Regional Municipality of Waterloo

Committee of the Whole (2022 Plan and Budget Development)

* Addendum Agenda

Wednesday, December 8, 2021
3:00 p.m.

This meeting will be held electronically
150 Frederick Street, 2nd Floor, Kitchener

1. Roll Call

2. Land Acknowledgement

3. Declarations of Pecuniary Interest Under the “Municipal Conflict of Interest Act”

4. Opening Remarks (H. Jowett)

5. 2022 Plan and Budget: 2022 Tax Supported Operating and 2022-2031 Capital Program Review (Presentations by various Regional staff)  

6. TES-DCS-21-30, River Road Extension Timing and Budget (Information)  


   Recommendation:

   That the preliminary 2022-2031 Tax Supported Capital Plan, as originally tabled at Budget Committee on November 1, 2021, be amended as set out in report COR-CFN-21-49 dated December 8, 2021.

8. COR-CFN-21-50, Assessment Growth (Information)  

Should you require an alternative format please contact the Regional Clerk at  
Tel.: 519-575-4400, TTY: 519-575-4605, or regionalclerk@regionofwaterloo.ca  
3883437
9. **CAO-21-09**, Equity and Reconciliation Investment and Initiative Update (Information) 

   Page 32

10. **PDL-CUL-21-06**, Discretionary Grants to Organizations (Deferred from Budget Committee on November 24, 2021) 

   Page 38

   **Recommendation:**

   That the Regional Municipality of Waterloo take the following actions with respect to discretionary grant funding to organizations as outlined in report PDL-CUL-21-06 dated November 24, 2021:

   a) Direct staff to develop a grant policy and program that will:

   - guide the administration of grants through all stages of the grant administration life cycle;
   - establish a clear definition of a grant that will enable consistent and effective grant administration practices; and
   - incorporate an open call for eligible applications, updated decision-making criteria and processes and revised accountability measures that align with the grant policy;

   b) Approve the approach to discretionary grant funding in the 2022 Operating Budget as set out in Appendix A to reflect:

   - Discontinuing grant funding that does not fit into a formally-approved grant stream;
   - Discontinuing grant streams that no longer have the desired impact in the community; and
   - Use of strategic investment funds and reserves to ensure a more targeted and desired outcomes from grants.


   Page 44

   **Recommendation:**

   That the preliminary 2022 Housing Services operating budget be increased by $4.0 million with funding from federal and provincial grants ($0 net tax levy impact) to reflect continued 24-hour care in the Region’s emergency shelter system after March 31, 2022 as set out in report COR-CFN-21-51 dated December 8, 2021.

12. **Next Meetings:**

   - Wednesday, December 8, 2021, 6:00 p.m. – Public Input Meeting #3
   - Wednesday, December 15, 2021, 3:30 p.m. – Final Budget Day

13. **Adjourn**

38834372
2022 Plan and Budget Principles

- Build on 2021 approach
- Strategic plan guides everything we do
- Invest in critical elements of organizational success
  - Employee wellbeing (not burning staff out)
  - Innovation (AI, technology to support innovative service delivery)
  - Organizational development to support staff through change
- Consolidate support services across the organization to focus more funding on priority services
- Avoid service reductions, but adjust service as needed to meet changes in usage and demand
- Be mindful of how our tax rates, and user rates/fees/charges impacts residents and businesses
- Invest in solutions that lead to greater efficiencies to free up staff time for service delivery and responsiveness to the public
- Continue to build up funding for capital infrastructure – long term financial sustainability
- Avoid approaches that will make 2023 and 2024 budgets more difficult
- Collective accountability – CLT and SLT together
- Use an integrated, inter-divisional lens
2022 Plan and Budget: *Building More Equitable Futures*

- Accelerating Affordable Housing to address the housing & homelessness crisis
- Investing in improving the Social and Economic Health and Wellbeing of Black, Indigenous, and Racialized Communities
- Building capacity for Climate Action – including expanding active transportation
- Expanding access to emergency medical services
- More opportunities for residents - business supports/economic growth
- Delivering on the Region’s commitment to Reconciliation
- Better service for all through modernizing public services to improve the resident experience
- Maintaining service levels for critical regional services

2022 Budget
Status of Preliminary 2022 Tax Supported Operating Budget

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>2021</th>
<th>2022 *</th>
<th>$ Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Expenditure</td>
<td>$868.9</td>
<td>$884.0</td>
<td>$15.1</td>
<td>1.7%</td>
</tr>
<tr>
<td>Grants, subsidies and non-tax revenue</td>
<td>$473.5</td>
<td>$464.5</td>
<td>($9.0)</td>
<td>(1.9%)</td>
</tr>
<tr>
<td>Property Tax Levy</td>
<td>$395.4</td>
<td>$419.5</td>
<td>$24.1</td>
<td>6.1%</td>
</tr>
</tbody>
</table>

(Excludes Waterloo Regional Police Services)

* Amended per CSD-CSC-21-02 to provide up to $250,000 in annual funding to Wellbeing Waterloo Region for a period of two years for implementation of the CARE model throughout the Region, funded from the Tax Stabilization Reserve.

Status of Preliminary 2022 Tax Supported Operating Budget

Direct Regional Services + Affordable Housing Levy = Total Direct Regional 2022 Impact

- **Direct Regional Services**
  - Tax Rate Impact = 2.0%
  - Impact per avg household = $42

- **Affordable Housing Levy**
  - Tax Rate Impact = 1.0%
  - Impact per avg household = $21

- **Total Direct Regional 2022 Impact**
  - Tax Rate Impact = 3.0%
  - Impact per avg household = $63

CVA (January 1, 2016 value) for an average household is $354,000
Status of Preliminary 2022 Tax Supported Operating Budget

Direct Regional Services
- Tax Rate Impact = 3.0%
- Impact per avg household = $63

Draft Waterloo Regional Police Service Nov 29th (Under Review)
- Tax Rate Impact = 1.6%
- Impact per avg household = $34

Total 2022 Impact
- Rate Tax Impact = 4.6%
- Impact per avg household = $97

CVA (January 1, 2016 value) for an average household is $354,000

Investments to achieve a World Class Community

Housing & Homelessness
- 2022 budget in excess of $152M
  - Adding 2,500 units over 2021-2025
  - 2022 operating expenditure increased by $12.8M for additional rent supplement, WRH maintenance, non-profit/co-op subsidies, emergency shelter, and housing stability programs
  - Waterloo Region Housing master plan investment = $336M in ten year capital program

Public Transit
- 2022 operating budget = $191M
  - Opening of the GRT bus storage and maintenance facility on Northfield Dr.
  - Adding 54,200 service hours for restoration of service to Colleges and Universities in Fall 2021 and for additional service into Cambridge at an incremental cost of $4.3M
  - Total of 881,000 service hours for 2022 which is 96% of service hours implemented in 2020
  - Revenue budgeted at 80% of 2019 levels

Paramedic Services
- 2022 operating budget = $49M
  - Adding two 12 hour shifts and 11.3 FTEs
  - Adding 12.5 temporary FTEs for community paramedicine

Return to top
Investments to achieve a World Class Community

**Climate Action**
- $1.7 million in capital and $853,000 in operating funding
  - undertake transformational change and integrate action on climate into our services
  - Addition of 7 FTEs to provide strategic organizational capacity

**Investing in Equity, Diversity and Inclusion**
- $10M investment in 2022 builds on $5M 2021 investment
  - Initiatives targeting improved outcomes for reconciliation, mental health & health equity, child care, housing & homelessness, arts, culture and connection, systemic change in government

**Airport**
- 2022 operating budget = $14.1M; property tax levy = $1.8M
  - 2022 Cost per household is approximately $6
  - passenger volumes estimated at 782,000 for 2022
  - terminal expansion investment = $40M to be completed in early 2022

**Automation and Artificial Intelligence**
- $2M investment in 2022 builds on $1M in 2021 investment
  - Addition of 8 FTEs to accelerate automation and improve network security
  - Projects include improvements in data quality/management to support automation, contact centre chat bot including intelligent voice automation, internal chat bot, automated workflows, and resource scheduling and work orders

