

Goals for Today

1. Consider the Regional Assessment Growth Report
1. Receive a Plan and Budget Community Engagement Update
2. Consider Responses to Councillor Questions
3. Public Input Meeting # 2: Council Chambers


As a reminder today is an opportunity to deliberate and ask questions. Questions that require additional analysis may be brought to December 16 Strategic Planning and Budget Committee. No final decisions will be made today.

December 3: Supporting Materials

1. Report: 2025 Property Assessment Growth – COR-CFN-25-023
2. Report: Plan and Budget Community Engagement Summary - RSC-SPR-25-004
3. Report: Responses to Councillor Questions - COR-CFN-25-024

A link to the 2026 Preliminary Budget Book is available on the [Budget page of the Region's website](#)

Committee Meetings

Date and Time	Purpose
October 22, 2025 1:00 – 4:00 p.m.	Plan and Budget Overview – Setting the Stage
November 18, 2025 9:00 a.m. – 4:00 p.m.	Detailed Budget Review: Operating and Capital Review Day
November 19, 2025 9:00 a.m. – 4:00 p.m.	Grand River Conservation Authority Presentation Detailed Budget Review: Operating and Capital Review Day
November 26, 2025 1:00 – 4:00 p.m.	Police Budget Presentation
 December 3, 2025 9:00 a.m. – 5:00 p.m. (Dec 4 carry over)	Operating and Capital Review: Responses to Councillor Requests for Information and Additional Follow ups
December 16, 2025 9:00 a.m. – 5:00 p.m.	Final Budget Day: Operating Budget, Capital Program and User Fees and Charges



2026 Plan and Budget - Recap

Budget Guideline

(as approved by Administration and Finance Committee, May 6, 2025)

The Administration and Finance Committee recommends as follows:

WHEREAS residents and taxpayers across the region are facing significant financial pressures due to the rising cost of living, including housing, food, fuel, and other essential expenses;

AND WHEREAS affordability remains a top concern for many households and businesses within our community;

AND WHEREAS ongoing economic uncertainty, including the impact of tariffs and global market instability, continues to place additional strain on local businesses and consumers;

AND WHEREAS Regional Council has a responsibility to balance the delivery of essential services with fiscal prudence and affordability for taxpayers;

THEREFORE BE IT RESOLVED THAT Regional Council direct staff to prepare and present a draft 2026 budget for all regional services (i.e., excluding police), that limits the increase in the portion of the tax levy which is attributed to all regional services to no more than 5%, while maintaining vital services and seeking efficiencies wherever possible.

