



Media Release: Friday, January 30, 2015, 4:30 p.m.

Regional Municipality of Waterloo

Administration and Finance Committee

Agenda

Tuesday, February 3, 2015

Approximately 10:30 a.m. (Immediately following the Planning and Works Committee)

Regional Council Chamber

150 Frederick Street, Kitchener

-
- 1. Declarations of Pecuniary Interest Under The “Municipal Conflict of Interest Act”**
 - 2. Delegations**
 - a) Connie Dwyer and Janet Willard, Lisaard House, Re: Innisfree House Hospice, Kitchener
 - 3. Presentations**
 - a) Human Resources and Citizen Service Departmental Overview Presentation – Jane Albright, Commissioner
 - b) Corporate Services Departmental Overview Presentation – Craig Dyer, Commissioner and Chief Financial Officer

Consent Agenda Items

Items on the Consent Agenda can be approved in one motion of Committee to save time. Prior to the motion being voted on, any member of Committee may request that one or more of the items be removed from the Consent Agenda and voted on separately.

4. **Request to Remove Items from Consent Agenda**
5. **Motion to Approve Items or Receive for Information**
 - a) [COR-TRY-15-06](#), Memberships with the Federation of Canadian Municipalities and the Association of Municipalities of Ontario (Approval) 1
 - b) [COR-TRY-15-07](#), Write-off of Uncollectible Accounts for the Year Ended December 31, 2014 (Approval) 6

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| Regular Agenda Resumes |
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6. **Reports – Corporate Services**
 - a) [COR-ITS-15-02](#), Waterloo Region Education and Public Network Agreement Renewals 14

Reports – Human Resources and Citizen Service

 - b) [HRC-EOE-15-01](#), Employee Assistance Program (EAP) Service Provider 18
7. **Information/Correspondence**
 - a) Council Enquiries and Requests for Information [Tracking List](#) 21
8. **Other Business**
 - a) Notice of Budget Motions – D. Craig
9. **Next Meeting – February 24, 2015**
10. **Adjourn**



Report: COR-TRY-15-06

Region of Waterloo

Corporate Services

Treasury Services

To: Chair Sean Strickland and Members of the Administration and Finance Committee

Date: February 3, 2015 **File Code:** F02-20

Subject: Memberships with the Federation of Canadian Municipalities and the Association of Municipalities of Ontario

Recommendation:

That the Regional Municipality of Waterloo grant pre-budget approval for the payment of the 2015 membership fees in the amount of \$71,171.32 for the Federation of Canadian Municipalities and \$11,554.70 including all applicable taxes for the Association of Municipalities of Ontario, as outlined in report COR-TRY-15-06, dated February 3, 2015;

And that the Regional Municipality of Waterloo approve, for the duration of the term of Council, payment of the Federation of Canadian Municipalities and Association of Municipalities of Ontario annual membership fees, subject to annual budget approval, as outlined in Report COR-TRY-15-06, dated February 3, 2015.

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 2015 membership fees. A copy of the FCM invoice is attached as Appendix 1 and a copy of the AMO invoice is attached as Appendix 2.

The cost of the 2015 FCM membership is \$71,171.32 based on a flat fee of \$330 and 13.97 cents per capita with a population of 507,096 based on the 2011 census. The cost of the 2015 AMO membership is \$11,554.70, including all applicable taxes, based on \$6,975 for the first 30,000 households and 1.83 cents per household above 30,000, with the number of total households being 207,617.

The following table compares the 2014 and 2015 costs for both the FCM and AMO memberships:

| | 2014 | 2015 | \$ Increase | % Increase |
|---------------------------------------|--------------------------------------------------------------------|--------------------------------------------------------------------|--------------------|-------------------|
| FCM | \$69,695.74 | \$71,171.32 | \$1,475.58 | 2.1% |
| Base fee | \$325 | \$330 | \$5 | 1.5% |
| Per capita fee | \$0.1368 | \$0.1397 | \$0.0029 | 2.1% |
| Population | 507,096 (2011 Census) | 507,096 (2011 Census) | | |
| AMO * | \$11,192.60 | \$11,554.70 | \$362.10 | 3.2% |
| Fee on first 30,000 households | \$6,770 | \$6,975 | \$205 | 3.0% |
| Fee on households in excess of 30,000 | \$3,134.95 calculated as \$0.0178 x 176,121 households | \$3,250.39 calculated as \$0.0183 x 177,617 households | \$115.44 | 3.7% |
| Total Households | 206,121 | 207,617 | | |