Efficiencies and Reductions

<table>
<thead>
<tr>
<th>Efficiencies and cost savings without impacting service levels:</th>
<th>Energy saving retrofits</th>
<th>Reviewing and adjusting staffing levels and overtime requirements</th>
<th>Training, conferences, meetings, mileage and travel</th>
<th>New user fee revenues</th>
<th>Office supplies and minor maintenance</th>
<th>Consulting fees and purchased services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Budget Reductions ($millions)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2.6</td>
<td>1.7</td>
<td>1.1</td>
<td>1.6</td>
<td>11.2</td>
<td>18.2</td>
</tr>
<tr>
<td>2018</td>
<td>1.7</td>
<td>1.1</td>
<td>1.6</td>
<td>11.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1.1</td>
<td></td>
<td>1.7</td>
<td>2.1</td>
<td></td>
<td>6.1</td>
</tr>
<tr>
<td>2020</td>
<td>1.1</td>
<td></td>
<td>1.7</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>1.6</td>
<td></td>
<td>2.1</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Total</td>
<td>3.4</td>
<td>2.1</td>
<td>2.2</td>
<td>3.3</td>
<td>13.3*</td>
<td>24.3</td>
</tr>
</tbody>
</table>

*Additionally, a number of outcomes relating to the KPMG Service Review were implemented in 2020/21 that achieved savings in the 2021 budget of approximately $2.1 million.
2022 Plan & Budget: Efficiencies & Savings

Efficiencies and cost savings:

<table>
<thead>
<tr>
<th>Meetings, Mileage, Conferences, Training</th>
<th>Consulting Fees and Purchased Goods &amp; Services</th>
<th>Reviewing &amp; Adjusting Staffing Levels &amp; Overtime Requirements</th>
<th>Utilities &amp; Energy Saving Retrofits</th>
<th>New User Fees &amp; Revenue Streams</th>
<th>Other Efficiencies &amp; Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.2M</td>
<td>$1.6M</td>
<td>$1.9M</td>
<td>$0.6M</td>
<td>$0.3M</td>
<td>$2.0M</td>
</tr>
</tbody>
</table>

Service level adjustments:

<table>
<thead>
<tr>
<th>KPMG Service Review</th>
<th>Multi Residential Waste Management Rebate</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1.3M</td>
<td>$1.9M</td>
</tr>
</tbody>
</table>

Budget updates
### 2022 Plan and Budget: Transportation Expansion Capital Program

#### Significant Projects in the First 5 Years of Program ($000's)

<table>
<thead>
<tr>
<th>Project Description</th>
<th>2022-2031 Capital</th>
<th>Lane Kms</th>
<th>Estimated Operating/Lifecycle</th>
</tr>
</thead>
<tbody>
<tr>
<td>River Road Extension, King St. to Manitou Dr.</td>
<td>$55,773</td>
<td>16.68</td>
<td>593</td>
</tr>
<tr>
<td>Maple Grove Rd, Hespeler Rd to East of Fountain St</td>
<td>44,210</td>
<td>7.80</td>
<td>277</td>
</tr>
<tr>
<td>Fischer-Hallman Road / Bearring Rd., Columbia St W. to Westmount</td>
<td>22,700</td>
<td>4.26</td>
<td>151</td>
</tr>
<tr>
<td>Fischer-Hallman Rd, Plains Rd to 500M S of Bleams Rd</td>
<td>16,170</td>
<td>5.28</td>
<td>188</td>
</tr>
<tr>
<td>Bleams Rd, Strasburg Rd to Fischer-Hallman Rd</td>
<td>16,170</td>
<td>3.68</td>
<td>188</td>
</tr>
<tr>
<td>South Boundary Rd, Franklin Blvd to Dundas St</td>
<td>16,665</td>
<td>10.24</td>
<td>364</td>
</tr>
<tr>
<td>Trussler Road, Bleams Rd. to Yellow Birch Dr.</td>
<td>24,610</td>
<td>8.40</td>
<td>298</td>
</tr>
<tr>
<td>Franklin Blvd, 200M N of Avenue Rd to 325M S of Bishop St</td>
<td>11,310</td>
<td>.96</td>
<td>34</td>
</tr>
<tr>
<td>Fountain Street N., Maple Grove Rd. to Kossuth Rd.</td>
<td>11,360</td>
<td>4.54</td>
<td>161</td>
</tr>
<tr>
<td>Highland Rd W, Highland Hills Mall Entrance to Ira Needles Blvd</td>
<td>6,475</td>
<td>4.44</td>
<td>158</td>
</tr>
<tr>
<td>Total</td>
<td>$225,443</td>
<td>66.28</td>
<td>$2,355</td>
</tr>
</tbody>
</table>

#### Capital Funding & Financing:
- DC Debentures (20 Year $109.2M)
- DC Reserve ($116.3M)

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#### River Road Extension

- Expenditure profile amended in the draft 2022-2031 Capital Program to reflect the updated timing of planned construction with respect to:
  - Coordinating utility relocations with Kitchener-Wilmot Hydro and Kitchener Utilities
  - Negotiating an agreement with Hydro One and time for them to relocate their towers
  - Obtaining necessary approvals for the new interchange with the Ministry of Transportation
  - Impact of COVID supply issues, land acquisitions, and permit approvals

- Shifts expected completion date from 2027 to 2028
## 2022 Plan and Budget: River Road Extension

<table>
<thead>
<tr>
<th>River Road ($M)</th>
<th>2021-2030 Plan</th>
<th>Draft 2022-2031 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$26.6</td>
<td>$10.9*</td>
</tr>
<tr>
<td>2022</td>
<td>1.9</td>
<td>1.4</td>
</tr>
<tr>
<td>2023</td>
<td>1.0</td>
<td>15.6</td>
</tr>
<tr>
<td>2024</td>
<td>10.0</td>
<td>8.0</td>
</tr>
<tr>
<td>2025</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>2026</td>
<td>8.0</td>
<td>7.5</td>
</tr>
<tr>
<td>2027</td>
<td>5.0</td>
<td>4.9</td>
</tr>
<tr>
<td>2028</td>
<td></td>
<td>6.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$64.5</strong></td>
<td><strong>$66.7</strong></td>
</tr>
</tbody>
</table>

* Reflects estimated 2021 actuals

### River Road Extension – Construction Timing

<table>
<thead>
<tr>
<th>Map</th>
<th>Limits</th>
<th>2021 Capital Budget</th>
<th>2022 Capital Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow</td>
<td>Bleams Rd./Manitou Dr. and Wilson Ave (Bridge work only)</td>
<td>2021-2022</td>
<td>Expected completion in 2022</td>
</tr>
<tr>
<td>Red</td>
<td>Wabanaki Dr. between Goodrich Dr. and Hidden Valley Rd</td>
<td>2022-2023</td>
<td>2023-2024</td>
</tr>
<tr>
<td>Green</td>
<td>Bleams Rd./Manitou Dr. and Goodrich Dr./Wabanaki Dr</td>
<td>2022-2023</td>
<td>2024-2025</td>
</tr>
<tr>
<td>Black</td>
<td>King Street and Wabanaki Dr./Hidden Valley Rd</td>
<td>2024-2027</td>
<td>2025-2028</td>
</tr>
</tbody>
</table>
2022-2031 Capital Plan: Housekeeping Amendments

The preliminary 2022-2031 Tax Supported Capital Program was originally tabled at Budget Committee on November 1\textsuperscript{st}.

As outlined in report COR-CFN-21-49, staff are recommending certain housekeeping changes relating to the following program areas:

- Airport – federal funding
- Transportation – cost update
- Transit Services – cost update

Assessment Growth

Report COR-CFN-21-50, included on today's agenda, provides additional information to Council with respect to assessment growth as part of the 2022 budget.
Budget and key policy updates

Equity and Reconciliation Investments

• Commitment to Reconciliation and Equity is central to 2021/22 Plan & Budget
• Significant long-term commitment to meaningful systemic change
• Extensive community calls to action 12-18 months; upstream supports, mental health, child care, housing, funding, access to service and space
• Regional Council responded and took action:
  • Anti-racism town halls and engagement
  • Anti-racism Advisory Working Group
  • Ongoing community engagement including Community Safety and Wellbeing Plan
  • Incremental investments of $5 million in 2021; $10 million in 2022 and future years

• We are at the beginning of this journey of change
• Engaging and working alongside community will be vital
Equity and Reconciliation Investments: Initiatives and Action

- Reconciliation
  - Funding for First Nations, Inuit and Metis led organization
  - Addressing space needs
  - Fischer-Hallman Dig Storytelling Reimagining Regional Timeline
  - Food sovereignty

- Mental Health & Health Equity
  - Alternative crisis mental health response service
  - Healthy Babies, Healthy Child First Nations, Inuit and Metis led support model
  - Inclusive Peer Public Health Program

