

# REGIONAL MUNICIPALITY OF WATERLOO ADMINISTRATION AND FINANCE COMMITTEE AGENDA

Tuesday, January 25, 2011  
11:00 a.m.

(Time is approximate; meeting follows Closed Session)  
Regional Council Chamber  
150 Frederick Street, Kitchener, Ontario

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1. **MOTION TO RECONVENE INTO OPEN SESSION**
2. **DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT**
3. **DELEGATIONS**
4. **PRESENTATIONS**
  - a) Human Resources – Overview of Major Issues and Priorities (*Staff Presentation*)
5. **REPORTS – Finance**
  - a) [F-11-004](#) [Federation of Canadian Municipalities – 2011 Membership](#) [Association of Municipalities of Ontario – 2011 Membership](#) 1
  - b) [F-11-005](#) [2010 Accounts Receivable – Write-Off of Uncollectible Accounts](#) 5
- REPORTS – Corporate Resources**
  - c) [CR-IT-11-001](#) [Information Technology Services Program Review Update](#) 8
6. **INFORMATION/CORRESPONDENCE**
7. **OTHER BUSINESS**
  - a) Discussion re: May/June meeting dates
  - b) [Council Enquiries and Requests for Information Tracking Sheet](#) 11
8. **NEXT MEETING – February 15, 2011**
9. **ADJOURN**



**REGION OF WATERLOO**  
**FINANCE DEPARTMENT**  
**Treasury Services Division**

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**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** January 25, 2011 **FILE CODE:** F02-20

**SUBJECT: FEDERATION OF CANADIAN MUNICIPALITIES – 2011 MEMBERSHIP**  
**ASSOCIATION OF MUNICIPALITIES OF ONTARIO – 2011 MEMBERSHIP**

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**RECOMMENDATION:**

THAT the Regional Municipality of Waterloo grant pre-budget approval for the payment of the 2011 membership fees in the amount of \$61,499.48 for the Federation of Canadian Municipalities and \$10,159.82 including all applicable taxes for the Association of Municipalities of Ontario.

**SUMMARY:**

Nil

**REPORT:**

The Region of Waterloo has received invoices from the Federation of Canadian Municipalities (FCM) and the Association of Municipalities of Ontario (AMO) for year 2011 membership fees. A copy of the FCM notice is attached as Appendix 1, and a copy of the AMO notice is attached as Appendix 2.

The cost of the 2011 FCM membership is \$61,499.48 which is based on a flat rate of \$300.00 plus 12.8 cents per capita. The 2010 cost was \$60,065.15 based on a flat rate of \$300.00 plus 12.5 cents per capita. The 2011 cost reflects an increase of \$1,434.33 over 2010. The 2010 and 2011 FCM invoices were both based on a population of 478,121 (2006 Census).

The cost of the 2011 AMO membership is \$10,159.82 including all applicable taxes which is based on a fee of \$6,272.00 for the first 30,000 households and \$0.0165 per household above 30,000 households. The 2010 cost was \$8,686.17 which was based on a fee of \$6,089.00 for the first 30,000 households and \$0.016 per household above 30,000 households. The increased cost for 2011 of \$304.82 plus HST reflects a 3.5% increase in the fees (base and per household) and a higher number of households (194,787 in 2011 vs. 192,323 in 2010).

A few years ago, the Region agreed to cover the FCM membership for both the Region and the Area Municipalities. The FCM fee noted above includes both the Region and the Area Municipalities. The AMO fee is solely for the Region's membership.

Final approval for the 2011 Regional budget is scheduled for March 23, 2011 however the AMO invoice is due January 31, 2011. The FCM invoice, which was issued in September 2010, is due prior to April 1, 2011. Pre-budget approval is recommended to enable the Region to pay these invoices on a timely basis.

**CORPORATE STRATEGIC PLAN:**

One of the objectives of the Corporate Strategic Plan is to ensure all Regional programs and services are responsive, efficient, effective and accountable to the public. Memberships in organizations such as FCM and AMO support this objective through the provision of information and services.