*Before H.S.T. rebate

The Region covers 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 2015 Regional budget is scheduled for March 4, 2015 however the AMO invoice is due January 31, 2015. The FCM invoice is due prior to April 1, 2015.

Pre-budget approval is recommended to enable the Region to pay these invoices on a timely basis.

It is also recommended that the annual membership fees for FCM and AMO be approved for the duration of current term of Council, subject to annual budget approval. This approach allows Council to deal with this matter in the first year of each Council term and 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 efficient and effective and demonstrate accountability 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 \$81,576 (\$71,171 for FCM and \$10,405 for AMO) after the H.S.T. rebate. There is no H.S.T. applied to the FCM membership. The preliminary 2015 budget for Members of Council includes a provision of \$82,735 for these memberships. This provision will be reviewed and adjusted annually as required.

Other Department Consultations/Concurrence: Nil

Attachments:

Appendix 1 – 2015 FCM Invoice

Appendix 2 – 2015 AMO Invoice

Prepared By: Julie Bradey, Financial Analyst

Approved By: Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer

Appendix 1



FÉDÉRATION
OF CANADIAN
MUNICIPALITIES

FÉDÉRATION
CANADIENNE DES
MUNICIPALITÉS

24, rue Clarence Street
Ottawa, Ontario K1N 5P3
T. 613-241-5221
F. 613-241-7440

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

Membership Invoice
2015-2016
Facture d'adhésion

INVOICE/FACTURE: 35090
DATE: 11/25/2014
ACCOUNT/COMPTE: 24579
DUE DATE/DATE LIMITE: 03/31/2015

| ITEM/DESCRIPTION | AMOUNT/MONTANT |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| Membership Fee for April 1/15 to March 31/16 / Frais de cotisation du 1 ^{er} avril 2015 au 31 mars 2016 Municipal Dues Calculated with a base fee of \$330.00 plus per capita fees of \$70,841.32(fee population of 507,096 x 13.97 cents). | \$71,171.32 |
| TOTAL: | \$71,171.32 |
| PAID AMOUNT/MONTANT PAYÉ: | \$0.00 |
| BALANCE DU/MONTANT DÙ: | \$71,171.32 |

Appendix 2



Association of Municipalities of Ontario

2015 MEMBERSHIP INVOICE

Accounts Payable

Waterloo, Region of
150 Frederick Street

Kitchener, ON N2G 4J3

RECEIVED
DEC 16 2014
FINANCE DEPARTMENT

Invoice No.: MEM003477
Invoice Date: January 1, 2015
Due Date: January 31, 2015

| BILLED TO | | AMOUNT |
|---------------------------------------|--------------------------------|--------------------|
| Membership Category: | Upper Tier Municipality | |
| Membership fee for the period: | January 1 to December 31, 2015 | \$10,225.39 |
| Harmonized Sales Tax (13%): | | \$1,329.31 |
| TOTAL: | | \$11,554.70 |
| HST number 106732944RT001 | | |

At its meeting on November 28, 2014, the AMO Board passed the Association's 2015 budget which provided that membership fees be calculated using the most current household data available from the Municipal Property Assessment Corporation (MPAC).

Your Municipality's fee was based on a total of 207617 households.

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



Report: COR-TRY-15-07

Region of Waterloo

Corporate Services

Treasury Services

To: Chair Sean Strickland and Members of the Administration and Finance Committee

Date: February 3, 2015

File Code: F03-21

Subject: Write-off of Uncollectible Accounts for the Year Ended December 31, 2014

Recommendation:

That the Regional Municipality of Waterloo write-off accounts receivable in the amount of \$272,707.90 for the year ended December 31, 2014, as outlined in Report COR-TRY-15-07.

