hosted roughly 27K online meetings with totals of approximately 3.6M minutes of audio meetings, 3.2M minutes of video meetings with 2.3M minutes of screen sharing time. We also use Zoom to host frequent Region Town Hall meetings which replaced annual in person gatherings.	Time and cost - Reduced time and mileage benefits getting to and from meetings. Reduced planning effort and costs of large Region meetings.

eScribe implementation	Implemented a digital, end to end Council meeting management solution.	The eScribe system allows the Region to provide council packages in a consistent digital format, removing the requirement to create different packages. It also enables electronic voting functionality for both in-person and remote council meetings.	Time - reduced effort to create council packages.
Project Management Office - Centre of Excellence	The planned implementation of a Project Management Office Centre of Excellence (PM CoE) aims to establish a centralized unit within the organization dedicated to enhancing project management practices – driving consistency, providing governance, supporting and ensuring the successful delivery of projects across the organization, and fostering a culture of continuous improvement.	Once implemented, the PMO will ensure consistency across all capital projects, and provide standardized and streamlined project management templates, practices, and procedures. It aims to streamline project execution, reduce redundancies, and minimize work. It will provide clarity on roles and responsibilities, improve decision-making, improve budgeting, and promote a culture of learning and continuous improvement.	Time and cost -(TIME) uniformed procedures, streamlined workflows, consistent reporting, clear roles & responsibilities, reduced rework. (COST) optimized resource use, cost efficiency, early identification of risk, efficient budget management.

Improved data integration, visualization and analytics for decision support:			
Project Name	Project Description	Project Outcome	Time or \$ Savings?
New Growing with Care (i.e., ABP) monitoring and reporting system	Implementation of a new performance management process and dashboard to automate project updates and improve access to data and information, freeing up staff time. Includes in house development of a Growing with Care Dashboard and report submission process using existing software including Smartsheet and PowerBI.	Efficiencies and improvements made through the new Growing with Care monitoring and reporting system include: improved automation; clear reporting questions and expectations; pre-set reporting timelines; tracking of learnings and insights in addition to project status and progress; increased employee access to the dashboard to enhance strategy awareness and learning; streamlining of ABP, Equity Funding, and Truth and Reconciliation Calls to Action reporting into one form and process. Collectively these efficiencies and improvements reduce the amount of time employees spend reporting or revising their ABP reports.	Time- More streamlined reporting process with clearer guidelines and reduced duplication in reporting. Cost- Savings from cost avoidance for a project management and performance measurement tool for our growing with care strategy.

Implementing a centralized asset management system	Consolidated many distinct and disparate asset management systems in use across the Region into one single system, with accompanying common governance like policy and process.	The Region implemented Lucity, created the Asset Management Office team, and continues to manage our most significant assets accurately, consistently, and in a single system. The Region's 10-Year Capital Program is approaching \$7B; to fund growth-related projects and the maintenance and renewal of the Region's portfolio of existing infrastructure assets, valued at over \$10B.	Time and cost - cost and effort to run and support multiple solutions; maximize the usable life of assets and minimize the number of maintenance events through centralized management.
Paramedic Services (PSV) Operational and Data Analysis Dashboards	EHA Team from Public Health supporting PSV by creating Power BI Dashboards to analyze data to support operational planning and real time decision making.	Power BI Dashboards provide accessible data re: Offload delays, end of shift overtime, missed meal breaks, unit utilization, high utilization addresses etc. that allows PSV Command to make real time decisions and forward thinking changes to Response Time Performance Plan and deployment plans. Also allows for better planning to support those addresses that are high users of 911 services.	Saves time and better optimizes PSV resources to improve availability for 911 responses
Project Portfolio Management Software	Launch a Project and Portfolio Management (PPM) system that centralizes management of the work processes, data, and technologies used to plan, initiate, execute, prioritize, analyze, and close projects with a reflection of lessons learned. A PPM supports the full project lifecycle, is designed to address the needs of both project managers and stakeholders, and promotes continuous improvement.	The PPM Software will provide consistent KPIs and reporting tools, with timely and accurate reporting, reduction of manual and duplicate processes, improve accuracy and efficiency of data transfer between regional systems (Tams, Oracle Financials, Lucity, Docs, Etc.) It will automate the preparation of project documentation, transfer asset data electronically instead of manually, provide regular cash flow forecasts to finance, and create accurate resource management tools.	Time and cost -(Time) Eliminates manual input of data, centralized management of projects, efficient resource allocation, improved project planning, and enhanced collaboration. (Cost) optimized budget management, reduced project overlaps and duplications, enhanced risk management, improved invested decisions, and efficient project execution.