**FINANCIAL IMPLICATIONS:**

The net cost of the two memberships is \$70,648.73, \$61,499.48 for FCM and \$9,149.25 for AMO after HST rebate. The preliminary 2011 budget for Members of Council includes a provision of \$70,800 for these memberships.

**OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:** Nil

**ATTACHMENTS:**

Appendix 1 – 2011 FCM Invoice

Appendix 2 – 2011 AMO Invoice

**PREPARED BY:** *A. Perrin*, Financial Analyst

**APPROVED BY:** *L. Ryan*, Chief Financial Officer

**FCM****Federation of Canadian Municipalities****Fédération canadienne des municipalités**

24, rue Clarence Street, Ottawa ON K1N 5P3 • Tel. (613) 241-5221 • Fax (613) 241-7440

Mr. Michael Murray  
 Regional Municipality of Waterloo  
 150 Frederick Street  
 Kitchener, ON N2G 4J3  
 Canada

Invoice no de Facture: 14878  
 Invoice Date de Facture: 09/28/2010  
 Account no de compte: 24579

Item/ Description	Amount/Montant
Membership Fee for April 1/11 to March 31/12 / Frais de cotisation du 1 <sup>er</sup> avril 2011 au 31 mars 2012 Municipal Dues Calculated with a base fee of \$300.00 plus per capita fees of \$61,199.48(fee population of 478,121 x 12.80 cents).	\$61,499.48
<b>Total amount / Montant total :</b>	<b>\$61,499.48</b>
<b>Paid Amount / Montant payé :</b>	<b>\$0.00</b>
<b>Balance due /Montant dû :</b>	<b>\$61,499.48</b>

Please include a copy of this invoice with your payment.  
 Veuillez retourner une copie de la facture avec votre paiement.  
 Thank You/Merci



F-11-004

Appendix 2

# Association of Municipalities of Ontario

## 2011 MEMBERSHIP INVOICE

### Accounts Payable

Waterloo, Region of  
150 Frederick Street

Kitchener, ON N2G 4J3

**RECEIVED**

DEC 20 2010

FINANCE DEPARTMENT

Invoice No.: MEM000041

Invoice Date: January 1, 2011

Due Date: January 31, 2011

BILLED TO		AMOUNT
<b>Membership Category:</b>	Upper Tier Municipality	
<b>Membership fee for the period:</b>	January 1 to December 31, 2011	\$8,990.99
<b>Harmonized Sales Tax (13%):</b>		\$1,168.83
	<b>TOTAL:</b>	<b>\$10,159.82</b>
HST number 106732944RT001		

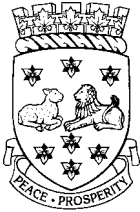
At its meeting on November 26, 2010, the AMO Board passed the Association's 2011 budget which provided that membership fees be calculated using the most current household data available from the Municipal Property Assessment Corporation and that a 3.0% across-the-board increase be added to the calculated fee.

Your Municipality's fee was based on a total of 194787 households as reported by the Municipal Property Assessment Corporation.

Please direct inquiries to:

Anita Surujdeo at 416-971-9856 Ext. 344  
asurujdeo@amo.on.ca

200 University Avenue, Suite 801, Toronto, ON M5H 3C6  
Tel: 416-971-9856 Toll Free: 1-877-426-6527 Fax: 416-971-6191

**REGION OF WATERLOO****FINANCE DEPARTMENT  
Treasury Services Division**

**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** January 25, 2011

**FILE CODE:** F03-21

**SUBJECT:** **2010 ACCOUNTS RECEIVABLE – WRITE-OFF OF UNCOLLECTIBLE ACCOUNTS**

**RECOMMENDATION:**

THAT the Regional Municipality of Waterloo approve \$92,545.59 in accounts receivable write-offs for the year ended December 31, 2010 as outlined in Report F-11-005.