Summary: Nil

Report:

Background

Council Report F-10-008 provides the Chief Financial Officer with the authority to write-off accounts receivable up to \$2,500. 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. Write-offs of receivables exceeding \$2,500 require Regional Council approval. Regional staff has conducted a thorough review of all outstanding accounts to determine the amounts to be written off for 2014. A summary of policies and procedures used during the receivable collection process is attached as Schedule A.

The recommended write-offs for 2014 in excess of \$2,500 total \$272,707.90 which equates to 0.37% of the total billed revenue for General Receivables, Seniors' Services and Housing Services. A summary of billed revenue and write-offs for 2014 is shown in

the following table:

| Region of Waterloo 2014 Billing and Write-off Summary | | | | |
|--------------------------------------------------------------|----------------------------|--------------------------|----------------|--------------|
| Program Area | General Receivables | Seniors' Services | Housing | Total |
| Billed Revenue | \$54,815,333 | \$5,311,683 | \$12,770,849 | \$72,897,865 |
| Write-offs <= \$2,500 approved by staff | \$5,760.36 | \$3,806.44 | \$55,219.34 | \$64,786.14 |
| % of Billed Revenue | 0.01% | 0.07% | 0.43% | 0.09% |
| Write-offs > \$2,500 to be approved by Council | \$185,891.34 | \$2,871.87 | \$83,944.69 | \$272,707.90 |
| % of Billed Revenue | 0.34% | 0.05% | 0.66% | 0.37% |
| Total Write-offs | \$191,651.70 | \$6,678.31 | \$139,164.03 | \$337,494.04 |
| % of Billed Revenue | 0.35% | 0.13% | 1.09% | 0.46% |

Details of amounts recommended for write-off are provided in the following sections.

1. General Receivables – Total recommended write-off = \$185,891.34

Landfill (\$185,891.34)

The amount being recommended for write-off is from two (2) debtors and relates to non-payment of tipping fees at Waterloo Regional Landfill sites. Landfill customers' access to landfill sites is suspended due to non-payment when accounts are overdue by sixty (60) days. The Region filed statements of claim against both debtors and obtained default judgments. The Region conducted debtor examination on both judgments. One company is insolvent with no assets left in the corporation. The other company has a significant debt to Canada Revenue Agency, there are no assets in the corporation, the sole officer and director filed for personal bankruptcy, and the company is insolvent. The debt in the amount of \$175,066, from one debtor for landfill charges over a 2 month period, was charged against the 2013 budget. The remaining balance of \$10,825.34

will be charged against the 2014 Waste Management Budget. The recommended write-off for general receivables represents 0.34% of billed revenue.

2. Seniors' Services - Sunnyside Home – Recommended Write-offs = \$2,871.87

The amount being recommended for write-off represents the amount owing from one (1) account. A resident has passed away and further attempts to recover the amounts owing from the resident's estate are not expected to be successful. The recommended write-off represents 0.05% of 2014 billed revenue for Seniors' Services. If approved, the Region will be eligible for 50% provincial subsidy for the amounts written off, for a net Regional cost of \$1,436. The recommended write-off will be charged against the 2014 Seniors' Services Budget.

3. Housing Services – Recommended Write-offs = \$83,944.69

The recommended write-offs in excess of \$2,500 are \$83,944.69 for 19 former tenants of which \$8,334.96 represents arrears for one former rent supplement tenant and \$75,609.73 relates to 18 former tenants of Waterloo Region Housing (WRH) across a total of 2,722 units. The vast majority of the recommended write-offs relates to unpaid rents (\$41,883.97) and move-out charges (\$30,997.91) due to excessive unit repairs. Factors affecting the amount of write-offs include the length of tenancies, the extent of unit damage at the time of turnover, and the timing and number of tenants taken to the rent tribunal and facing possible eviction. The recommended write-offs represent 0.66% of 2014 budgeted WRH revenues. The amount of \$75,609.73 was charged against the 2013 budget. The write-off amount for the former rent supplement tenant will be charged against the 2014 Housing Services budget.