New service delivery models that maximize existing staff capacity, curtail future costs to respond effectively to increasing service demands:

Project Name	Project Description	Project Outcome	Time or \$ Savings?
Space Optimization	Reducing the amount of office space the Region owns/leases and maintains by supporting some Region employees to work remotely and by creating shared workspaces to maximize office density, thereby saving costs and time.	Successfully vacated a \$1M/year lease and avoided entering into new leases to house staff. By optimizing office space, we are postponing the need to purchase, lease or build new offices, saving millions of dollars. Ex., 2021 forecasting predicted that by 2024 we would require an additional 116,000 ² ft of office space, on top of keeping the lease at 235 King, costing \$3.5 million per year for the new space, and \$1.1 million annually for 235 King. An initial capital cost of \$19 million to renovate the leased space to suit our business functions would also have been required. Annual building operating costs (ex., janitorial services, security services etc.) is \$250,000 for leased spaces. For owned spaces it is approx. \$2.2 million annually (for a building like AHQ) including energy and utility costs, maintenance, security services, parking expenses, etc.	Time and cost - building leases and maintenance costs
Alternative Care Pathways for 911 Patients	<p>Paramedic Services (PSV) continues to prepare for the Alternate Destination program, which will enable paramedics who respond to 911 calls to bring eligible mental health and addictions patients to a community clinic instead of taking them to the Emergency Department</p> <p>As of December 1, 2023, Region of Waterloo Paramedics can treat patients on-scene for certain conditions. Paramedics who have received special treat and discharge training can use this new patient care model in appropriate situations when responding to seizures, hypoglycemia (low blood sugar) and tachydysrhythmia</p>	These programs support patients to get the right level and type of care they need, keeping lower-risk patients and patients who would be better served by other providers out of the hospital and allowing paramedics to return to the road to serve the next person.	Time- Helps paramedics to get on the road and to their next call quicker.

	(heartbeat rate of more than 100 beats per minute).		
Designated offload nursing program	In partnership with the region's three hospitals, Region of Waterloo Paramedics was awarded \$1,694,000 in provincial funding to continue to grow and implement the Designated Offload Nursing Programs. Designated offload nurses focus on the successful transfer of patients from paramedics to the hospital emergency departments. The program is intended to free up ambulances and paramedics to return to communities as soon as possible to provide more people with access to timely emergency care.	This one-time funding supported an increase of designated offload nurse coverage in each of the three regional hospital's emergency departments to 24 hours a day, seven days a week until March 31, 2024.	Time- Helps paramedics to get on the road and to their next call quicker.
Fit2Sit	A Fit2Sit program was implemented in partnership with local hospitals in fall 2023. Fit2Sit places eligible patients directly in emergency room waiting rooms after paramedics have determined their condition is stable enough that they can wait for hospital care without paramedic assistance. Once the patient has been designated as Fit2Sit, the paramedics can then return to the road for their next call.	As of February 2023, approx. 555 patients qualified for Fit2Sit since the program was implemented on September 15, 2023.	Time- Helps paramedics to get on the road and to their next call quicker.
Community paramedicine	The community paramedicine program assists people living with chronic illness or ongoing health needs, who may otherwise not have easy access to health care support. The program helps to address the health needs of residents in their homes, outside of the emergency system.	In 2023, we served 230 Community Paramedicine clients in their homes.	Time- Helps paramedics to get on the road and to their next call quicker.
Respiratory Outbreak Management in congregate settings	Integrated and operationalized additional provincial requirements, with respect to respiratory outbreak management responsibilities, into existing business operations without additional provincial	Implemented a complete review of outbreak response from intake to investigation, to reporting. Streamlined processes, integrated new respiratory outbreak response requirements with existing business processes	Time and Cost savings: Reduction of staff time required for each outbreak investigation.

	funding. These additional responsibilities resulted in the necessary re-prioritization of other mandated work. In July 2023 Public Health combined all existing and new respiratory and enteric outbreak management responsibilities for congregate settings within one division, creating efficiencies.	and data systems, and automated reporting to save approximately 3500 hours (the equivalent of approximately 2.0 FTE). While a risk-based approach and re-prioritization of all work is still required, these efficiencies have allowed Public Health staff to manage the increased responsibilities and ensure prioritization of high risk work within existing resources.	
New Waterloo Region Housing (WRH) rent framework for community partner spaces	To increase the long-term financial sustainability of new and existing WRH, Council approved a new rent framework for not-for-profit organizations using WRH community partner spaces to provide community programming.	This will increase WRH's financial sustainability through revenue generation while also improving tenants' quality of life through access to community and support services, and recreational and cultural programs.	Cost savings for WRH.
Integrated communications Model	Implementation of new integrated communications model (ongoing), eliminating duplication and enhancing service within existing resources (PDLS/CSD/PHE/REDI)	Integrating communications functions into a hybrid centralized model is allowing for increased capacity to better inform and engage with the community within existing resources.	Time and Cost: Increased output within same costs, cost avoidance through reduced need to hire/contract additional resources.