Meeting the 5% Guide – An Affordable Plan and Budget

Focus on
Affordability

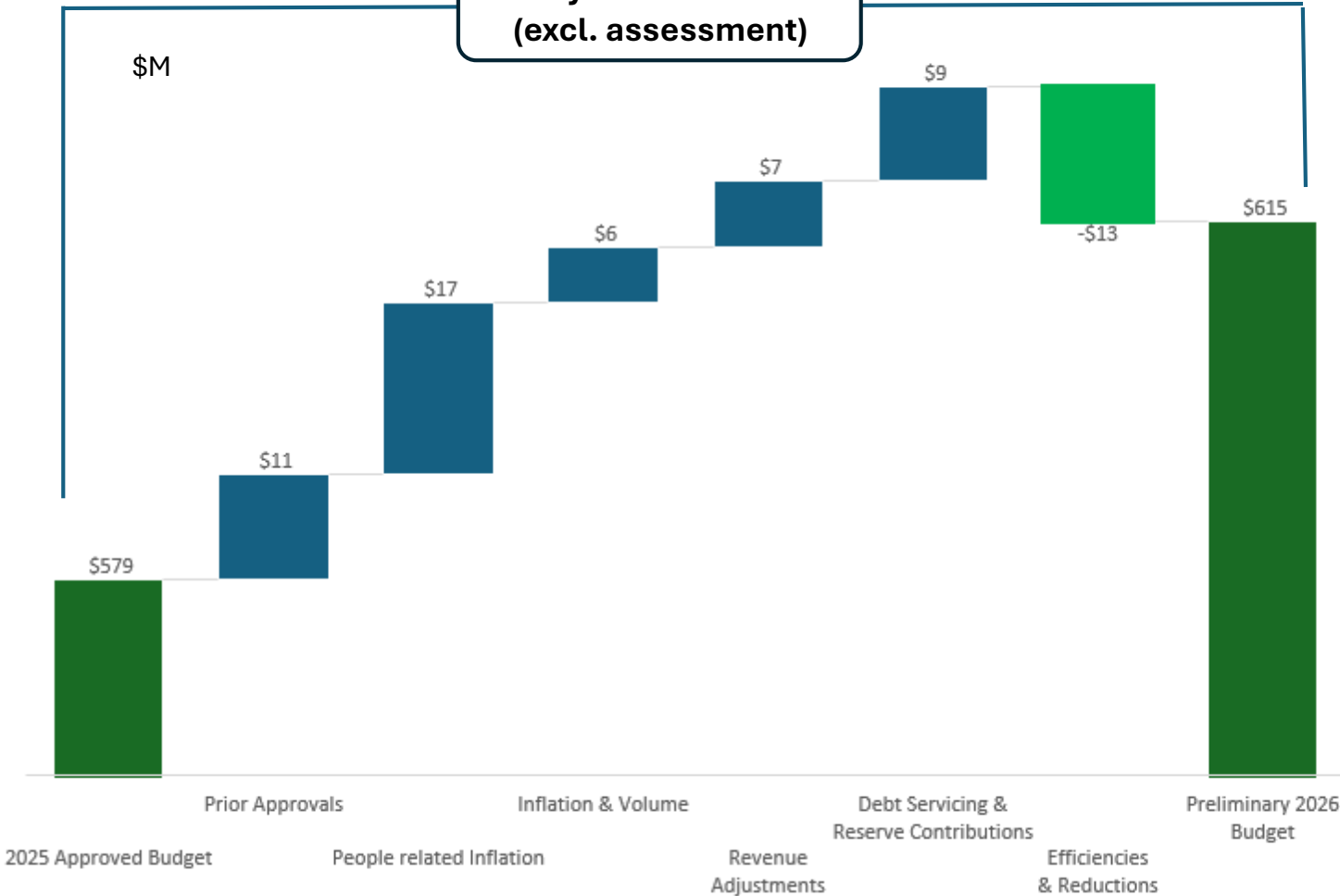
Maintains
Service
Quality

Tackles top
of mind
Challenges

Manages
costs, finds
efficiencies

2026 Preliminary Tax Supported Operating Budget

Levy Growth 6.15%
(excl. assessment)



Tax Levy Growth from 2025 to 2026 is driven by:

- Prior Approvals include annualization of 2025 approved budget expansions, waste collection contract, Doon village reopening, etc.
 - People related inflation includes cost of living adjustments and benefit contract price increase (no change in benefits provided)
 - Inflation aligned to either known contract pricing, or CPI/Construction price index as most appropriate. Volume would reflect alignment to actual experience (example: amount of fuel)
 - Revenue adjustment includes reduction for transit, POA and airport – aligned to current experience; slightly offset by minor fee increases across the region
 - Debt Servicing increase based on issued debt in 2025 and increasing capital reserve funding per pay as you go policy
 - Efficiencies relate to managements diligence in providing the most effective service. Adjustments fall into either rightsizing services to demand, doing more with less or optimizing financial levers.
- There are no service expansions proposed through the 2026 preliminary operating budget.

Proposed Water and Wastewater volumetric rate change

	2025 approved user rate increase	2025 Rate Model - projected 2026 user rate increase	2026 Rate Model – current 2026 user rate increase (change)
Water supply	4.9%	5.9%	5.9% (0.0%)
Wastewater treatment	5.9%	5.9%	5.9% (0.0%)
Water distribution	3.9%	3.9%	3.9% (0.0%)
Wastewater collection	3.9%	4.9%	4.9% (0.0%)

