

**Region of Waterloo**  
**Chief Administrative Officer**  
**CAO**

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**To:** Strategic Planning and Budget Committee  
**Meeting Date:** December 11, 2024  
**Report Title:** Options to Achieve the 2025 Budget Guideline

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**1. Recommendation**

For information.

**2. Purpose / Issue:**

To provide information on the list of 2025 budget reduction options for Strategic Planning and Budget Committee’s final budget day deliberations and decisions on December 11, 2024.

**3. Strategic Plan:**

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

**4. Report Highlights:**

- Potential options to meet Council’s guideline of a less than 8 per-cent tax rate increase were provided to Strategic Planning and Budget Committee on October 16, 2024 (Closed Session).
- Further discussion at Strategic Planning and Budget Committee on November 27 included direction to publish the service reduction options.
- In total, the financial impact associated with the reduction options would amount to a 2025 net levy reduction of \$5.2 million which translates into a property tax impact of 1.0%. The annualized savings associated with these reduction options total \$7.8 million.
- This report provides a summary of the potential reduction options (summarized in Appendix A) for Committee’s final budget deliberations and decisions on December 11<sup>th</sup>.

## 5. Background:

- At the June 4th Administration and Finance Committee meeting, Council directed staff to return with a 2025 budget that has a less than an 8 per-cent tax rate increase, prioritizing potential funding reductions in areas that should be funded by higher levels of government.
- Potential options to achieve Council's 2025 budget guideline were provided to Strategic Planning and Budget Committee in closed session on October 16, 2024.
- To further support this discussion, Strategic Planning and Budget Committee directed staff to provide additional assessment of the reductions.
- Following Strategic Planning and Budget Committee discussion on November 27<sup>th</sup>, Committee directed staff to publish the reduction options.
- Options for reductions come with varying risks to the community and the essential services they rely upon.
- Internal and external factors were considered in the assessment, these included:
  - Risks related to the wellbeing of the community's most marginalized and vulnerable families and individuals, which could impact economic precarity and potentially put more pressure on housing, homelessness and other Regional and area municipal services.
  - The Region's ability to keep pace with the needs of a growing community. This includes changing service level demand and usage, addressing aging infrastructure, meeting targets, and legislative requirements.
  - Maintenance of relationships and partnerships with community groups, organizations and other levels of government.
  - Continued sustainability and responsiveness to provide essential services with a skilled workforce that meets current and future growth.
- Details of the twenty-two potential savings options totalling approximately \$5.2M with annualized savings of approximately \$7.8M which translates into a property tax impact of 1.0% are summarized in Appendix A. These reductions include:
  - Reduce mail-out of newsletters/information directly to residents
  - No longer offering the Wellbeats App, a staff health and wellbeing resource.
  - Recover Project Manager costs from the capital projects (Waste Management Division)
  - Recover Project Manager costs from capital projects (Facilities and Fleet Management Division)
  - Start charging rent for use of the Waterloo Region Emergency Services Training and Research Centre (WRESTRC) building
  - Start GRT summer service 1 week earlier for all transit routes (reduced service one week earlier)
  - Reduce GRT Route 26 number of trips by 50%

- Reduce GRT Route 55 frequency from 30 minutes to 60 minutes
- Reduction of \$100,000 in Minor Capital Equipment in Seniors' Services
- Delay the re-opening of Doon Village to 2026 (remain open for rental)
- Eliminate Region funding of downtown waste collection
- Remove bus stop garbage cans
- Reduce Children's Services core funding
- Adjust cost assumptions to utilities, contracted services, and facilities maintenance.
- Reduce GRT Route 9/30 frequency from 20 minutes to 30 minutes.
- Stop providing Adult Emergency Dental Services.
- Increase GRT Monthly Pass to \$104 (from \$100 proposed)
- Decrease funding by 30% to Counselling Collaborative agencies
- Stop providing Children and Youth Dental Services.
- Remove GRT Route 35
- Reduce Security Resources at encampments, supportive housing and shelters
- Decrease Discretionary Benefit (OW/ODSP) by 30%

## **6. Communication and Engagement with Area Municipalities and the Public**

### **Area Municipalities:**

Staff continue to work with their Area Municipal colleagues in identifying needs and priorities across Waterloo Region.

Area Municipalities have been notified in advance of any potential impacts that these options may have on them and were notified that the full list of proposed reductions will be publicly available before 4:30 p.m. on Friday, November 29

### **Public:**

The 2025 Plan and Budget process included a fulsome Community Engagement and Communications strategy to allow multiple opportunities for residents and partners to inform Council as it deliberates.

Public input sessions have been held on November 6, 27. To enable the public to provide further input on options to reach a less than 8 per cent tax levy increase, an additional session has been scheduled for December 3, as per direction from November 27, 2024 Strategic Planning and Budget Committee.

Community partners have been notified in advance of any potential impacts that these options may have on them and were notified that the full list of proposed reductions will be publicly available before 4:30 p.m. on Friday, November 29.

This report will be included on the Region of Waterloo's Plan and Budget 2025 Engage Page.

## **7. Financial Implications:**

- In total, the financial impact associated with the reduction options would amount to a 2025 net levy reduction of \$5.2 million which translates into a property tax impact of 1.0%. The annualized savings associated with these reduction options total \$7.8 million.

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

This summary of reduction options is to support Council as they make final deliberations and decisions on December 11.

## **9. Attachments:**

Appendix A: Summary of 2025 Plan and Budget Savings Options

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