- Child Care & Early Years
  - Caregiver Language and Mentorship Program
  - Child Care Subsidy for First Nations, Inuit and Metis, Africa, Caribbean, Black and Racialized Communities
  - Capacity building supports for Early Years and Child care

- Housing and Homelessness
  - Portable Rent Assistance Program
  - Affordable Housing
  - Emergency Shelter Harm Reduction Integrated Initiative

- Arts, Culture and Connection
  - Community based Indigenous, African, Black and racialized communities Arts Programming, Museum Curation and Publishing
  - First Nations, Inuit and Metis, African, Caribbean, Black and racialized communities history exhibits
  - First Nations, Inuit and Metis, African, Caribbean, Black and racialized communities arts funding

- Systemic change in government and governance
  - Permanent Office for Reconciliation, Equity, Diversity and Inclusion
  - Equity focused procurement specialist
  - Launch staff census, review all HR policies, transforming recruitment practices

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Equity and Reconciliation Investments: Funding Summary

- Equity Fund: $5 million in 2021 and $10 million in 2022 and thereafter
- By end of year 2021 the Region will have committed $3.1 million, and will carry-over the remainder into 2022
- Programs and initiatives take time to create, significant efforts of equity work in 2021 focused on COVID-19 vaccine roll out utilizing other levels of government funding
- Thus far, $6.7 million of the $10 million has been allocated for 2022, leaving $5.2 million still to be allocated for next year
- Council’s key direction - Flexibility must be built into spending plan for 2022 to adapt and respond to community need
2022 Plan and Budget: Discretionary Grants to Organizations

Moving to a more equitable, transparent investment approach

- Community organizations are critical partners as we build a world class community together.
- Provides authentic, creative and vital wellbeing, environmental, economic and upstream services, programs and experiences
- Central to reconciliation, equity, diversity and inclusion.
- Sector has suffered and is rebuilding - according to ONN 2021 survey, more than 50% non-profits experienced reduction.
- How we work alongside and invest in vital local organizations needs to evolve to better meet community need.
- Value those organizations already funded, and must now expand our process to other organizations that also provide vital support.
- This is also an opportunity to grow support to diverse organizations.
- New policy will enable us to focus on community investment priorities, be more transparent and equitable.

2022 Plan and Budget: Discretionary Grants to Organizations

- While a comprehensive program is being developed, the staff recommendation from the previous meeting included:
  - Increased funding of $166K from Municipal Accommodation Tax ($86K) and the Equity fund ($80K)
  - Discontinue legacy organization-specific grants ($114K)
  - Pause Heritage Foundation grant ($106K)
  - Consolidate Community Innovation Grant as part of the equity investment fund to support community-driven initiatives (granting process tbd)
- If Council wished to continue funding legacy organization-specific grants in 2022, while the new program is being developed, $114K could be added back to the 2022 budget funded from the tax levy
### Staffing Investments

<table>
<thead>
<tr>
<th>Service</th>
<th>2020 Approved Budget</th>
<th>2021 Approved Budget</th>
<th>2022 Proposed Complement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Modernized Digital Services</strong></td>
<td>3,065.9 FTEs</td>
<td>2,900.6 FTEs</td>
<td>3,016.6 FTEs</td>
</tr>
<tr>
<td><strong>Climate Action</strong></td>
<td>100.9 FTEs</td>
<td>139.9 FTEs</td>
<td>143.9 FTEs</td>
</tr>
<tr>
<td><strong>Total FTEs</strong></td>
<td>3,166.8 FTEs</td>
<td>3,040.5 FTEs</td>
<td>3,160.5 FTEs</td>
</tr>
<tr>
<td><strong>Temporary COVID FTEs</strong></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

### Continuity of Staff Complement Changes

<table>
<thead>
<tr>
<th>Category</th>
<th>Permanent FTEs</th>
<th>Temporary FTEs</th>
<th>Total FTEs</th>
<th>Temporary COVID FTEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020 Approved Budget</td>
<td>3,065.9 FTEs</td>
<td>-</td>
<td>3,166.8 FTEs</td>
<td>-</td>
</tr>
<tr>
<td>2021 Approved Budget</td>
<td>2,900.6 FTEs</td>
<td>139.9 FTEs</td>
<td>3,040.5 FTEs</td>
<td>143.9 FTEs</td>
</tr>
</tbody>
</table>

- **Supported Investments & Operational Requirement Adjustments:**
  - Vaccine Distribution & COVID Response: 19.2 FTEs (5.5 FTEs)
  - Affordable Housing (WRH & Economic Development): 7.0 FTEs
  - Technology/Smart AI Investment: 8.0 FTEs
  - Climate Action Plan: 7.0 FTEs
  - Equity Investments: 12.0 FTEs (0.8 FTEs)
  - Business Supports: 2.0 FTEs
  - Facilities Resources (11 funded from capital): 13.0 FTEs
  - Human Resources Restructuring: 5.0 FTEs (1.0 FTEs)
  - Closure of Regionally-Operated Child Care Centres: (11.8) FTEs
  - Other Complement Changes: 7.2 FTEs (0.4 FTEs)
  - Resourcing Capacity Reallocated to Priority Investments: (28.2) FTEs (0.2) FTEs
  - Temporary Contract Expirations: - FTEs (8.7) FTEs

| 2022 Proposed Complement | 3,016.6 FTEs | 143.9 FTEs | 3,160.5 FTEs | 246.4 FTEs |

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**Note:**
- Figures may include adjustments for COVID-19 response measures.
- Specific details on the service expansions and requirements are provided in the report.
Status of Preliminary 2022 Tax Supported Operating Budget

Direct Regional Services
- Tax Rate Impact = 3.0%
- Impact per avg household = $63

Waterloo Regional Police Service (Nov 29th)
- Tax Rate Impact = 1.6%
- Impact per avg household = $34

Total 2022 Impact
- Rate Tax Impact = 4.6%
- Impact per avg household = $97

CVA (January 1, 2016 value) for an average household is $354,000

Next Steps

2022 Plan and Budget Timeline
Budget Review Process

December 8
Public Meeting #3

December 15 – Final Budget Day

| Councillor information requests | 2022 Tax Supported Budget Approval | 2022 User Fees & Charges Approval |

Budget Committee and Council on December 15, 2021

- 2022 Plan approval
- 2022 tax supported operating budget approval
- 2022-2031 tax supported capital program approval
- Police and library budget approval
- User fees and charges approval
- Municipal budget regulation
Region of Waterloo

Transportation and Environmental Services
Design and Construction

To: Committee of the Whole (2022 Plan and Budget Development)
Meeting Date: December 8, 2021
Report Title: River Road Extension Timing and Budget

1. **Recommendation:** For information.

2. **Purpose / Issue:**

   This report is provided in response to a request for information at the November 24, 2021 Committee of the Whole (2022 Plan and Budget Development) meeting.

3. **Strategic Plan:**

   The River Road extension meets the Corporate Strategic Plan objectives for a thriving economy and sustainable transportation.

4. **Key Considerations:**

   a) Construction of the River Road extension started in 2020 with construction of a bridge over Schneider Creek. Construction is planned to continue in two phases with several construction contracts until 2028. The planned phases and timing for construction are shown in Appendix A.

   - The first contract (1) for the Schneider Creek Bridge is expected to be completed by Summer 2022. Contract 1 includes the construction of the bridge and preliminary grading of the roadway between Manitou Drive and Wilson Ave. The new roadway in this section will be constructed as part of Contract 3.

   - Contract 2 is the section along the east end of Goodrich Drive and Wabanaki Drive between Goodrich Dr. and Hidden Valley Road. This section is planned for construction in 2023-2024. This section requires utility relocations and may include City of Kitchener sanitary sewers.

   - Contract 3 is the section from Manitou Drive to Wilson Ave. and the west end of Goodrich Drive. This section is planned for construction in 2024-2025.
This section requires utility relocations and the Schneider Creek Bridge to be completed in advance of construction.

b) Phase 2 extends from Wabanaki Drive across Highway 8 to King Street. It includes a new interchange with Highway 8 and will be constructed under several construction contracts. This section requires Hydro One tower relocations, approvals from the Ontario Ministry of Transportation for the new interchange and may include City of Kitchener sanitary sewers. Phase 2 is planned for construction from 2025 to 2028.

c) The planned timing for construction of the River Road extension is coordinated with City of Kitchener timing to determine their sanitary servicing requirements, as discussed further in Section 6. The planned timing of the River Road extension construction also provides for the estimated time required to complete utility relocations, negotiate an agreement with Hydro One and have them relocate their towers, and negotiate an agreement and obtain Ontario Ministry of Transportation approvals for the new interchange.

d) When staff reviewed the timing and coordination requirements for all of the above noted work, it became apparent that the schedule in the 2021 budget was not realistically achievable. The schedule presented in the preliminary 2022-2031 Transportation Capital Program is in staff’s opinion a realistic schedule for completing the River Road extension.