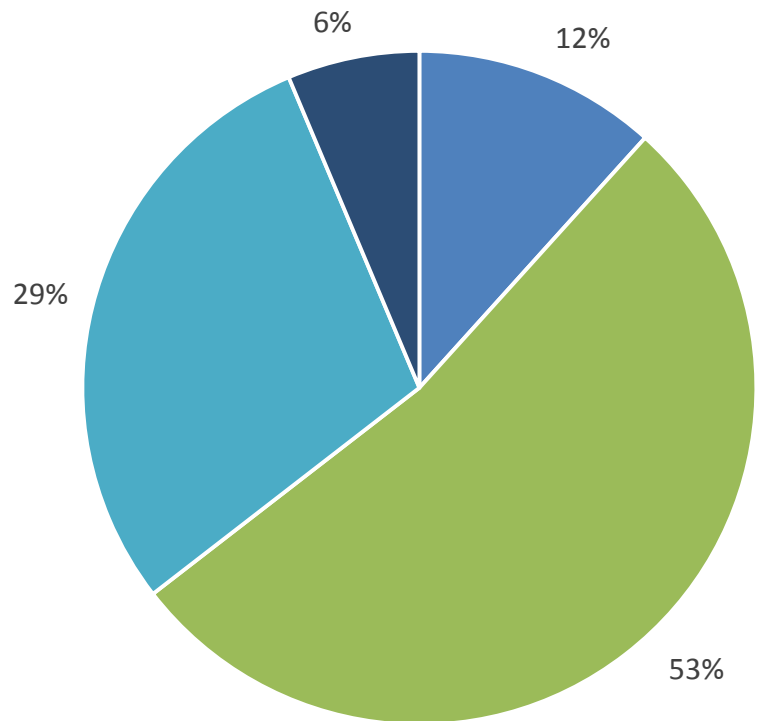
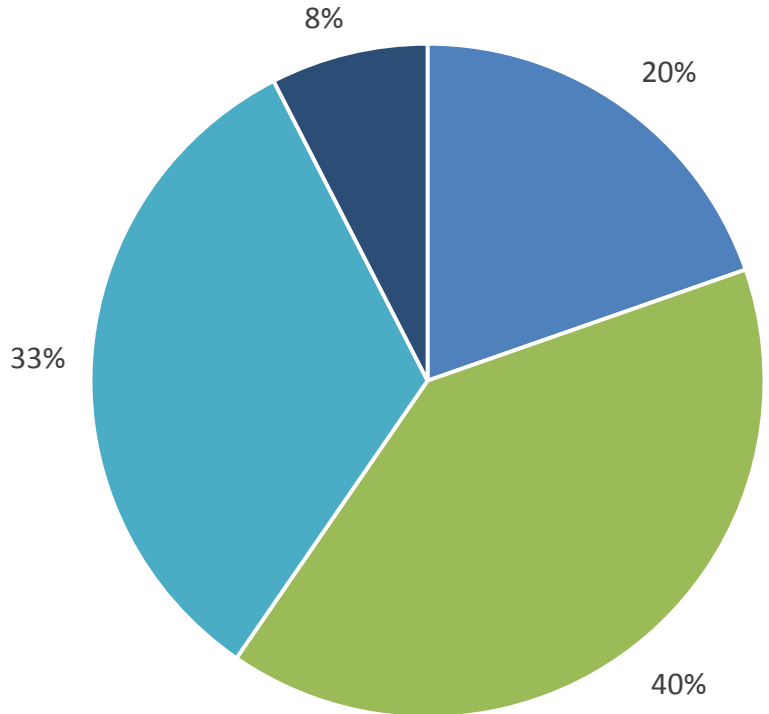