Focus on energy efficiency			
Project Name	Project Description	Project Outcome	Time or \$ Savings?
Corporate Energy Plan	Since 2019, the Region has implemented 210 energy conservation projects towards its goal of 350 projects by 2028 resulting in a number of cost savings.	<ul style="list-style-type: none"> o \$2.2 million in utility costs saved o leveraged over \$8 million of incentives and grants including CMHC funding o 11,500 MWh of electricity saved (equivalent of 1,280 homes) o 1,340,000 m3 of natural gas reduced (equivalent to 550 homes) o 3,700 tonnes of GHG emissions prevented (equivalent to 800 vehicles) 	Cost savings through reduced utility fees and the use of grants and incentives.

Region of Waterloo
Chief Administrative Officer
CAO

To: Strategic Planning and Budget Sub-committee
Meeting Date: September 11, 2024
Report Title: Summary of Base Budget Allocation to Legislatively Mandated Services

1. Recommendation

For Information.

2. Purpose / Issue:

To provide summary base budget information pertaining to the Region of Waterloo's legislated services.

3. Strategic Plan:

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

4. Report Highlights:

- The Region of Waterloo provides over 200 services to the Waterloo Region community.
- The Municipal Act stipulates the general powers and duties of all 444 municipalities in Ontario.
- The Act provides a framework for mandatory service delivery, while allowing flexibility for local priorities deemed necessary by individual municipalities. The Act clearly states the role of Council to determine which services a municipality provides.
- In addition to the Municipal Act, other governing legislation guides legislated service delivery at the Region of Waterloo. This legislation and regulation is complex, far reaching and includes (this is not an exhaustive list):
 - Housing Services Act
 - Ontario Works Act
 - Community Safety and Policing Act

- Child Care and Early Years Act
- Health Protection and Promotion Act
- Clean Water Act
- Safe Drinking Water Act
- Municipal Elections Act
- Planning Act
- Highway Traffic Act
- Provincial Offences Act, Ontario Courts of Justice Act, MOU btw ROW & Ministry of the Attorney General
- Ambulance Act
- Ontario Regulation 588/17 Asset Management Planning for Municipal Infrastructure
- Accessibility for Ontarians with Disabilities Act
- Workplace Safety and Insurance Act
- Human Rights Code
- Employment Standards Act
- Canada Labour Code (Airport)
- Environmental Protections Act
- Homemakers and Nurses Act
- Public Hospitals and Anatomy Act
- Emergency Civic and Protection Act
- Services provided by the Region of Waterloo reflect both legislated requirements and local priorities as determined by Regional Councils past and present. The decisions related to service provision typically are the result of extensive local engagement, legal counsel, area municipal dialogue and negotiation and data analytics.
- At A & F Committee on June 4, 2024 staff were directed to conduct an assessment of mandated Regional Services that were part of the base budget.
- In response to this Staff carried out the review to establish if a service was:
 - **Legislated/Mandatory:** The Region is required to deliver the service and service levels are set out in legislation/contracts with senior levels of government.
 - **Legislated/Mandatory with Service Level discretion:** The Region is required to deliver the service as set out in legislation/contracts with senior levels of government but there is discretion over service levels. Most services to the community will be in this category.
 - **Discretionary:** There is no legislated or contractual requirement for the Region to deliver the service.
 - **Program Support:** Administrative functions that support service delivery.
- Although this review is still in progress, some early approximations of service categories and their current base budget allocation are as follows:

- Overall, the Region allocated the majority of its operating budget expenditure to delivering legislated/mandatory services some of which have service level discretion. Total operating expenditure budget for 2024 is approximately \$904 million. Examples of legislated/mandated services include;
 - Children's Services (\$161M)
 - Water & Wastewater Services (\$151M)
 - Housing Services (\$142M)
 - Ontario Works Allowances & Benefits (\$91M)
 - Transportation (\$72M)
 - Paramedic Services (\$61M)
 - Waste Management (\$50M)
 - Seniors' Services (\$42M)
 - Employment & Income Support Admin (\$30M)
- The Region's operating budget expenditures for services identified as discretionary are approximately \$282 million. The majority of this figure represents Transit Services operating expenditure of approximately \$216 million. The second largest component of this figure is the Region of Waterloo International Airport accounting for approximately \$21 million.
- Program Support services are required to deliver legislated/mandated and discretionary services and they account for approximately \$63 million of the 2024 net operating budget expenditures, or 5%. They include (list not exhaustive):
 - Information Technology Services
 - Financial Management
 - Procurement
 - Human Resources & Citizen Service
 - Facility & Fleet Planning, Operations & Maintenance
 - Communications, Strategy and Engagement

5. Background

- At the June 4th Administration and Finance Committee meeting, the following direction was provided to staff with regards to development of the 2025 Plan and & Budget: That staff provide a review of all services currently baked into the base budget and provide information on what is legislatively mandated for the Region to provide.
- Staff undertook the review, building upon a previous service review undertaken by KPMG in 2019.
- The table below summarizes the departmental breakdown of service categories and their respective 2024 operating budget expenditure.

2024 Direct Regional Net Operating Budget Expenditure excluding Police Services (\$ millions)

Department	Discretionary	Legislated	Legislated with Service Level Discretion	Program Support
Community Services	\$21.9	\$339.2	\$126.6	\$0.4
Transportation Services	216.2	67.6	4.2	4.8
Engineering & Environmental Services	7.3	153.3	48.1	13.5
Planning, Development & Legislative Services	28.8	11.7	23.1	0.7
Public Health & Paramedic Services	5.5	105.5	1.1	-
Elected Offices	-	1.6	-	-
Office of The Chief Administrative Officer	2.5	-	1.5	2.2
Corporate Services	-	-	-	18.9
Human Resources & Citizen Service	-	4.0	1.8	8.8
Corporate Financial	-	15.0	-	14.0
Total Operating Expenditure	282.2	\$697.9	\$206.3	\$63.4

6. Communication and Engagement with Area Municipalities and the Public

Area Municipalities: Nil

Public: Nil

7. Financial Implications:

Nil

8. Conclusion / Next Steps:

Services provided by the Region of Waterloo reflect both legislated requirements and local priorities as determined by Regional Councils past and present. The decisions related to service provision typically are the result of extensive local engagement, legal counsel, area municipal dialogue and negotiation and data analytics. The Plan and Budget Sub Committee may choose to develop recommendations regarding the content

of this review to present to Plan and Budget Committee in October 2024.

9. Attachments:

Appendix A: Memorandum to the 2025 Plan and Budget Sub-committee

Presentation: Legislative framework for municipalities

Prepared By: Van Vilaysinh, Manager, Corporate Strategy and Strategic Initiatives

Christopher Wilson, Manager, Corporate Budgets

Reviewed By: Jennifer Smith, Director Corporate Strategy and Performance

Approved By: Connie MacDonald, Chief Communications and Strategy Officer



Region of Waterloo

Engineering & Environmental Services

Date: September 4, 2024

Memorandum

To: 2025 Plan and Budget Sub-committee

From: Jennifer Rose
Comissioner, Engineering & Environmental Services

Subject: Capital Program Decision Making Framework

The Region of Waterloo's Plan and Budget is how we support what matters most in the community. Within the Capital Budget, the Capital Program is an extensive program of work that helps the Region achieve what is set out in the Growing with Care Strategic Plan. The development and management of the Capital Program is the result of a coordinated process which considers a few key categories of strategic guiding documents.

When we consider what is required to provide essential services to residents, the Region's Strategic Plan guides where capital investments are made, based on the plan's strategic priorities areas – housing for all, climate aligned growth, equitable services and opportunities and resilient and future ready organization.