5. **Background**: None.

6. **Area Municipality Communication and Public/Stakeholder Engagement**:

Region and City of Kitchener staff have met and exchanged information regularly about plans and timing for work along the River Road extension. In 2021, the City of Kitchener commenced an environmental assessment for the proposed Upper Hidden Valley sanitary pumping station and forcemain. Several locations for the pumping station and forcemain are being considered. All of the options being considered would include gravity sanitary sewers and a sanitary forcemain along portions of the River Road extension. City of Kitchener staff has advised Region staff that they plan to complete this environmental assessment in 2022. Detailed design would proceed after that. City of Kitchener staff also advised Region staff that, following the completion sanitary pumping station and forcemain environmental assessment, they plan to complete a secondary plan for Hidden Valley, which will establish the zoning for lands to be developed and further define servicing requirements. Region and City staff will continue to coordinate the timing of work associated with the River Road extension.
7. **Financial Implications:**

Through the development of the preliminary 2022-2031 Transportation Capital Program adjustments were made to the River Road Extension expenditure profile to align the planned expenditures with the amended timing of the work as set out in this report. A comparison of the Draft 2022-2031 and the Approved 2021-2030 Transportation Capital Programs is shown in Appendix B.

The project is funded from Regional Development Charges with financing planned from the issuance of 20 year RDC-supported debentures. Some of the planned debt may be replaced with direct contributions from the Transportation RDC Reserve Fund depending on the balance in the Reserve Fund and the need to fund other growth-related Transportation projects.

8. **Conclusion / Next Steps:**

The planned timing for construction of the River Road extension is coordinated with City of Kitchener timing to determine their sanitary servicing requirements. The planned timing of the River Road extension construction also provides for the estimated time required to complete utility relocations, negotiate an agreement with Hydro One and have them relocate their towers, and negotiate an agreement and obtain Ontario Ministry of Transportation approvals for the new interchange.

9. **Attachments / Links:**

Appendix A: River Road Extension Phases

Appendix B: River Road Extension Transportation Capital Plan Comparison

**Prepared By:** Jason Lane, Senior Engineer

Marcos Kroker, Head, Transportation

**Reviewed By:** Phil Bauer, Director, Design and Construction

**Approved By:** Thomas Schmidt, Commissioner, Transportation and Environmental Services
## Appendix A – River Road Extension Phases

<table>
<thead>
<tr>
<th>Map</th>
<th>Limits</th>
<th>2021 Capital Budget</th>
<th>2022 Capital Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yellow</td>
<td>Bleams Rd./Manitou Dr. and Wilson Ave (Bridge work only)</td>
<td>2021-2022</td>
<td>Expected completion in 2022</td>
</tr>
<tr>
<td>Red</td>
<td>Wabanaki Dr. between Goodrich Dr. and Hidden Valley Rd</td>
<td>2022-2023</td>
<td>2023-2024</td>
</tr>
<tr>
<td>Green</td>
<td>Bleams Rd./Manitou Dr. and Goodrich Dr./Wabanaki Dr</td>
<td>2022-2023</td>
<td>2024-2025</td>
</tr>
<tr>
<td>Black</td>
<td>King Street and Wabanaki Dr./Hidden Valley Rd</td>
<td>2024-2027</td>
<td>2025-2028</td>
</tr>
</tbody>
</table>
Appendix B – River Road Extension Transportation Capital Plan Comparison

<table>
<thead>
<tr>
<th>River Road ($M)</th>
<th>2021-2030 Plan</th>
<th>Draft 2022-2031 Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2021</td>
<td>$26.6</td>
<td>*$10.9</td>
</tr>
<tr>
<td>2022</td>
<td>1.9</td>
<td>1.4</td>
</tr>
<tr>
<td>2023</td>
<td>1.0</td>
<td>15.6</td>
</tr>
<tr>
<td>2024</td>
<td>10.0</td>
<td>8.0</td>
</tr>
<tr>
<td>2025</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>2026</td>
<td>8.0</td>
<td>7.5</td>
</tr>
<tr>
<td>2027</td>
<td>5.0</td>
<td>4.9</td>
</tr>
<tr>
<td>2028</td>
<td></td>
<td>6.4</td>
</tr>
<tr>
<td>Total</td>
<td>$64.5</td>
<td>$66.7</td>
</tr>
</tbody>
</table>

*Estimated Actual Spend for 2021
Region of Waterloo
Corporate Services
Corporate Finance

To: Budget Committee
Meeting Date: December 8, 2021
Report Title: 2022-2031 Capital Plan - Housekeeping Amendments

1. Recommendation:

That the preliminary 2022-2031 Tax Supported Capital Plan, as originally tabled at Budget Committee on November 1, 2021, be amended as set out in report COR-CFN-21-49 dated December 8, 2021.

2. Purpose / Issue:

Staff recommend certain housekeeping changes to the preliminary 2022-2031 Tax Supported Capital Program, which was originally tabled at Budget Committee on November 1, 2021.

3. Strategic Plan:

The budget and financial reporting processes enable Council to achieve its Corporate Strategic Plan objectives by allocating appropriate resources to each focus area, adjusting where required to new opportunities and community need.

4. Key Considerations:

   a) Additional information on certain projects has become available since the preliminary 2022-2031 Tax Supported Capital Program was prepared and tabled with Budget Committee. Accordingly, staff recommend the following housekeeping updates:

   • **Region of Waterloo International Airport: Fleet Vehicle Replacement** - The Region applied for funding to the Airports Capital Assistance Plan (ACAP) for the purchase of a new Airport Plow Truck. The submission has been approved. Under the agreement, the Federal Government will fund up to ninety-five percent of the total eligible expenditures for the acquisition of the plow truck. Included in the preliminary 2022 Fleet Vehicle Replacement Airport capital project is $350,000 for purchase of a plow truck. It is recommended that the Airport capital program be amended to include $332,500 (95% of expenditures) in ACAP funding, with a corresponding reduction in funding from the Corporate Fleet
Reserve.

<table>
<thead>
<tr>
<th></th>
<th>2022-2031 Preliminary Capital Program</th>
<th>Amended Capital Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>($ thousands)</td>
<td>2022</td>
<td>2022</td>
</tr>
<tr>
<td><strong>Expenditure:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fleet Vehicle Replacement Airport (03588)</td>
<td>3,752</td>
<td>3,752</td>
</tr>
<tr>
<td><strong>Funding:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Grant</td>
<td>(1,000)</td>
<td>(1,333)</td>
</tr>
<tr>
<td>Airport Capital Reserve</td>
<td>(752)</td>
<td>(752)</td>
</tr>
<tr>
<td>Corporate Fleet Reserve</td>
<td>(2,000)</td>
<td>(1,667)</td>
</tr>
</tbody>
</table>

- **Transportation: Waterloo Cycling Network Upgrade and Extension** – Work associated with this project includes conducting a feasibility and preliminary design study, and environmental assessment for upgrading and expanding the Separated Pilot Cycling Network in the Region. Bids for this work came in higher than budgeted requiring an increase to the 2022 project budget in the amount of $110,000, to be funded from the Roads Regional Development Charges Reserve Fund.