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 efficient and effective and demonstrate accountability to the public.

Financial Implications:

For 2014, write-offs under \$2,500 total \$64,786.14, while the recommended write-offs in excess of \$2,500 total \$272,707.90 for a grand total of \$337,494.04 which equates to 0.46% of the total amount invoiced. Write-offs of \$86,818.31 will be expensed in 2014 as \$250,675.73 was charged against the 2013 budget. 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.

Total account write-offs for 2013 and 2014 are shown in the following table.

| Region of Waterloo Write-off Summary – comparative chart | | | |
|-----------------------------------------------------------------|---------------------|---------------------|-------------------|
| | 2013 | 2014 | Change |
| Total Invoiced | \$73,105,512 | \$72,897,865 | |
| Write-off <= \$2,500 | 76,868.88 | 64,786.14 | (12,082.74) |
| Write-off > \$2,500 | 110,286.69 | 272,707.90 | 162,421.21 |
| Total Write-off | \$187,155.57 | \$337,494.04 | 150,338.47 |
| Write-off as % of Invoiced Revenue | 0.26% | 0.46% | |

Total write-offs have increased in 2014. This is due entirely to one large general receivables customer that became insolvent.

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 overdue accounts and in the collection activities. Departments affected by the write-offs concur with the recommended amounts.

Attachments: Schedule A – Accounts Receivable Policies and Procedures

Prepared By: Mirela Oltean, Financial Analyst, Treasury Services

Tricia Alpaugh, Manager, Treasury Services

Approved By: Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer

Schedule A

Accounts Receivable Policies and Procedures

General Receivables

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 by Treasury Services staff to ensure that all reasonable efforts have been made to effect payment of the account in full. These steps include:

- Once the good or service is delivered, an invoice is created and mailed, and the revenue is credited to the program area;
- Monthly client statements are produced by staff and mailed at the beginning of each month;
- At 31 days overdue, the first collection letter is issued by staff. Telephone contact is attempted during this time and customers unable to pay in full are informed of the option of entering into a repayment plan;
- At 60 days overdue, if the account remains outstanding, the second collection letter is issued by Treasury Services. Collection letters request full payment and the client is advised that access to service may be suspended and that legal action is a possibility. Due to the nature of the business, service suspension is applicable for daycare, landfill, and police reporting center customers. In the case of landfill, suspension is automatic at 60 days overdue. Telephone contact 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 possible legal action.

Retail Water Receivables

A series of processes are undertaken by Treasury Services staff with respect to collection of retail water revenue as allowed under The Municipal Act including:

- Water and wastewater invoices are issued bi-monthly for water consumption in the prior 2 months and are due 21 days from the invoice date. Invoices include previous unpaid balances and interest charges;
- Interest of 1% per month on overdue amounts is charged monthly 2 days after the invoice due date;

- The first collection letter is mailed 10 days after the invoice due date;
- Regional staff initiates customer calls/emails to follow up on payment. Where payment in full is not possible, payment plans are drawn up and approved. Generally, water payment plans are not to exceed six months;
- The second collection letter is mailed and potentially hand delivered or posted on the front door 40 days after the invoice due date. The letter notifies customers of potential water service disconnection if payment is not made within 21 days of the date on the letter or a payment plan is not arranged. Payment can be made in person, by telephone, certified cheque, online banking or credit card;
- Next billing period invoices are issued. Invoices include previous unpaid balances;
- Regional staff will follow up by telephone with customers who were mailed the second collection letter. Staff will discuss payment of arrears, a potential payment plan and the possibility of water disconnection should payment or payment plan agreement remains outstanding 21 days after the date on the letter;
- Accounts that are not paid or accounts that have not committed to a payment plan within those 21 days will be reviewed and water disconnection notices will be prepared;
- Water disconnection notices will be hand delivered or posted on the front door of the service address. The letter indicates when water disconnection is scheduled to happen;
- Water is turned back on within 24 hours (business hours Monday to Friday) after payment is made and a \$100 water re-connection fee is charged to the account as approved in the fees and charges by-law;
- If the customer fails to pay the balance outstanding after water disconnection, the account is sent to Legal Services for collection and a request for transfer to property tax is issued to the applicable area municipality. This request is made on an annual basis in early June;