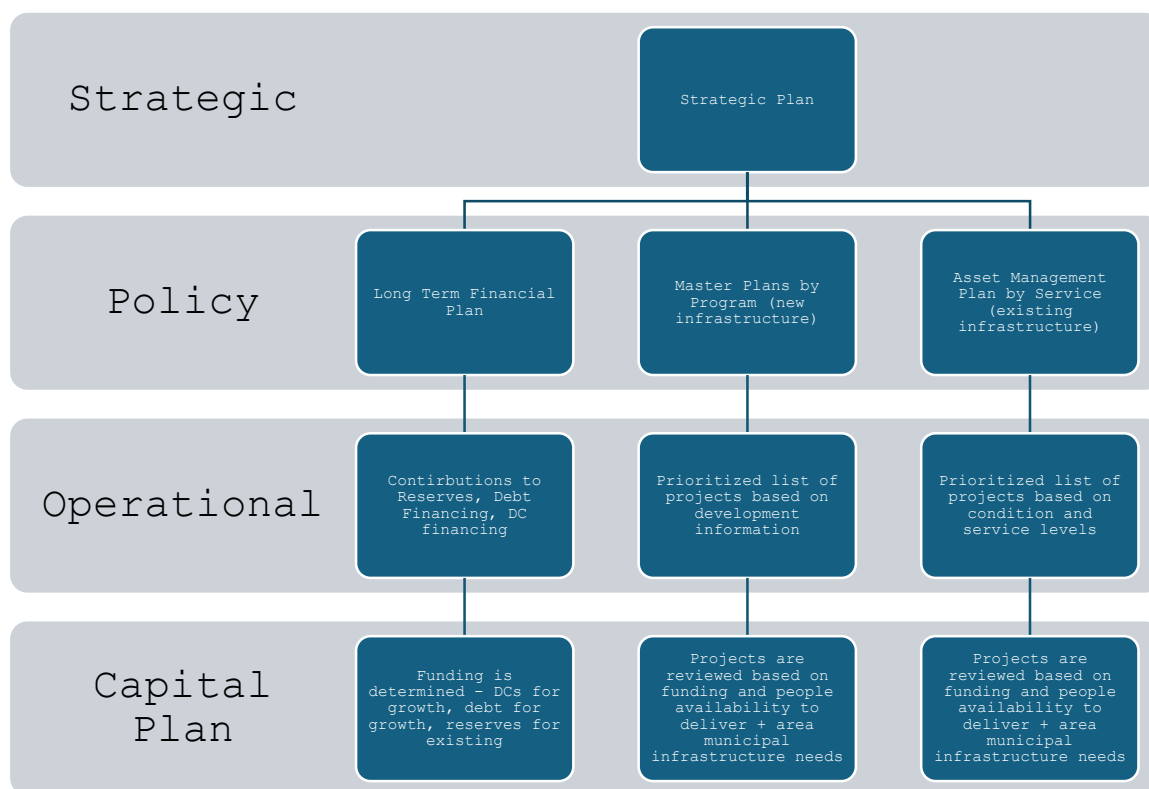
The Region's Asset Management Plan (AMP) supports the stewardship of the Region's portfolio of assets to ensure services can be delivered to residents safely and reliably and that the assets are managed in a way they provide greatest value for money and long-term financial sustainability. Specifically, the AMP identifies which assets will be needed in future to continue to deliver services, the activities needed to sustain the assets throughout their lifecycle at the best possible cost and the funds needed for these assets and maintenance activities.

Master Plans are Council-approved policy documents that outline the infrastructure and operational needs required to deliver specific services. They provide a detailed list of prioritized growth projects which align with the strategic plan and the AMP and that further Council's vision.

The projects are prioritized by program and service delivery. The current model does not have the capacity to compare prioritization of projects corporately.

These strategic guiding documents bring together growth and renewal projects that are then prioritized based on strategic priorities, development, condition of assets, coordination with Area Municipalities (i.e. aligning sanitary sewer work) and the capital budget (\$) available.

This diagram provides a high-level snapshot of the complexity of developing the capital program:



Future Plans

As the Region matures and grows to service 1,000,000 people in 2051, the projects have become increasingly complex. Ageing infrastructure, new regulations, intensification and coordination with area municipalities, plus the infrastructure funding gap means the Region must modernize our processes to ensure that our projects are delivered without extra cost, time or scope. To further this work, the Region is embarking on:

Asset Management Plan – the asset management plan is being further developed as we have more condition data to pinpoint infrastructure which needs to be repaired and replaced. The

plan will also target where we need more infrastructure asset maintenance to extend the life of the asset.

Project Management Office (PMO) – this will provide all project managers across the Region with standardized tools and templates, processes and policies to ensure full interest holder collaboration, sign off on scope and changes to scope, stage gates to evaluate the project as it moves through the project stages to ensure appropriate sign off of significant changes in scope, timing or cost.

PPM - Project software – this software will incorporate the policies, processes and templates from the PMO with integration from the Finance for easier project management and reporting.

Capital Prioritization with an equity component – The Region is working on a policy for Council to help staff prioritize project corporately, rather than in each program or service delivery area. This will help prioritize tax dollars to the most critical projects to advance the Region's strategic plan.