<table>
<thead>
<tr>
<th></th>
<th>2022-2031 Preliminary Capital Program</th>
<th>Amended Capital Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>($ thousands)</td>
<td>2022</td>
<td>2022</td>
</tr>
<tr>
<td><strong>Expenditure:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waterloo Cycling Network Upgrade and Extension (07672)</td>
<td>250</td>
<td>360</td>
</tr>
<tr>
<td><strong>Funding:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roads Regional Development Charges Reserve Fund</td>
<td>(250)</td>
<td>(360)</td>
</tr>
</tbody>
</table>

- **Transit Services: Vehicle Replacements Conventional** – The Region has received updated quotes for the purchase of hybrid busses which are higher than originally anticipated. As a result of cost escalations, the budget for vehicle replacements is recommended to be adjusted, in 2022, 2023 and 2024. In total, the budget amendment results in an increase in expenditure of $2.2 million over 2022-2024, with funding from the Investing in Canada Infrastructure Program (ICIP) and the Bus Replacement Reserve.
<table>
<thead>
<tr>
<th></th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Expenditure:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vehicle Replacements</td>
<td>34,512</td>
<td>12,440</td>
<td>7,360</td>
<td>54,312</td>
<td>35,962</td>
<td>12,790</td>
<td>7,760</td>
<td>56,512</td>
</tr>
<tr>
<td>(66025)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Funding:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investing in Canada</td>
<td>25,194</td>
<td>9,081</td>
<td>5,373</td>
<td>39,648</td>
<td>26,257</td>
<td>9,338</td>
<td>5,666</td>
<td>41,261</td>
</tr>
<tr>
<td>Infrastructure Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bus Reserve</td>
<td>9,318</td>
<td>3,359</td>
<td>1,987</td>
<td>14,664</td>
<td>9,705</td>
<td>3,452</td>
<td>2,094</td>
<td>15,251</td>
</tr>
</tbody>
</table>

5. **Background:**

Nil.

6. **Area Municipality Communication and Public/Stakeholder Engagement:**

Nil.

7. **Financial Implications:**

As noted throughout the report.

8. **Conclusion / Next Steps:**

If approved, the amendments will be incorporated into the revised 2022-2031 Tax Supported Capital Program, which is scheduled to be approved on December 15, 2021.

9. **Attachments / Links:**

Nil.

**Prepared By:** Christopher Wilson, Manager, Corporate Budgets

**Reviewed By:** Cheryl Braan, Director, Corporate Finance

**Approved By:** Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer
1. **Recommendation:**

For information.

2. **Purpose / Issue:**

To provide information to Council with respect to assessment growth as part of the 2022 budget.

3. **Key Considerations:**

a) Weighted assessment growth in 2021 for the purposes of the 2022 budget is 1.57%. Assessment growth is a net position after accounting for the various factors that affect the assessment base. The following table identifies the “pluses and minuses” that determine net assessment growth:

<table>
<thead>
<tr>
<th>Starting point</th>
<th>Returned assessment roll from the previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Plus</td>
<td>New properties added and improvements to existing properties (referred to as supplementary and omitted assessments)</td>
</tr>
<tr>
<td>Minus</td>
<td>Assessment reductions due to taxpayer Requests for Reconsideration, Assessment Review Board (ARB) appeal hearing results, demolitions, etc.</td>
</tr>
<tr>
<td>Plus/Minus</td>
<td>Class changes, legislative changes, changes in valuation methodology</td>
</tr>
<tr>
<td>Equals</td>
<td>Year end assessment (used to determine growth for the year)</td>
</tr>
<tr>
<td>Returned roll for next year</td>
<td>Year end assessment adjusted for assessment phase-in (if and when applicable)</td>
</tr>
</tbody>
</table>
b) It is noted that building activity and building permit growth are not necessarily a true gauge of assessment growth. While strong building activity or “cranes in the sky” may indicate robust assessment growth, it is just one factor affecting the assessment base. New properties are not added to the roll until completed and ready for occupancy, and other actions including reductions to the assessment base occur that offset some of the growth arising from new construction. Additionally, not all building permits result in increased assessment. Permits for interior finishes and small dollar value permits generally do not result in additional assessment.

c) The Municipal Property Assessment Corporation’s (MPAC) Service Level Agreement (SLA) outlines its commitment to deliver timely, accurate and measurable products and services to municipalities. The SLA requires that MPAC process 85% of the total value of supplementary and omitted assessment changes within one year, and process the balance of the value changes in accordance with Sections 33 and 34 of the Assessment Act. An important dependency is the timely submission of building permit and occupancy permit data by the lower tier municipalities. Due to the pandemic MPAC was unable to perform on-site visits during times of public health restrictions in 2021. MPAC responded by providing digital services such as online submission of plans. MPAC advises that it is on pace to achieve its SLA target of processing at least 85% of total supplementary and omitted assessed changes, per property category, within one year of occupancy.

d) Over the last 20 years or so there has been a slow but gradual shift of tax responsibility from commercial and industrial property classes to the residential class (with a minor reversal over the last 4 years, during which there has not been a reassessment), as outlined in the table below:

<table>
<thead>
<tr>
<th>Regional property tax allocations by class over time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class</td>
</tr>
<tr>
<td>Residential</td>
</tr>
<tr>
<td>Multi-residential</td>
</tr>
<tr>
<td>Commercial/Industrial</td>
</tr>
<tr>
<td>Farmland</td>
</tr>
<tr>
<td>Other</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

This is partly due to changes in property values over time, varying levels of growth over time, and in the earlier years, due to reductions in business class tax ratios to the current ratio of 1.95.
4. **Background:**

The Region’s current unweighted taxable assessment base is as follows:

![Pie chart showing the distribution of assessment by class.](image)

The following chart shows weighted assessment growth for the years 2010 to 2022.

![Weighted assessment growth chart](image)

The table below shows the unweighted assessment added by MPAC from 2019 to 2021.

<table>
<thead>
<tr>
<th>Classes</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>$873,367,120</td>
<td>$1,091,038,547</td>
<td>$1,074,687,362</td>
</tr>
<tr>
<td>Business</td>
<td>342,001,180</td>
<td>196,177,917</td>
<td>282,981,127</td>
</tr>
<tr>
<td>Farm</td>
<td>10,819,834</td>
<td>13,050,694</td>
<td>15,048,632</td>
</tr>
</tbody>
</table>
While the 2021 total is lower than 2020, the business class additions were higher and exempt properties were lower, which contributed to a higher weighted assessment (due the tax ratios applied to business properties). Conversely, while the 2021 total is higher than 2019, weighted assessment is lower. The 2021 business class additions were lower and farm additions were higher, which contributed to a lower weighted assessment.

Property tax rates are calculated using the assessed values and property classifications determined by MPAC, annual municipal revenue requirements (the tax levy), and various tax policies set by the Region. Tax ratios determine the distribution of taxes between the various property classes. The table below illustrates the class increases and decreases when the current tax ratios are applied.

### Regional Weighted Assessment (January 1, 2016 Values)

<table>
<thead>
<tr>
<th>Class</th>
<th>2020 year end (for 2021 Budget)</th>
<th>% of Total</th>
<th>2021 year end (for 2022 Budget)</th>
<th>% of Total</th>
<th>% Change (Yr Over Yr )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>64,706,837,997</td>
<td>65.9%</td>
<td>65,860,176,536</td>
<td>66.0%</td>
<td>1.8%</td>
</tr>
<tr>
<td>New Multi-Res</td>
<td>1,966,781,300</td>
<td>2.0%</td>
<td>1,992,607,000</td>
<td>2.0%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Multi-residential</td>
<td>6,069,209,357</td>
<td>6.2%</td>
<td>6,147,922,328</td>
<td>6.2%</td>
<td>1.3%</td>
</tr>
<tr>
<td>Commercial</td>
<td>20,000,252,416</td>
<td>20.4%</td>
<td>20,164,065,364</td>
<td>20.2%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Industrial</td>
<td>4,537,771,325</td>
<td>4.6%</td>
<td>4,660,198,248</td>
<td>4.7%</td>
<td>2.7%</td>
</tr>
<tr>
<td>Farm/Mgd Forest</td>
<td>709,426,612</td>
<td>0.7%</td>
<td>705,871,183</td>
<td>0.7%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Pipelines</td>
<td>225,447,814</td>
<td>0.2%</td>
<td>227,992,223</td>
<td>0.2%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>98,215,726,821</strong></td>
<td><strong>26.4%</strong></td>
<td><strong>99,758,832,882</strong></td>
<td><strong>26.6%</strong></td>
<td><strong>1.57%</strong></td>
</tr>
</tbody>
</table>

All properties in Ontario are assessed based on current value assessments (CVA) as of January 1, 2016. These values were originally intended to be used only for the 2017 to 2020 taxation years. To maintain stability for taxpayers, the Province has postponed the next province-wide reassessment for at least the 2021 to 2023 taxation years and CVA for these years will continue to be reflect January 1, 2016 values.

5. **Area Municipality Communication and Public/Stakeholder Engagement:**

This report has been reviewed with the area municipal treasurers.

6. **Strategic Plan:**

The annual budget incorporates numerous initiatives set out in the Corporate Strategic Plan.
7. **Financial Implications:**

Assessment growth at 1.57% equates to an approximate $9.1 million increase to the 2022 Regional property tax levy.