Preliminary Capital Plan Overview

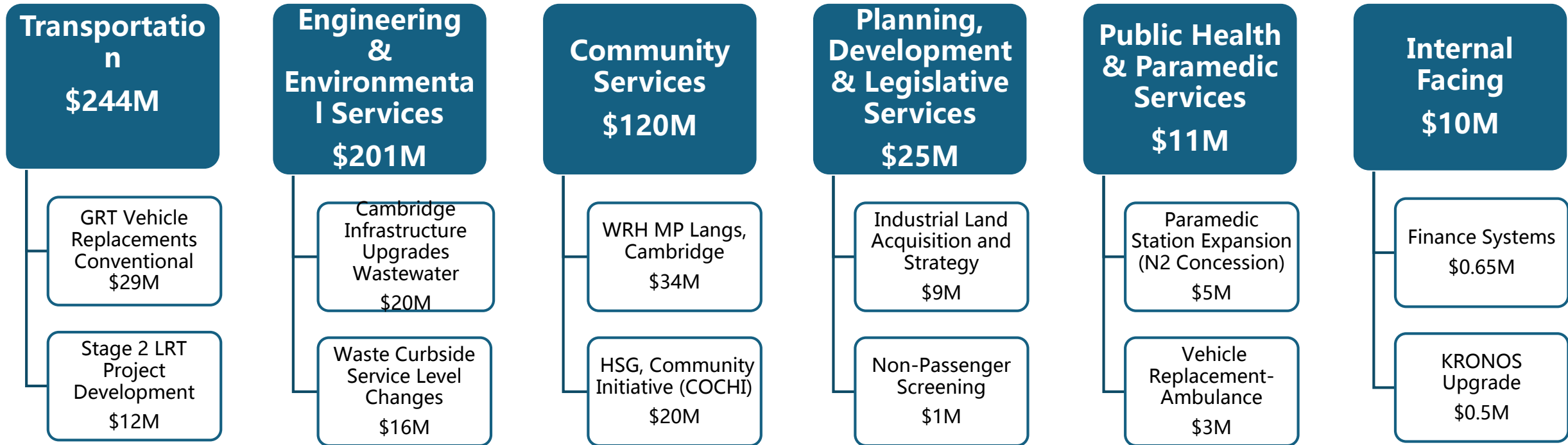
2026 Total Spend \$611 Million

2026-2035 Total Capital Spend \$7.4 Billion

- Community Services
- Transportation Services
- Engineering and Environmental Services
- Other



Top 2026 Projects by Department



Top Debt Funded Projects

Debt Financing Only (\$ thousands)	2026	2027	2028	2029	2030	2031 - 2035	2026 - 2035
WRH MP Mooregate, Kitchener	4,644	19,184	81,704	60,429	50,615	56,983	273,559
WRH MP Langs, Cambridge	33,694	7,000	-	-	-	-	40,694
GRT - Vehicle Additions Conventional	-	-	3,570	6,630	2,550	26,010	38,760
W/W Galt Process Upgrades & Expansion	300	13,000	15,000	2,000	2,000	3,700	36,000
Kitchener Central Transit Hub	874	6,208	16,045	7,175	4,402	-	34,703
East Side Lands Sanitary Servicing	-	1,500	2,500	7,000	6,000	17,000	34,000
Paramedic Station - 2033 Expansion Hub (Breslau)	-	-	-	5,000	7,000	21,000	33,000
Industrial Land Acquisition and Strategy	9,100	-	-	5,000	5,000	-	19,100
Waterloo Waste - New Cells Design & W/W Elmira Upgrades	1,050	3,935	3,000	7,000	3,000	-	17,985
	-	1,000	2,000	1,000	1,000	9,000	14,000
Total Top 10 RoW	49,662	51,827	123,819	101,234	81,567	133,693	541,801
Public Safety Communications Center	8,165	70,428	80,000	10,811	3,000	-	172,404
Training Facilities Expansion				6,500	32,500	32,500	71,500
FYI only: Top Police use of Debt	8,165	70,428	80,000	17,311	35,500	32,500	243,904
Table Total	57,827	122,255	203,819	118,545	117,067	166,193	785,706
% of total Debt	50%	70%	85%	80%	80%		

Community Engagement Update

Is it a Regional service? Test your knowledge!

YES

NO

MAYBE

A grid of 30 dots for marking answers, with some dots already filled in.

STRATEGIC PLAN growing with care

Did you know?

The Region
provides many of the services that you use everyday
is quickly growing to 1 million residents

The region is a two-tier government consisting of the
Region of Waterloo and seven area municipalities:

- Three cities: Cambridge, Kitchener, Waterloo
- Four townships: North Dumfries, Wellesley, Wilmet, and Woolwich

How are Regional services funded?

The Region of Waterloo's Plan and Budget is how we support what matters most to the community. The budget maintains the essential services residents rely on across Waterloo Region. **



Property Taxes **\$831.8 M**
Federal and Provincial Funding **\$485.9 M**
User Fees and User Rates **\$321.4 M**
Other **\$48.3 M**

A more complete transit system allows us to attract more housing

Our Engagement Approach

- Focus on building trust and relationships with community
- Growing understanding about the Region and its budget process, and how taxes are spent
- Offering opportunities for feedback and dialogue
- Qualitative feedback was collected through open ended online feedback and conversation and summarized into key themes
- In person focus, on-line opportunities



Region of Waterloo: 2026 Plan and Budget

The annual plan and budget process aligns resources to community priorities as expressed in all four priority areas of Council's strategic plan: Growing with Care.

