



# Plan and Budget 2025

# Today's Purpose

To review:

- Guidance provided to staff in development of the 2025 Plan and Budget
- Strategic Plan and Budget Sub-Committee purpose
- Timelines and agenda topics

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

At the June 4<sup>th</sup> 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

## Members:

The sub-committee will be made up of Chair Redman, and Councillors Harris, Foxtan, Salonen, Huinink and Craig

## Meetings and Outcomes:

- In order to be accountable and transparent to the public, all of the meetings will be open to the public, unless there is a need to go into a closed session as provided for in the Municipal Act.
- All of the meetings will be held in Room 508 at 99 Regina St. rather than Council Chambers as this location is better suited to round table discussion and dialogue. This means that the meeting attendance will only be offered in person, with no virtual option or webcast. Councillors that are not members of the sub-committee are welcome to attend as observers.
- The sub-committee will not be making decisions or recommendations on the budget; any opportunities to change service levels or service delivery models to reduce budget impacts will be brought back to the full Strategic Plan and Budget Committee for consideration and approval.

# Strategic Plan and Budget Sub-Committee

That the Regional Municipality of Waterloo establishes a sub-committee for the purposes of working with staff to review:

- potential funding reductions in areas that should be funded by higher levels of government;
- funding provided by the Region to external organizations;
- services currently baked into the base budget and services that are legislatively mandated for the region to provide;
- areas of overlap between regional and area municipalities services; and
- the Region's administrative expenses.

And that this sub-committee be directed to conduct this review prior to the first meeting of the Strategic Planning and Budget Committee for the 2025 budget.

And that this sub-committee consist of members of council who have volunteered with the understanding that there may be size restrictions as set out by the Committee Chair.

# 2025 Plan and Budget Approach



## Annual Business Planning

1. Review Growing with Care objectives and need
2. Clarify existing service levels and initiatives
3. Review service levels, strategic initiatives and capital projects
  - Service maintenance
  - Essential enhancements
  - Reduction options to meet target guide



1

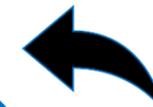
Use Growing with Care & principles to identify priorities

2

Present Service Level Adjustment options

3

<8% Tax Increase



## Council Directed Reviews

1. Administrative Costs
2. Legislated Services
3. External Funding to Organizations
  - Alignment with Growing with Care
  - Overlap with area municipalities

# 2025 Plan & Budget Principles

1. **Makes significant measurable, impactful difference** to Growing with Care outcomes and objectives.
2. **Mitigates significant risk** that the community or the organization currently faces.
3. **Maintains the course**, investing first in existing essential service delivery and commitments that support the bold agenda Council have already set.
4. **Meets prescribed legislated** standards or requirements (accreditation, compliance, or legal).
5. **Moves forward time critical items** - service level changes, strategic initiatives, capital projects that must be done immediately, meaning they cannot wait a year or more.
6. **Makes fiscal sense**, is financially viable, appropriately funded by other levels of government, with an approved business case or equivalent analysis that shows it is affordable for taxpayers today and over the longer term.

# 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"> <li>• Services in the base budget and information on what is legislatively mandated for the Region to provide.</li> <li>• The Region's administrative expenses, and what could be done differently operationally including an overview changes underway and benchmarking results.</li> </ul>
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"> <li>• Potential service adjustment options</li> <li>• Review of service expansion requests being proposed for 2025</li> </ul>

# Strategic Plan and Budget Sub-Committee – August 28

## Agenda: Review of funding to external organizations

- 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 also report back on areas of overlap between regional and area municipalities services

## Approach and methodology:

- Conduct internal inventory of funding provided to external organizations and respective funding stream/grant program
- Assess each funding program using 2025 Plan and Budget Tool, to assess alignment with Growing with Care Strategy and support prioritization
- Identify areas of overlap in funding via Area Municipalities

# Strategic Plan and Budget Sub-Committee – September 11

## Agenda: Review of legislated services and Review of Administrative Expenses

- 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 conduct a comprehensive review of the Region's administrative expenses, and what could be done differently operationally

## Approach and methodology:

- **Assessment of legislatively mandated services:**
  - Using the 2019 KPMG Service review as a baseline, Directors will assess the legislated status of each of their primary and sub-services
  - Legal services will provide additional validation of legislated service requirements as required
  - Conduct benchmarking as available to compare investments and service levels against comparable municipalities in MBN Canada Benchmarking Program
- **Administrative Expenses:**
  - Conduct benchmarking of administrative expenses using MBN Canada Benchmarking data of comparable municipalities, and other relevant sources
  - Initial assessment of efficacy of current internal efficiency initiatives e.g. Service Transformation Initiatives, including immediate and longer-term projected outcomes and cost savings
  - Identify potential areas of opportunity for further transformation and exploration to optimize operations

# Strategic Plan and Budget Sub-Committee – October 2

## Agenda: Potential budget reductions and service expansion options

- 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

## Approach and methodology:

- Summarize outcomes of plan and budget sub-committee meetings
- Present scenarios resulting in a tax rate increase lower than 8%

# Discussion / Questions