**SUMMARY:**

Accounts receivable write-offs of uncollectible accounts are a cost of doing business. The Chief Financial Officer has the authority and discretion to reverse any interest penalties charged and to write-off accounts receivable up to \$2,500. An increase from \$1,000 to \$2,500 in the approval level for write-offs by the Chief Financial Officer was approved by Council effective January 1, 2010. Write-offs of receivables exceeding \$2,500 require Regional Council approval. Finance and Legal Services staff has conducted a thorough review of all outstanding accounts to determine the amount to be written off for 2010. Accounts with balances less than \$2,500 aged beyond 90 days, and where all regular collection efforts have been exhausted have been written-off throughout the year. A number of other accounts with balances in excess of \$2,500 aged beyond 180 days, and where again all collection efforts have been exhausted have been identified as uncollectible. The purpose of this report is to seek Council's approval of the recommended write-offs in excess of \$2,500. The total amount of the proposed write-offs in excess of \$2,500 equals \$92,545.59 which equates to 0.056% of the total amount invoiced through Accounts Receivable and Waterloo Region Housing (WRH) for the year. Of this amount, \$79,788.59 relates to WRH. This amount has been provided for and there is no impact on 2010 operations or budget related to Housing. The remaining \$12,757.00 will impact the 2010 budget for waste management. Aged accounts where collections are ongoing or expected are not included in the recommended write-offs.

**REPORT:****Accounts Receivable Policies and Procedures**

Effective management of receivables requires that procedures are in place to ensure timely receipt of funds due to the Region. Before accounts are recommended for write-off, a number of steps are generally followed to ensure that all reasonable efforts have been made to effect payment of the account in full.

- Once the good or service is delivered, an invoice is created and mailed by Accounts Receivable and/or departmental staff and revenue is credited to the program area;
- Monthly client statements are produced by Accounts Receivable and mailed at the beginning of each month;

- At 31 days overdue, the first collection letter is issued by staff. Telephone collection is attempted during this time and customers unable to pay in full are informed on the option of entering into a repayment plan;
- At 60 days overdue, if the account remains outstanding, the second collection letter is issued by Accounts Receivable. Collection letters request full payment and the client is advised that access to service may be suspended and that legal action is a possibility. Telephone collection is still attempted during this time. If staff are unable to collect the account or get a written commitment from the customer as to a repayment plan, further options are considered including suspension of services and referral of the collection file to the Region's Legal Services for legal action.
- Waterloo Region Housing has its own rent collection management system and processes. Early intervention and continuous monitoring are key components of the process.

The write-off of a receivable account does not necessarily mean that staff has determined that no payment is forthcoming. Rather, given the time elapsed and the status of the collection activity, it is highly unlikely any payments would be received.

### **Landfill Accounts – Recommended Write-offs \$12,757.00**

Landfill invoices are issued monthly to accounts that were granted credit with the Region following a screening process. When a landfill account becomes a collection issue, a letter is sent to the customer giving them ten business days to pay the amount owing on the account. If payment is not received, further credit is denied and the customer is suspended from using the landfill site. Access to the landfill site is re-established when all arrears have been paid or in certain circumstances, when an agreed upon repayment plan is established. The amount being recommended for write off represents the amount owing from one debtor. The debtor is in receivership and the trustee has advised that an unsecured creditor like the Region will not receive compensation. The recommended write-off will be charged against the 2010 Waste Management Budget.

### **Waterloo Region Housing – Recommended Write-offs \$79,788.59**

Waterloo Region Housing charges rent and other fees such as maintenance, misrepresentation, move-outs and miscellaneous (legal, NSF fees and extra keys) according to the Social Housing Reform Act. Due to the nature of the clientele and program, interest charges are not applied to tenant receivables. It should be noted that write-offs are only recommended after extensive efforts at collection have been made by WRH staff. Information is also shared among other Service Managers through the province-wide arrears database where tenants with arrears will not receive subsidized housing in Ontario unless the arrears are paid or a payment plan is in place.