+ Follow

Connected with 1000s of residents

- Community outreach at events across the Region e.g. KWMulticultural Festival, Cambridge Tri-Pride, Wellesley Community BBQ, North Dumfries Community Services Fair, Elmira Multicultural Fair, Kitchener and Cambridge Farmers Markets
- Interactive EngageWR page
- Presentations to advisory committees and community groups e.g. GRAAC, Youth Advisory Group, KW Accessibility
- Two Public Input Sessions (Council Chambers) and two Community Plan and Budget Consultation Sessions (Cambridge and Elmira)





What we heard

- Affordability and cost of living
- The need for efficiency and to focus on priorities
- Maintaining the essential services, and increasing in some cases
- Housing affordability, ensuring access to transit, the need for upstream efforts, waste collection, child-care, homelessness, anti-hate initiatives, climate response, cycling network

Resident Voices

I believe funding upstream supports to reduce crime is extremely important, and more cost-effective than continuously increasing budgets to respond to crimes after they have taken place.

I am willing to pay higher property taxes if it means better access to services and a lower carbon footprint.

Need better transit connectivity. Lots of seniors can't get out and need transit close to them.

I understand the demands on regional government are many. The taxpayers cannot keep sustaining the current rate of taxation. Something needs to change. Spending needs to be reduced.

Limited cycling network for recreation. It is disjointed and not well connected to parts and leisure.

