

Region of Waterloo**Corporate Services****Corporate Finance**

To: Regional Council

Meeting Date: February 26, 2025

Report Title: 2025 Budget – Follow up to Final Adjustments to Address Council Approved Motion Regarding Budget Reductions.

1. Recommendation

That the Regional Municipality of Waterloo amends the 2025 operating budget as outlined in report COR-CFN-25-002, dated February 26, 2025.

2. Purpose / Issue:

On December 20, 2024 Regional Council approved the 2025 Operating Budget. As part of deliberations on this date, Regional Council approved a motion to reduce expenditures, with staff to report back on the reductions for approval.

Report COR-CFN-25-001, dated February 11, 2025, was prepared to meet this direction. All reductions with a levy impact outlined in report COR-CFN-25-001 were endorsed by the Administrative and Finance Committee, with the exception of a reduction relating to Encampment Security with net levy savings of \$349,766. This report outlines alternative reductions with net levy savings totalling \$349,766.

3. Strategic Plan:

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

4. Report Highlights:

- This report outlines 2025 budget reductions with net levy savings totalling \$349,766.

Reduction Items	Levy \$	Details on Reduction	Risk Assumed	Impact to 2026
Encampment Provincial One-Time Funding received in 2025	\$109,000	Province has provided one-time encampment remediation funding	None, service will not be impacted	Provincial funding is one time, so this will have a levy or service impact in 2026

Operational Savings (Deferral)	\$100,000	Upon further review of the hybrid shelter budget, we have identified an opportunity to reduce costs without impacting service levels.	None, service will not be impacted	Not sustainable as the shelter is expected to operate in 2026 per council direction
Paramedic Hiring Delay	\$50,000	Delay “relief” paramedic hire cohort from March 1, 2025 to April 1, 2025	Slight delay in onboarding times can impact employee experience as well as capacity to support Regional demands.	One time impact only, 2026 will include the full annualized cost
Travel Reductions	\$48,833	Impose a rule for 2025 stating no travel outside of Ontario, including for training purposes, except as regulatory required. Management will also recommend virtual first approach where practical.	Employee development and experience impacted.	Subject to review in 2026.
Communication Reductions	\$41,933	Complete a full review of e-sim usage/budget assumptions	Employee experience impacted.	Around half will be sustained in 2026.
Total	\$349,766			

5. Background:

On December 20, 2024 Regional Council approved the 2025 Operating Budget, with a net levy of \$831,778,942.

To meet this level of levy, staff proposed reductions through report COR-CFN-25-001, dated February 11, 2025. All reductions with a levy impact outlined in report COR-CFN-25-001 were endorsed by Administrative and Finance Committee with the exception of a reduction relating to Encampment Security with net levy savings of \$349,766.

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 2025 Plan and Budget. Input from the community included: IPSOS Resident survey, presented to Committee on October 30; Summary of engagement results (Report RSC-24-001, dated November 27); and three public input sessions (held on November 6, 27, and December 3).

7. Financial Implications:

The 2025 operating budget will be updated to reflect the changes outlined in this report and COR-CFN-25-001. The savings associated with these items are already reflected in the 2025 property tax levy of \$831,778,942 approved by Regional Council on December 20, 2024.

8. Conclusion / Next Steps:

To align with Council's direction for short-term tax levy relief, staff have identified these reductions. However, given ongoing community growth, sustaining these cuts over the medium and long term may be challenging.

In mid-2025, staff will conduct a thorough analysis of actuals, assessing trends in revenues, expenditures, and service demands. This in-depth review will help identify financial pressures, inform forecasting, and refine budget assumptions for 2026. By leveraging this data-driven approach, we will ensure the 2026 budget process is based on a clear understanding of our financial position and evolving service needs.

As part of the Q2 2025 reporting process, staff will conduct a thorough analysis of actuals, assessing trends in revenues, expenditures, and service demands. This in-depth review will help identify financial pressures, inform forecasting, and refine budget assumptions for 2026. By leveraging this data-driven approach, we will ensure the 2026 budget process is based on a clear understanding of our financial position and evolving service needs.

9. Attachments:

N/A.

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