For 2010, the recommended write-offs in excess of \$2,500 are \$79,788.59 for 17 former tenants across a total of 2,591 units and include unpaid rents, costs for damages to units and amounts owing due to misrepresentation of income. The number of tenants and dollar value has increased by five and \$20,795 respectively when compared to the prior year's recommended write-offs in excess of \$2,500. The majority of this increase can be attributed to rent and move-out charges. The recommended write-offs, which represent 0.66% of 2010 budgeted WRH rental revenues, have been fully provided for and will not have any impact on current WRH operations or its 2010 budget.

### **Accounts Receivable – Continued Developments**

During the year 2010, processes have been further refined to enable a continued focus on collections.

Changes in processes, including initial collection letter being mailed after 31 days compared to 60 days in prior years, reducing the grace period from 12 days to 2 days, the electronic delivery of the accounts receivable correspondence and the success of the online payment option, contributed greatly to reducing

the number of days in which invoices are paid as well as the amounts recommended for write off. On average, the number of days until an invoice is paid was approximately 26 days in 2010 compared to 34 days in 2009. Monthly reporting provides an up-to-date status of accounts and collections to the Region's various business units. Greater use of the Region's Legal staff time and expertise continued in 2010. Accounts receivable staff continued to explore process improvements as well as develop and maintain strong relationships with the Region's various business units. These initiatives resulted in a 46% decrease in the total amount of write offs, Housing included for 2010 as compared to 2009.

In October 2010, the Region assumed responsibility for water/wastewater billings including meter reading and all customer service functions for customers of the water system in the Township of North Dumfries. Finance and Water Services staff have been working to ensure an effective transition through communications to customers and the implementation of a meter reading process and water/wastewater billing software. Appropriate policies and procedures are currently being developed. It is anticipated that the Region will assume responsibility for the water/wastewater billings for customers in the Township of Wellesley in late 2011.

#### **CORPORATE STRATEGIC PLAN:**

One of the Focus Areas of the Corporate Strategic Plan is "Service Excellence." The objective of this focus area is to ensure all Regional programs and services are responsive, efficient, effective and accountable to the public.

#### **FINANCIAL IMPLICATIONS:**

The recommended write-offs for accounts in excess of \$2,500 totaling \$92,545.59 noted in this report include \$79,788.59 related to WRH which has been fully provided for and will not impact on current WRH operations and \$12,757.00 which will impact the waste management program.

For 2010, write-offs under \$2,500 and write-offs arising from settlements pursuant to the Regional Solicitor's By-law total \$75,253.21 including \$56,254.50 for WRH. These write-offs have been provided for in 2010 and prior years.

Total write-offs of \$167,798.80 including amounts exceeding \$2,500 and amounts less than \$2,500, represent 0.10% of the total amount invoiced through Accounts Receivable and WRH for 2010 of \$164 million. Total write-offs for 2009 were \$312,976.46 representing 0.22% of the total amount invoiced through Accounts Receivable and WRH in 2009 of \$141.4 million.

#### **OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:**

Legal Services Division staff has assisted on the legal aspects of the collection of delinquent accounts. Staff from a number of departments across the Region have assisted in the review of over-due accounts and in the collection activities. Departments affected by the write-offs concur with the recommended amounts.

#### **ATTACHMENTS:** Nil

**PREPARED BY:** *M. Oltean*, Financial Analyst  
*T. Alpaugh*, Manager of Treasury Services



**APPROVED BY:** *L. Ryan*, Chief Financial Officer



**REGION OF WATERLOO**

**CORPORATE RESOURCES  
Information Technology Services**

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**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** January 25, 2011      **FILE**      **CODE:** A03-90

**SUBJECT: INFORMATION TECHNOLOGY SERVICES PROGRAM REVIEW UPDATE**

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**RECOMMENDATION:**

For Information

**BACKGROUND:**

In 2009 a Program Review was initiated for the Information Technology Services Division (ITS). A report on the findings and recommendations was presented to Audit Committee on June 29, 2010. The recommendations were accepted in principle subject to any required budget approvals.