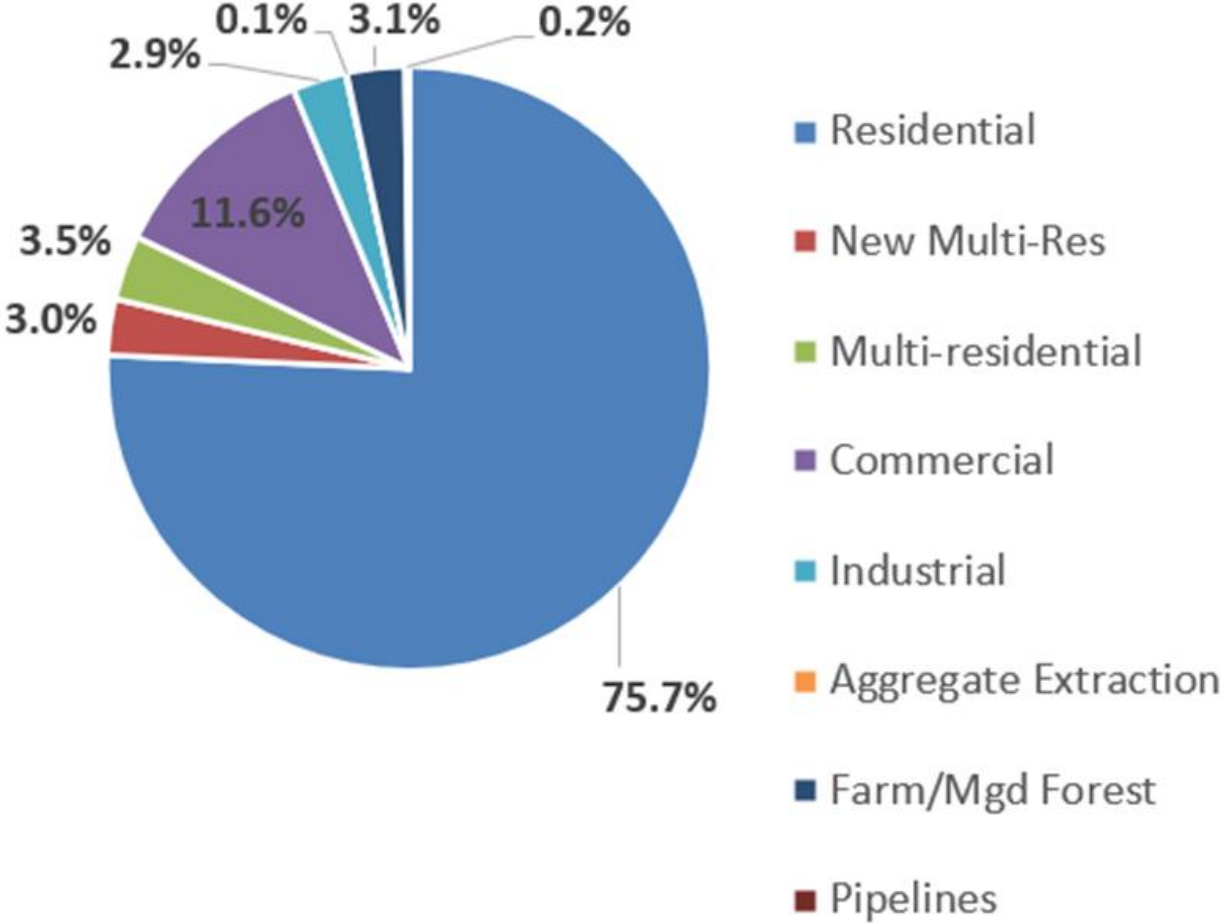


Assessment Growth

Changes to Assessment

Starting point	Assessment roll from the previous year (MPAC)
Plus	New properties added and improvements to existing properties (referred to as supplementary and omitted assessments)
Minus	Assessment reductions due to taxpayer Requests for Reconsideration, Assessment Review Board (ARB) appeal hearing results, demolitions, etc.
Plus/Minus	Class changes, legislative changes, changes in valuation methodology
Equals	Year end assessment (used to determine growth for the year)

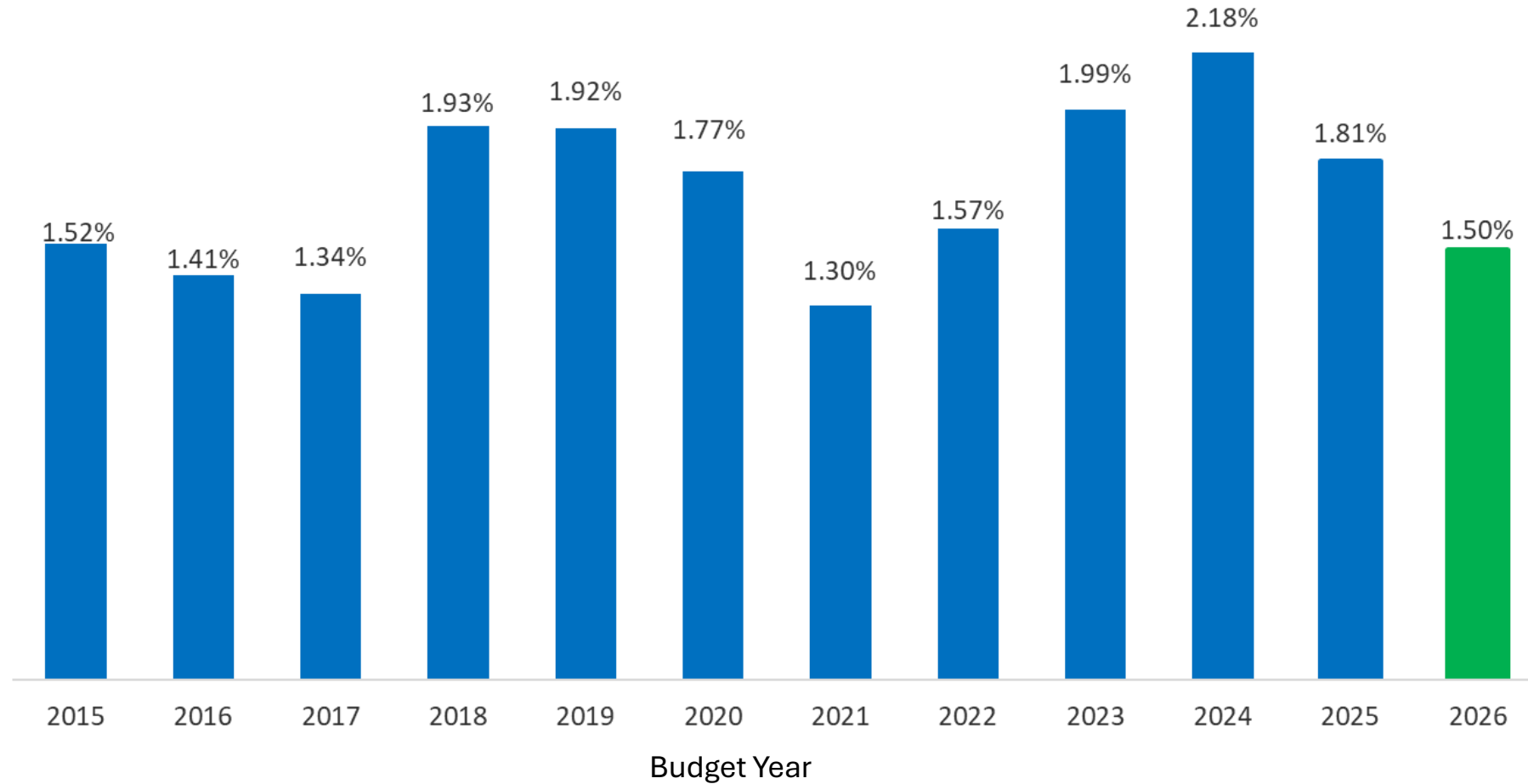
2025 Year End Unweighted Taxable Assessment Base