8. **Conclusion / Next Steps:**

9. **Attachments / Links:**

   *Appendix A: Weighted Assessment Increase by Municipality from 2019 to 2021*

---

**Prepared By:** Julie Bradey, Financial Assistant  
Chris Wilson, Manager, Corporate Budgets  

**Reviewed By:** Cheryl Braan, Director, Corporate Finance  

**Approved By:** Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer
# Appendix A: Weighted Assessment Increase and percentage change by Municipality from 2019 to 2021

<table>
<thead>
<tr>
<th>Municipality</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Cambridge</td>
<td>198,314,184</td>
<td>137,751,465</td>
<td>252,528,804</td>
</tr>
<tr>
<td>City of Kitchener</td>
<td>559,607,060</td>
<td>567,580,093</td>
<td>697,494,743</td>
</tr>
<tr>
<td>City of Waterloo</td>
<td>636,291,517</td>
<td>293,854,755</td>
<td>263,045,674</td>
</tr>
<tr>
<td>Township of North Dumfries</td>
<td>31,853,235</td>
<td>32,220,402</td>
<td>24,880,996</td>
</tr>
<tr>
<td>Township of Wilmot</td>
<td>45,853,934</td>
<td>41,480,773</td>
<td>48,744,209</td>
</tr>
<tr>
<td>Township of Wellesley</td>
<td>51,478,901</td>
<td>56,876,468</td>
<td>32,956,712</td>
</tr>
<tr>
<td>Township of Woolwich</td>
<td>102,442,209</td>
<td>132,153,280</td>
<td>223,454,923</td>
</tr>
<tr>
<td><strong>Region of Waterloo</strong></td>
<td>1,625,841,040</td>
<td>1,261,917,235</td>
<td>1,543,106,061</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Municipality</th>
<th>2019%</th>
<th>2020%</th>
<th>2021%</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Cambridge</td>
<td>0.94%</td>
<td>0.62%</td>
<td>1.13%</td>
</tr>
<tr>
<td>City of Kitchener</td>
<td>1.58%</td>
<td>1.52%</td>
<td>1.84%</td>
</tr>
<tr>
<td>City of Waterloo</td>
<td>2.77%</td>
<td>1.20%</td>
<td>1.06%</td>
</tr>
<tr>
<td>Township of North Dumfries</td>
<td>1.37%</td>
<td>1.31%</td>
<td>1.00%</td>
</tr>
<tr>
<td>Township of Wilmot</td>
<td>1.33%</td>
<td>1.15%</td>
<td>1.34%</td>
</tr>
<tr>
<td>Township of Wellesley</td>
<td>2.99%</td>
<td>3.06%</td>
<td>1.72%</td>
</tr>
<tr>
<td>Township of Woolwich</td>
<td>2.15%</td>
<td>2.60%</td>
<td>4.29%</td>
</tr>
<tr>
<td><strong>Region of Waterloo</strong></td>
<td>1.77%</td>
<td>1.30%</td>
<td>1.57%</td>
</tr>
</tbody>
</table>
1. **Recommendation:**

   For information.

2. **Purpose / Issue:**

   To provide Budget Committee information regarding the Region’s Equity and Reconciliation Investments originally approved as part of 2021 Plan and Budget.

3. **Strategic Plan:**

   Advancing equity, diversity and inclusion supports the Healthy, Safe and Inclusive Communities and Responsive and Engaging Public services focus areas of the strategic plan, specifically including objectives: 4.3.1, 4.3.2, 4.3.3, 4.3.4, 5.1.3.

4. **Key Considerations:**

   Over the past year, the Region of Waterloo has worked internally and alongside community to invest in initiatives to improve the social and economic health and wellbeing of First Nations, Metis and Inuit, African, Caribbean, Black, racialized and other marginalized communities.

   These have included:
   - Community engagement with more than 300 community leaders to ensure an equitable and culturally safe COVID-19 vaccine roll-out that created a transformational new way forward on how the Region works alongside community.
     - These involved new and impactful engagement methods including working closely with community groups, knocking on doors in priority neighbourhoods, and bringing the vaccine bus to underserved neighbourhoods leading to increased access and uptake on COVID-19 vaccinations.
• Launch of a new $1.55 million Rent Assistance Program to support up to 200 First Nations, Metis and Inuit, African, Caribbean, Black, and racialized families to move to better, more affordable housing. Under this new program, the average family will receive up to $600 a month in rent assistance increasing their ability to access affordable housing.

• Expanding access to culturally diverse child care by expanding a program to help residents who speak diverse languages to become home childcare providers.
  o This program will boost the number of available childcare spaces across the Region and allow more members of the community to access services that are culturally safer, while creating more opportunities for inclusion by using interpreters to assist care providers in navigating systems.

• Earmarking $3 million for a first-of-its-kind affordable housing project (to be announced).

• Providing stipends that value lived experience in helping to inform and co-design implementation of Regional plans and programs as a way of creating more access and inclusion in decision making at the Region.

• Creating a Reconciliation and Equity, Diversity, and Inclusion team within the CAO’s Office at the Region to lead and deliver on the integration of an equity and inclusion lens into all aspects of Regional work and service delivery.

Investments for 2022 build on the work started in 2021 while earmarking investment capacity for further initiatives pending the results of community engagement and consultation processes. Appendix A outlines how much of the 2021 investment will be spent by the end of the year as well as what is planned to be spent in 2022. Any uncommitted funds will be available for future initiatives that are to be proposed.

5. Background:

Investment in Reconciliation, Equity, Diversity and Inclusion has been a strategic priority for the past 12 months and has featured significantly in the Council approved 2021 Plan and Budget. The Plan called for incremental investments of $5 million in 2021 and $10 million in 2022 and future years to transform regional services to improve the social and economic health and wellbeing of African,
Caribbean, Black, First Nations, Metis and Inuit, racialized, and marginalized communities.

This investment signaled the beginning of the change that community has called for and staff recognize that the path to true reconciliation and systemic equity is a long one that will require significant relationship building and collaboration with community over many years to come. The community and community organizations have presented many calls to action over the past 12-18 months that are leading and shaping this work. However, more must be done to create the mechanisms for sustained dialogue, accountability and action that will help to steward and evolve the investments and implementation of the initiatives over the longer term in line with evolving needs.

In response, staff across the Region have identified funding needs in areas including:

- Reconciliation and First Nations, Metis and Inuit Initiatives
- Mental Health and Health Equity
- Child Care and Early Years
- Housing and Homelessness
- Arts and Culture and Connection
- Government and Governance

The initial list of Reconciliation, Equity, Diversity and Inclusion Initiatives (Appendix A) shows how this work is starting to unfold across the organization. Projects are underway in each of these areas but will require significant engagement with community as they are implemented and adapted over time. Close monitoring and dialogue will be required to ensure they meet intended community outcomes. A key element of this work is that while the attached list of projects is where we are beginning, staff acknowledge that this work will be ongoing and thus will be subjected to a continual review process in order to ensure that projects are meeting the Region’s goals of advancing equity and decreasing disparity.

The list also includes those initiatives recently committed to as part of the implementation plan addressing the recommendations of the Region’s Anti-Racism Advisory Working Group as well as other calls to action from organizations, Anti-Racism Town Halls etc. in areas of child care, housing and health supports to name a few.

Building on these, the Reconciliation, Equity, Diversity and Inclusion Team (REDI) created a process to help departments identify gaps in service provision and access for First Nations, Metis and Inuit, African, Caribbean, Black and racialized
communities. An Equity Lens was used to evaluate projects and identify gaps. Initiatives had to respond directly to community need and meet the overarching goal of eliminating disparities and disproportionality for First Nations, Metis and Inuit, African, Caribbean, Black, racialized, and marginalized communities.

In addition, and for the first time, all internal departmental Business Plans for 2022 required that staff identify Reconciliation, Equity, Diversity and Inclusion initiatives to help further change and action.

Tracking Progress

Staff have committed to providing quarterly updates to Regional Council regarding the implementation of this critical work. The evaluation and reporting approach will be created in collaboration with community so that it reflects the values and wisdom of diverse ways of knowing and measuring change at the community level. Reporting will focus on disaggregated data collection supplemented with qualitative data collected from those most impacted by the work.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Regional staff continue to work collaboratively with other municipalities on shared goals and initiatives, such as through the Reconciliation Action Plan Working Group.