The consultant (Prior and Prior) report acknowledged that the Region has developed a high performing and reliable infrastructure, and that ITS is a responsive service provider of technology solutions within the parameters of its current funding and resources. However, there is a need for a fundamental change in how the Region manages technology to capitalize on opportunities and insure responsive and value-driven ITS services into the future. If comprehensively implemented, the changes would result in: more proactive ITS leadership; more effective management of technology resources organization-wide; services more directly responsive to business needs; longer range technology planning; systems and solutions that are strategically aligned, integrated and leveraged to maximize benefit and minimize duplication and cost. This change in direction will impact how departments interact with ITS and how technology related projects are prioritized, approved, and managed.

This following report provides an update on implementation activities over the past 6 months and anticipated action in the January- June 2011 timeframe. Further updates will be provided to the Administration and Finance Committee on a semi-annual basis.

**REPORT:**

It was determined that a comprehensive implementation of all of the consultant recommendations could take up to 2 years. Over the past months we have focused on developing the leadership structure and laying the groundwork for implementation. Considerable time has been spent developing an implementation framework that will foster collaboration and engage staff in decision making processes. All of this has been done to coincide with the hiring of a new ITS Director who will assume overall responsibility for leading the implementation.

Implementation Accomplishments; June 2010- December 2010

- *Hiring of New ITS Director-* Walter Gasparini previously announced his retirement in June of 2011. In anticipation of this, and to insure a smooth transition to new leadership, it was decided to hire the new Director early in the implementation process. This would give that

individual an opportunity to shape the new direction for IT at the Region, and insæ the day to day IT activities can be sustained given both Walter's retirement and the upcoming retirement of the Manager of Corporate Systems and Applications (Joe Staubitz) in January 2011. Arlene McDonald was hired as the new Director of Information Technology Services effective January 17, 2011. Arlene was selected for the position from among over 250 qualified applicants. *(completed)*

- *Interim Leadership Team/ Steering Group*- a team was struck to oversee the preparatory implementation work and includes a Human Resources (HR) consultant (Giselle Currie) to assist with the HR and organizational change components, and a Process Manager (Craig Crawford). A Steering Group comprised of ITS management and staff representatives was also formed to assist and provide input during implementation. *(completed)*
- *Staff Communications*- numerous meetings and initiatives took place to acquaint ITS staff with the Program Review recommendations and the impact on the organization. An ITS collaboration portal and a weekly newsletter has been established to keep all staff informed of the progress of the implementation. An impact summary was drafted and tabled with CLT to give Commissioners an early indication of the impact on Region Departments and the nature of collaboration required to implement the Review recommendations. *(ongoing)*
- *Detailed Implementation Plan*- the sequence of implementation and a detailed action plan was developed. A communication plan was also developed with assistance from HR. The staff teams (ITS and inter-department) required for various project components were identified and membership recruited through appointments and staff volunteer opportunities. *(completed)*
- *EIS Review*- further study of the relationship between the EIS Section and the ITS Division was recommended in the Program Review. The data collection phase has been completed and the two Divisions are now working on an implementation plan. *(completed)*
- *Corporate GIS Strategy*- a cross-department working group was struck to define the scope of the project and develop an RFP for consultant services. The consultant will assist in evaluating the Region's current multi-platform GIS model and make recommendations on alignment and responsibilities. The RFP was let the week of January 10. *(underway)*
- *ITS Reorganization and Staffing*- the proposed reallocation of responsibilities within ITS and the creation of the new Client Services and IT Planning Section was defined in greater detail, but further action was deferred pending the arrival of the new Director. The priority order of requests for new staff was determined in a way that would allow us to thoroughly assess current staff resource deployment and identify any efficiencies prior to requesting any additional technical support positions. A 2011 budget issue paper was submitted for 2 Program Manager (provisional title) positions. These positions are the principal facilitators of service improvement and technology innovation and alignment. They will work closely with the Departments and program areas to prioritize their technology needs, identify solutions responsive to business requirements, develop long range technology plans, and facilitate the timely completion of projects. In an effort to economize and insure the most effective use of existing staff resources, it was decided to redirect a vacant FTE to create one of the 4 Program Managers recommended in the Program Review, and convert an existing ITS position now responsible for performing similar work to fill the second position. The Program Manager positions are critical to implementing a number of related Review recommendations. *(underway)*