Regional Weighted Assessment (January 1, 2016 Values)

Class	2024 year end (for 2025)	% of	2025 Ratio	2025 year end (for 2026 Budget)	% of	% Change
Residential	70,105,783,594	66.2%	1.0000	70,882,991,627	66.0%	1.11%
New Multi-Res	2,634,555,700	2.5%	1.0000	2,809,830,200	2.6%	6.65%
Multi-residential	6,241,168,165	5.9%	1.9500	6,293,053,540	5.9%	0.83%
Commercial	20,626,554,853	19.5%	1.9500	21,115,236,777	19.7%	2.37%
Industrial	5,151,513,656	4.9%	1.9500	5,247,531,436	4.9%	1.86%
Aggregate	96,124,123	0.1%	1.5867	97,341,619	0.1%	1.27%
Farm/Mgd Forest	731,497,979	0.7%	0.2500	725,978,154	0.7%	-0.75%
Pipelines	234,271,372	0.2%	1.1613	236,253,711	0.2%	0.85%
Total	105,821,469,441			107,408,217,063		1.50%

Regional Assessment Growth



2026 Tax Supported Operating Budget Position

Regional Property Tax Levy

	Region	Police	Total
2025	\$579,310,641	\$252,468,301	\$831,778,942
2026	\$614,942,367	\$272,610,413	\$887,552,780
\$ change	\$35,631,726	\$20,142,112	\$55,773,838
% change	6.15%	7.98%	6.71%