Seniors' Services - Sunnyside Home

A series of processes are undertaken by Seniors' Services staff with respect to collection of overdue accounts for Long Term Care including:

- Invoices are sent out on a monthly basis for trust and accommodation accounts;

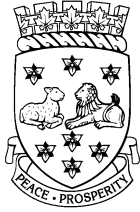
- Outstanding balances are reviewed monthly;
- When a payment has not been received within 30 days, staff contact the Power of Attorney for Finances (POA) by telephone to inform them of the amount owing;
- If a payment is not received after the first collection attempt, the Manager of Administrative Services contacts the POA to discuss payment options;
- If the amounts remain unpaid, a collection letter is sent to the POA with details of the amount owing and the request to submit payment within 10 business days. The letter includes notification that legal action is a possibility;
- When payments or payment options with the POA have not been successful the file is forwarded to Legal Services for collection action;
- Accounts receivable balances for Long Term Care are reviewed regularly with the Manager of Financial Services;

Waterloo Region Housing (WRH)

A series of processes are undertaken by Waterloo Region Housing (WRH) staff with respect to rent collection management and as allowed under the Residential Tenancy Act (RTA) including:

- Frequent review of arrear listings (more than once a month);
- Tenants who are in arrears by the 10th day of the month receive a N4 (Notice to End a Tenancy Early for Non-payment of Rent) under the RTA;
- Staff generally receive payments or enter into arrear repayment agreements with tenants;
- In the event that a tenant has not made efforts regarding their outstanding balance, an application to terminate tenancy is made to Rental Tribunal. Early intervention with tenants in arrears assists WRH in avoiding this process;
- If tenant vacates, invoice for amounts owing is sent to former tenant;
- If the amounts are not paid and forwarding address is available, letter is sent stating that the file will be sent to collections if the former tenant fails to contact WRH by a specific date;
- If there is no response to the letter, staff will attempt to contact former tenant by phone - every effort is made to contact the tenant before sending the file to the collection agency;
- File is sent to collection agency;

- Information is also shared among other Service Managers through the province-wide arrears database where tenants with arrears are not eligible to reapply for housing in Ontario unless the arrears are paid or a payment plan is in place.



Report: COR-ITS-15-02

Region of Waterloo
Corporate Services
Information Technology Services

To: Chair Sean Strickland and Members of the Administration and Finance Committee

Date: February 3, 2015

File Code: A02-20

Subject: Waterloo Region Education and Public Network Agreement Renewals

Recommendation:

That the Region of Waterloo on behalf of the Waterloo Region Education and Public Network (WREPNET) partners, renew its agreement with Rogers Communications Partnership for the provisioning and supply of a dark fibre network for a 5 year period beginning September 1st 2016, with such agreement to be satisfactory to the Regional Solicitor, at a total cost for all WREPNET partners of approximately \$2,206,634 annually, of which the annual cost to the Region is \$415,449;

And that the Region of Waterloo on behalf of the Waterloo Region Education and Public Network (WREPNET) partners renew its agreement with Softchoice LP for the management and support of the WREPNET network, for a 5 year period beginning January 1st 2016, with such agreement to be satisfactory to the Regional Solicitor, at a total cost for all WREPNET partners of approximately \$685,649 annually, of which the annual cost to the Region is \$129,087.

Report:

In January of 2000, the Region of Waterloo entered into a joint venture with the City of Kitchener, the City of Waterloo, the City of Cambridge, the local school boards, the Cambridge and Waterloo library boards and Conestoga College. The purpose of the joint venture was to implement and operate an affordable, dedicated, high speed fibre optic network to the of the educational and public sector institutions within the Region of Waterloo. This fibre optic network – which is referred to by the acronym of WREPNET (Waterloo Region Education and Public Network) – is widely utilized and has grown from the original 227 sites to over 320 sites in the past 15 years.