As well, the Region has hosted a series of Anti-racism town halls, created an Anti-Racism Advisory Working Group and continues to engage community and community organizations to identify needs, calls to action and to implement initiatives.

The Region has also been engaging community to develop the Community Safety and Wellbeing Framework by holding targeted engagement sessions with members of communities who face the largest wellness outcome disparities. This work continues and staff aim to present the framework to Council in January 2022.

Each equity investment project is unique in its approach, with many of the investment projects involving working directly with community to improve wellbeing. In addition, internally staff are collaborating to reduce duplication in community consultations by working collaboratively to ensure the needs of community are heard and addressed.

7. Financial Implications:

Funding for initiatives to advance equity, diversity and inclusion is supported through the Region’s equity investment fund of $5M in 2021 and $10M in 2022 and
thereafter. The 2022 investment budget of $10 million is proposed to be funded from the tax levy ($7.5m) and the Tax Stabilization Reserve ($2.5m). The ongoing $10 million investment planned from 2023 on would be funded by the annual property tax levy.

Appendix A outlines how much of the 2021 investment will be spent by the end of the year as well as what is planned to be spent in 2022. For 2021 the Region is projecting to spend approximately $3.1M and has earmarked approximately $6.7M of the $10M proposed in the 2022 budget. Any uncommitted funds in 2021 and 2022 will be available for future initiatives.

8. **Conclusion / Next Steps:**

Staff will continue to provide quarterly updates to council on progress, and will continue to engage across departments and communities on initiatives to improve equity.

9. **Attachments / Links:**

   Appendix A – Equity Investment Fund Initiatives

**Prepared By:** Suzie Taka, EA, CAO’s Office

   Susan Selfe, Manager, Finance

   Jenny Smith, Director, Strategy & Performance

**Reviewed By:** Connie MacDonald, Chief Strategy & Communications Officer

**Approved By:** Bruce Lauckner, CAO
### Appendix A – Equity Investment Fund Initiatives ($ thousands)

<table>
<thead>
<tr>
<th>Area of focus</th>
<th>Highlight Initiatives (Not exhaustive list)</th>
<th>2021 Projected</th>
<th>Planned for 2022</th>
</tr>
</thead>
</table>
| Childcare/Early Years                      | • Caregiver Language and Mentorship Program  
• Child Care Subsidy for First Nations, Metis and Inuit, African, Caribbean, and racialized Communities  
• Capacity building supports for Early Years and Child care                                                                                                                                                                                         | $ 44           | $ 802           |
| Housing and Homelessness                   | • Portable Rent Assistance Program  
• Affordable Housing  
• Emergency Shelter Harm Reduction Integrated Initiative                                                                                                                                                                                                                      | 3,105          | 1,547           |
| Health & Mental Health Equity              | • Alternative crisis mental health response service  
• Healthy Babies, Healthy Child First Nations, Metis and Inuit led support model  
• Inclusive Peer Public Health Program                                                                                                                                                                                                             | 296            | 1,355           |
| Arts, Culture and Connection               | • Community based First Nations, Metis and Inuit, African, Caribbean, African, Caribbean, Black and Racialized Communities Arts Programming, Museum Curation and Publishing  
• First Nations, Metis and Inuit, African, Caribbean, African, Caribbean, Black and racialized communities history exhibits  
• First Nations, Metis and Inuit, African, Caribbean, African, Caribbean, Black and racialized communities arts funding  
• Funding for First Nations, Metis and Inuit led organizations  
• Reimagining Regional Timeline  
• Food sovereignty and community gardening  
• Community Consultation on Indigenous-led organization space needs/Community Hub                                                                                                                                                           |                | 1,219           |
| Systemic change in government and governance| • Office of Reconciliation, Equity, Diversity and Inclusion  
• Equity in procurement                                                                                                                                                                                                                             | 130            | 1,765           |
| Subtotals                                  |                                                                                                                                                                                                                                             | $ 3,575        | $ 6,687         |
Region of Waterloo
Planning, Development and Legislative Services
Culture Services

To: Budget Committee
Meeting Date: November 24, 2021
Report Title: Discretionary Grants to Organizations

1. Recommendation:

That the Regional Municipality of Waterloo take the following actions with respect to discretionary grant funding to organizations as outlined in report PDL-CUL-21-06 dated November 24, 2021:

a) Direct staff to develop a grant policy and program that will:
   • guide the administration of grants through all stages of the grant administration life cycle;
   • establish a clear definition of a grant that will enable consistent and effective grant administration practices; and
   • incorporate an open call for eligible applications, updated decision-making criteria and processes and revised accountability measures that align with the grant policy;

b) Approve the approach to discretionary grant funding in the 2022 Operating Budget as set out in Appendix A to reflect:
   • Discontinuing grant funding that does not fit into a formally-approved grant stream;
   • Discontinuing grant streams that no longer have the desired impact in the community; and
   • Use of strategic investment funds and reserves to ensure a more targeted and desired outcomes from grants.

2. Purpose / Issue:

To recommend a revised approach to discretionary grants at the Region of Waterloo to ensure grant funding is robust, transparent, equitable, purposeful and meets the needs of a growing and diverse community and supports the Region’s strategic objectives.
3. **Strategic Plan:**

1.1 Create a competitive business-supportive community to help attract, retain and grow employers, talent and investment in Waterloo Region.

1.3 Support the arts, culture and heritage sectors to enrich the lives of residents and attract visitors to Waterloo Region.

1.3.2 Develop a robust, transparent and equitable grant funding strategy to support the arts and culture sector.

4.1.2: Support the collective efforts of the Children and Youth Planning Table including the Smart Waterloo Region initiative for children and youth.

4.3 Promote and enhance equity in policies, planning, services and decision-making to positively impact community wellbeing.

5.4 Ensure the Region provides value for money and long-term financial sustainability.

4. **Key Considerations:**

a) Council has set out an ambitious vision and set of objectives in the Regional Strategic Plan. The Region has many tools at its disposal to meet those objectives, including work done directly by staff, contracts, purchase of service agreements and grants.

b) Municipalities use grants as a tool to help achieve social, economic and cultural goals for residents by supporting the capacity in organizations in the community. Grants can take the form of ongoing operating grants or one-time project grants to organizations or individuals and can be administered directly or through arms-length organizations.

c) Grants leverage the skills and capacity of community partners, often making service delivery more efficient and effective. Reliable annual operating grants from municipalities help sustain the impact of community organizations and to leverage funding from other levels of government and private sources. One-time project grants have a more targeted impact to further specific community initiatives.

**Discretionary Grant funding at the Region of Waterloo**

d) Many Region of Waterloo discretionary grants are administered through Council-approved grant programs that outline program objectives, eligibility criteria, and transparent application, adjudication and approval processes.
However, some grants are awarded outside of formal programs, based on historical legacy. Other grants are ill-fit with approved grant criteria, and some approved grant programs are not having the desired impact in the community as the Region has grown and changed.

e) Few new grants to organizations have been approved in the last 10 years. Many organizations have established themselves in the Region who offer similar services or programs to those receiving grants, yet there is no mechanism for them to apply for funding. There are also many new agencies and programs providing services that meet unique needs in the Region that could benefit from Regional funding. Currently, the Region does not have a mechanism to respond to these changing needs.

**Developing a grant policy**

f) Staff recommend the development of a grant policy and program to guide the administration of grants through all stages of the grant administration life cycle. This would include establishing a clear definition of a grant that will enable consistent and effective grant administration practices across the Region. The policy would incorporate a framework for open and transparent application processes, establishment of clear eligibility criteria, program objectives, decision-making criteria and approval processes and a consistent approach to funding agreements, reporting requirements and other accountability measures.

g) Such a policy would provide Council with assurance that Regional staff are consistently recommending the disbursement grant funds in a transparent, credible, and diligent manner and ensuring a consistent approach to grant administration. Under this policy, Council can direct staff to create new grant funding programs to support desired objectives and outcomes.

**Approach to discretionary grant funding**

h) To ensure equity for all community agencies in accessing Regional funds, it is also recommended that the Region:

- Discontinue funding through grants that do not fit into a formally-approved grant stream;
- Discontinue grant streams that no longer have the desired impact in the community; and
- Use strategic investment funds and reserves to ensure more targeted and desired outcomes from grants.

Specific outcomes of the proposed approach are as follows:
• Discontinue grants in 2022 to Oktoberfest, Cambridge Scottish Festival and the Grand Philharmonic Choir, as they are not eligible under any current grant streams.