Average Regional Taxes per \$100,000 Residential CVA

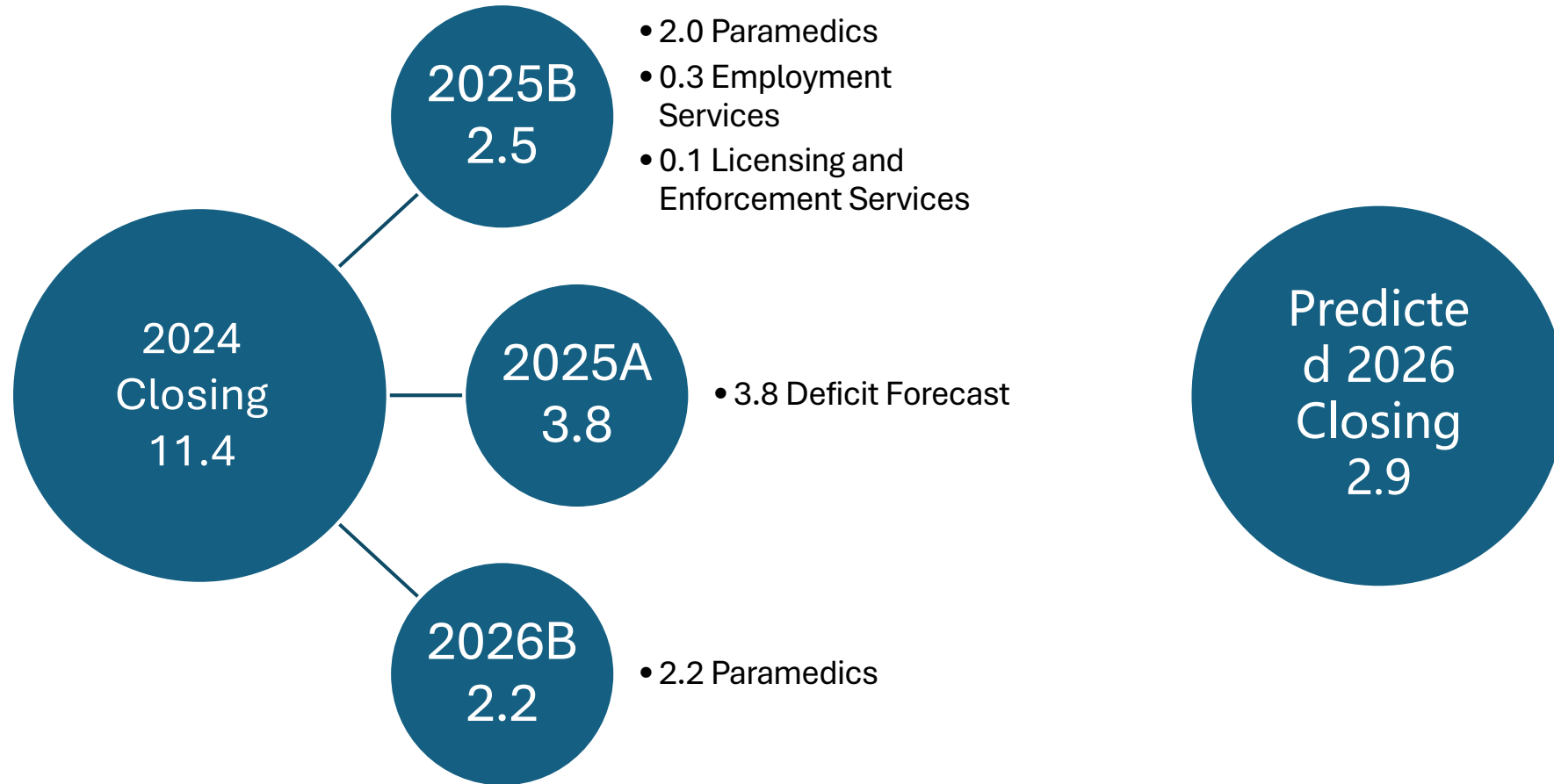
	Region	Police	Total
2025	\$547	\$239	\$786
2026	\$573	\$254	\$826
\$ change	\$25.09	\$15.23	\$40.32
% change in property taxes*	4.58%	6.38%	5.13%

The average residential property was valued at \$354,500 based on a valuation date of January 1, 2016

* Property tax impacts are net of assessment growth of 1.50%

Tax Stabilization Reserve

\$ Million



2026 Operating Budget – Ridesharing Revenue

	Current Fee	Proposed Fee	Increase / (Decrease)
Vehicle/Owner and Driver License Fee *paid quarterly for each Taxi service/trip	\$0.11 per trip	\$0.25 per trip	\$0.14 per trip

	Number of Trips	Budgeted Revenue (@ \$0.25 per trip)
2026 Preliminary Budget	3,619,550	\$905,000
Revised estimate based on updated 2025 trip data	4,960,000	\$1,240,000
Proposed Budget Amendment	1,340,450	\$335,000 (0.06% tax impact)

Staff Recommendation: Proposed 2026 Operating Budget Amendments

- Preliminary operating budget assumed assessment growth of 1.15%. With growth of 1.50%, **\$2,125,000** can be added to the 2026 operating budget while maintaining a tax impact of 4.94%.
- Preliminary operating budget assumed 3.62 million ridesharing trips. Based on updated estimates and 2025 projections this can be increased to 4.96 million tips generating **\$335,000** in additional revenue.
- Staff recommend that the additional budget capacity resulting from higher assessment growth and increased ridesharing trips, amounting to **\$2,460,000** be offset by a contribution to the Tax Stabilization Reserve.

Recommendation:

That the Regional Municipality of Waterloo direct staff to amend the Region of Waterloo's 2026 operating budget to increase ridesharing fee revenues by \$335,000 as a result of higher estimated trips;

And that the Region of Waterloo's 2026 operating budget be amended to include a contribution to the Tax Stabilization Reserve in the amount of \$2,460,000, as dated December 3, 2025.



Assessment Growth Questions



Responses to Councillor Questions

Next Meeting: December 16

1. Final Budget Day:
 - Operating Budget,
 - Capital Program
 - User Fees and Charges
2. Councillor Motions