WREPNET is a prime example of how municipal governments and other public sector partners can work collaboratively to reduce cost, enhance network access and share services. The WREPNET model has been extremely effective for the past 15 years. WREPNET is quite unique to the region and is an envied model of many of our surrounding municipalities.

Current members of WREPNET include;

- Regional Municipality of Waterloo
- City of Kitchener
- City of Waterloo
- City of Cambridge
- Waterloo Region District School Board
- Waterloo Catholic District School Board
- Waterloo Public Library
- Kitchener Public Library
- Conestoga College
- Grand River Hospital
- Family and Children's Services of Waterloo
- Women's Crisis Services of Waterloo Region

The WREPNET joint venture is structured by a framework of legal agreements which include;

1. A cost sharing agreement amongst the partners based on number of sites. This agreement is not in need of renewal. This agreement outlines the responsibility of each partner to manage billing of the two agreements (described below) directly with the respective organizations and that all shared costs will be broken out by partner on a per site basis.
2. A lease agreement to supply and maintain dark fibre optic cabling for the WREPNET network. The original agreement was signed between the partners and Fibretech Telecommunications Inc. on August 1, 2000. It was then assumed by Atria in 2005, and then again assumed by Rogers Communications Partnership in 2013. This agreement was renewed in August of 2006, and again in November of 2010.
3. An agreement to provide support and implementation services and management of the overall network for the partners. The original agreement was signed between the partners and Unis Lumin Inc., and was assumed in 2011 by Softchoice.

The current agreement with Rogers expires August 31st of 2016 and the agreement with Softchoice expires December 31st 2015. Both contracts include a provision for a 5 year renewal term respectively. The end dates of the agreements are intentionally separated to

allow for less disruption to the WREPNET partners in the case of a non renewal. The WREPNET partners collectively agreed to renew the contract with Rogers well in advanced of the renewal date to ensure any changes to costs could be accommodated for in the 2016 budget planning cycles, as well as to ensure the ongoing interest of Rogers to continue to support the partnership and the model as it was assumed from Atria. The end dates of the agreements are intentionally separated to allow for less disruption to the WREPNET partners in the event of a non renewal.

The Region has historically taken a leadership role in coordination of the renewals on behalf of the WREPNET partners and continues to do so for this renewal. In order to extend the current agreements with both Rogers and Softchoice they must be signed by the Region of Waterloo and all other partners who have voted in agreement to both extensions.

The Region's Purchasing By-law allows for purchasing by negotiation where the extension of an existing or previous contract would prove more cost effective or beneficial for the Region (Clause 21. (1) (g)).

Corporate Strategic Plan:

The above initiative supports Focus Area 5 - Service Excellence and directly relates to objective 5.3 ensuring programs and services are efficient, effective and demonstrate accountability to the public, and 5.6 strengthening and enhancing partnerships.

Financial Implications:

Rogers Agreement

The current per site monthly cost to the Region under the Rogers agreement is \$567.55 or an annual cost of \$415,449.38 for all 61 current Regional sites, which is provided for in the preliminary 2015 Information Technology Services (ITS) Operating Budget.

The overarching agreement with Rogers allows for an adjustment in monthly cost per site at the end of each 5 year term. This adjustment is based on Consumer Price Index throughout the previous term. This new monthly cost has not yet been calculated as it will require 2015 CPI calculations but is estimated at an 8%- 10% increase over current costs (average of 1.5% to 2% per year, over 5 years). The contract is being renewed well in advance of the renewal date to allow for each partner to accommodate for new costs within very diverse budgeting cycles and approval processes.

There are a total of 324 current WREPNET sites across all partners. The annual total value of the Rogers agreement for all partners is approximately \$2,206,634. All WREPNET partners are billed directly by Rogers.

If each WREPNET partner were to source equivalent network provisions at a commercially available cost the approximate difference would be 50% greater cost for 1/10 the bandwidth or over double the current cost for the same bandwidth per site.

Softchoice Agreement

The current per site monthly cost to the Region for the Softchoice agreement is on average \$176.35. The annual cost to the Region for the Softchoice agreement is \$129,087 which is provided for in the preliminary 2015 ITS Operating Budget. All WREPNET partners are billed directly by Softchoice.