• Pause or discontinue grant streams in 2022 to review impact
  o Discontinue Community Innovation Grant ($50,000) and
  o Pause grant funding in 2022 to the Waterloo Region Heritage Fund ($106,210), providing the foundation with an opportunity to review and evaluate their programs and realign them with Regional Council’s strategic priorities, including Climate Action, and Equity, Diversity and Inclusion. As of October 2021, the Heritage Foundation had an account balance of $449,900 which included $300,600 in grant commitments that were awarded in 2020 and 2021 but have not been disbursed. The Waterloo Region Heritage Fund is estimating a year end surplus of $138,500.

• Offset levy funding with strategic investment funds or reserves based on desired outcomes
  o Fund $50,000 of the grant to the Waterloo Region the Arts Fund from the Equity Fund, with specific outcomes to be developed (maintain total funding for 2022 at $393,000);
  o Fund the $29,600 grant to Leadership Waterloo Region from the Equity Fund, with specific outcomes to be developed;
  o Increase the level of Municipal Accommodation Tax funding for grants from $163,550 to $250,000. Note that staff will develop a set of guidelines for council approval to allocate the funds
  o Funding oversight for Junior Achievers, Business and Education Partnership and others is being shifted to the Children and Youth Planning Table (CYPT) to administer as part of a focus on skills development for youth.

5. **Background:**

The Region of Waterloo has been providing grants to community organizations since the establishment of the Region in 1973 to support a public purpose. Since the original grants were issued, Waterloo Region has grown and evolved significantly and new organizations and programs have developed to meet changing local needs.

The 2019 KPMG Service Review identified Grants to Organizations as a potential source of review for budget savings. As described in report COR-FSD-20-43 dated December 16, 2020 the Service Review Steering Committee recommended that grants to organizations remain unchanged in the 2021 budget, and staff were directed to undertake a review of the Grants to Organizations program in 2021.
6. **Area Municipality Communication and Public/Stakeholder Engagement:**

   Nil

7. **Financial Implications:**

   The proposed adjustments to the 2022 budget are set out in Appendix A, and represent an overall tax levy savings in 2022 of $314,390. This is comprised of reduced grant expenditure ($145,340), new funding from the Equity Fund ($86,450) and additional MAT funding ($79,600), as well as increased municipal contributions to Community Energy Investment Strategy ($3,000). These adjustments are reflected in the preliminary 2022 Tax Supported Operating budget.

8. **Conclusion / Next Steps:**

   Subject to approval by Budget Committee and Council, staff will notify affected grant recipients and develop the proposed policy and program.

9. **Attachments / Links:**

   Appendix A: Discretionary grant funding 2020-2022

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**Prepared By:** Helen Chimirri-Russell, Director, Cultural Services

   Christopher Wilson, Manager, Corporate Budgets

**Reviewed By:** Cheryl Braan, Director, Corporate Finance

   Cathy Deschamps, Director, Treasury Services

   Matthew Chandy, Director, Economic Development & Smart Waterloo Region

**Approved By:** Craig Dyer, Commissioner, Corporate Services

   Rod Regier, Commissioner, Planning, Development and Legislative Services
## Appendix A: Discretionary Grant Funding 2020-2022

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arts Fund</td>
<td>$393,000</td>
<td>$393,000</td>
<td>$393,000</td>
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<tr>
<td>Heritage Foundation</td>
<td>$106,210</td>
<td>$106,210</td>
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<td>Economic Development Grant – Financial Assistance for Events Providing an Economic Benefit to the Region (Project)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>• Oktoberfest</td>
<td>$65,000</td>
<td>$65,000</td>
<td>$0</td>
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<tr>
<td>• Highland Games</td>
<td>$10,000</td>
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<tr>
<td><strong>Key Cultural Institutions (Operating)</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>• KW Symphony</td>
<td>$385,662</td>
<td>$385,725</td>
<td>$385,725</td>
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<tr>
<td>• The Museum</td>
<td>$385,662</td>
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<td>Grand Philharmonic</td>
<td>$32,130</td>
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<td>New Arts and Culture fund</td>
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<td>$1,541,340</td>
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<td>Economic Development Grant – Entrepreneurial Initiatives</td>
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<td></td>
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<tr>
<td>• 4H</td>
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<td>$2,500</td>
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<tr>
<td>• Bus and Ed Partnership</td>
<td>$10,000</td>
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<td>• Leadership WR</td>
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<td>• Junior Achievement</td>
<td>$23,500</td>
<td>$23,500</td>
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<tr>
<td>• Robotics</td>
<td>$7,000</td>
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<tr>
<td>Ec Dev/Tourism</td>
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<td>$144,100</td>
<td>$100,000</td>
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<tr>
<td>Environmental Grants (project)</td>
<td>$150,000</td>
<td>$150,000</td>
<td>$100,000</td>
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<tr>
<td>Community Energy Investment Strategy</td>
<td>$194,000</td>
<td>$194,000</td>
<td>$199,000</td>
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<tr>
<td>RARE</td>
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<td>Evolvegreen</td>
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<td>Climate Action Grant (switched to operating from capital in 2022)</td>
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<td>$220,000</td>
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<td>Community Innovation Grant</td>
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<td><strong>Subtotal all grants</strong></td>
<td>$1,940,764</td>
<td>$2,107,940</td>
<td>$1,962,600</td>
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### Funding Sources:

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<th>2021</th>
<th>2022</th>
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<tr>
<td>Net Levy funding</td>
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<td>$1,496,000</td>
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<td>MAT</td>
<td>$163,550</td>
<td>$250,000</td>
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<tr>
<td>Equity Fund</td>
<td></td>
<td></td>
<td>$79,600</td>
</tr>
<tr>
<td>Local municipal contribution to Community Energy Investment Strategy</td>
<td>$134,000</td>
<td>$134,000</td>
<td>$137,000</td>
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<tr>
<td>Total funding sources</td>
<td>$2,107,940</td>
<td>$1,962,600</td>
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<tr>
<td><strong>Levy reduction</strong></td>
<td></td>
<td></td>
<td>($314,390)</td>
</tr>
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Region of Waterloo  
Corporate Services  
Corporate Finance  

To: Budget Committee  
Meeting Date: December 8, 2021  
Report Title: 2022 Housing Services Operating Budget Amendment  

1. Recommendation:  
That the preliminary 2022 Housing Services operating budget be increased by $4.0 million with funding from federal and provincial grants ($0 net tax levy impact) to reflect continued 24-hour care in the Region’s emergency shelter system after March 31, 2022 as set out in report COR-CFN-21-51 dated December 8, 2021.

2. Purpose / Issue:  
Staff recommend maintaining the current 24-hour care model within the emergency shelter system throughout 2022, which requires an amendment to the Preliminary 2022 Housing Services operating budget, with no tax levy impact.

3. Strategic Plan:  
The budget process enables Council to achieve its Corporate Strategic Plan objectives by allocating appropriate resources to each focus area.

4. Key Considerations:  
   a) As the service system manager for housing and homelessness, the Region has been the recipient of significant levels of federal (Reaching Home Initiative - RHI) and provincial (Social Services Relief Fund - SSRF) funding since the onset of the COVID-19 pandemic.
   b) It is expected that this funding will end on March 31, 2022. Accordingly, the Preliminary 2022 Housing Services Operating Budget was initially developed on the basis that the system-wide level of service would revert to a 12-hour (overnight model) after March 31, 2022.
   c) Given prolonged impacts of the pandemic due to new variants of concern, staff have reconsidered the community need and recommend that the current 24-hour care model be extended until at least March 31, 2023. This requires an increase to the 2022 Housing Services Operating Budget of $4.0 million,
with assumed funding from federal and provincial grants. Should additional RHI and/or SSRF funding not be forthcoming after March 31, 2022, there is sufficient uncommitted 100% provincial COVID-related funding received in 2021 that would be utilized in 2022.

5. **Background:**

Nil

6. **Area Municipality Communication and Public/Stakeholder Engagement:**

Nil

7. **Financial Implications:**

As described above.

8. **Conclusion / Next Steps:**

Approval of the Region’s 2022 Budget is scheduled for December 15, 2021. Regional Council continues to advocate to the federal and provincial governments for an extension of RHI and SSRF funding beyond March 31, 2022 to support the emergency shelter system.

9. **Attachments / Links:**

Nil

**Prepared By:** Ryan Pettipiere, Director of Housing Services

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer

**Approved By:** Bruce Lauckner, Chief Administrative Officer