#### Planned Activities: January 2011- June 2011

- *Corporate IT Steering Committee* - develop the mandate and terms of reference and strike the Committee. This group will include Director level participation from all Departments and will assist in prioritizing IT projects in accordance with available resources and insuring their strategic and cross Department alignment. *(underway)*

- *Corporate GIS Strategy* - complete the study, make recommendations to CLT and begin implementation of the Strategy actions. (*pending*)
- *ITS Division Organization Structure* - document and obtain the necessary approvals, and begin implementing the new ITS Division structure for the two existing sections. (*pending*)
- *Staffing* – hire the Managers for the new Client Service and IT Planning Section (using an existing ITS Manager vacancy); hire the replacement Manager of Corporate Systems and Applications (due to Joe Staubitz retirement); and, fill the Program Manager positions, subject to budget approval. (*underway*)
- *Implementation of New Client Service and IT Planning Section*- once the new section Manager is hired, begin implementation of the organization structure and the training of the Program Managers. (*pending*)
- *EIS Review* – begin implementation of the Review initiatives in accordance the implementation plan. (*pending*)
- *ITS Mandate and Business Model*- develop the principles around which the Region will utilize and manage information technology and reconcile program area and overall corporate priorities. (*underway*)
- *Service Satisfaction Survey* - develop and implement a survey tool to measure ITS service effectiveness and client satisfaction. We are planning to utilize the methodology used in the recent satisfaction survey completed in Facilities Management (*pending*)
- *IT Project Management Methodology* – develop a standard corporate-wide methodology for initiating, approving and managing information technology projects. (*pending*)

#### **CORPORATE STRATEGIC PLAN:**

The implementation of the recommendations of the ITS Program Review relates to Focus Area 6 (Service Excellence). Specifically, Objective 6.3 which ensures that Regional programs and services are responsive, efficient, effective and accountable to the public.

#### **FINANCIAL IMPLICATIONS:**

An issue paper has been submitted as part of the 2011 budget process requesting a one-time allocation from the Computer Reserve Fund to finance transition costs related to the IT Program Review implementation process. As outlined above, the request also includes funding for 2 of the 4 Program Manager positions critical to the implementation process. The remaining 2 positions will be filled through an existing vacancy within ITS and the reconfiguring of a current ITS position.

#### **OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:**

The ITS Division has been working with the Human Resources Department to assist with the change management processes and any items having a staffing impact. The EIS Section has participated in the review of the ITS/EIS integration options. GIS user departments have participated in the development of the RFP for the selection of a consultant to complete the corporate GIS strategy. Other Regional departments will be engaged further as implementation progresses.

**ATTACHMENTS:** Nil

**PREPARED BY:** *Walter Gasparini*, Director Information Technology Services

**APPROVED BY:** *Gary Sosnoski*, Commissioner Corporate Resources

**COUNCIL ENQUIRIES AND REQUESTS FOR INFORMATION****ADMINISTRATION AND FINANCE COMMITTEE**

<b>Meeting date</b>	<b>Requestor</b>	<b>Request</b>	<b>Assigned Department</b>	<b>Anticipated Response Date</b>
04-Mar-08	P&W	Best Value Bidding	Finance/Purchasing	Jan-2011
09-Dec-09	Budget Committee	Comparison of reserves, expenditures and debt-per-capita between Region and comparator municipalities	Finance	Winter 2011
26-Jan-10	Committee	Report on a policy related to development charge grants, exemptions and deferral requests, to include past history/practice, implications, and options.	Finance	Jan-2011
08-Jun-10	A&F	Review current funding for the tax increment grant program, with full range of funding options.	Finance	Winter 2011
23-Nov-10	A&F	Assess the application of the prequalification guidelines (both generals and sub contractors) and report back to A & F after one years experience	Finance	Nov-2011