The new contract terms includes an increase to the professional services charges (only billed as needed, for new installs, paid individually and for upgrades shared across the partners). The monthly management fee is expected to remain the same throughout the next 5 year term.

Other Department Consultations/Concurrence:

The Region's Legal Division has reviewed and endorsed the proposed 5 Year Renewal agreements.

All WREPNET partners have agreed to the extension of the two contracts for the proposed 5 year terms, pending approval of their respective governing bodies where applicable.

Attachments: Nil

Prepared By: Arlene McDonald, Director, Information Technology Services

Approved By: Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer



Report: HRC-EOE-15-01

Region of Waterloo

Human Resources and Citizen Service

Employee and Organizational Effectiveness

To: Chair Sean Strickland and Members of the Administration and Finance Committee

Date: February 3, 2015

File Code: H02-02

Subject: **Employee Assistance Program (EAP) Service Provider**

Recommendation:

That the Regional Municipality of Waterloo extend the Employee Assistance Program (EAP) contract with CBI Limited (formerly The Pace Consulting Group (PCG)) for a period of up to one year, effective April 1, 2015, as outlined in report HRC-EOE-15-01.

Report:

The Region's EAP provides employees and their immediate family members with professional help in resolving a range of personal and family difficulties. The EAP also provides management consultation services, critical incident response (e.g. support for EMS staff), online health information resources, and health and wellness seminars. The counselling services provided at PCG are private and confidential. There is no information about an employee's use of EAP services that can be released to the Region. This also includes other employees, family members, or any other third party.

EAP services play a critical role in preventing personal problems from becoming increasingly serious for an employee and more costly for the employer. The Region covers access to short term counselling of a wide range of services for employees and their dependants including but not limited to issues such as stress, family/relationship/ marital, health problems, life adjustment (e.g. grief, relocation, job change), problems at work, and dependency on drugs or alcohol. Eligible employees can access up to 10 sessions per year per family.

Utilization of this program is determined by counting the number of program 'cases' opened in a 12 month period and dividing this number by the average total employee population over the same period. Employees and their family members are counted as single cases in the utilization calculation, even when more than one person from the family accesses service in the contract year. The number of individuals served is a separate statistic called a 'service request'. In 2014 there were a total of 436 cases, which resulted in 537 service requests for the Region of Waterloo EAP. Based on the total employee population the utilization rate for this program was 14.95%.

The Region's contract with the current service provider, PCG will expire on March 31st 2015. A Request for Proposal (RFP) to replace the existing contract was not issued in 2014 for two primary reasons: (a) the Region was completing organizational restructuring and wanted to ensure that given the anonymous nature of the EAP service, that employees who had availed themselves of the service would have continuity with the current EAP provider and (b) the input of a new Commissioner was thought to be beneficial to ensure the EAP review had the benefit of a new perspective and met the organization's needs moving forward.

Next steps:

An extension with the current EAP provider is being requested for up to one year to provide continuity of service to employees. The Region's Purchasing By-law allows for purchasing by negotiation where the extension of an existing or previous contract would prove more cost effective or beneficial for the Region (Clause 21. (1) (g)).

An RFP will be issued by the end of the first quarter of 2015 to secure an EAP provider for the remainder of 2015 and onwards. It is expected that the successful EAP provider will begin in October 2015. The additional time allows for any gaps in the process and ensures smooth transition to the successful provider. Human Resources and Citizen Service (HRC) is committed to an open and transparent procurement process to ensure that the Region continues to get value for money with its service providers.

Corporate Strategic Plan:

Providing high quality EAP services to employees and their immediate family members supports the Region's strategic initiative of "retain, recruit and develop skilled, motivated and citizen-centered employees".

Financial Implications:

The cost of the Region's EAP is funded from the Employee Support and Recognition budget in Human Resources. In 2014 the EAP contract totalled \$251,430.88. The estimated six month cost of the extension with the current EAP provider would be

\$125,715.42 based on an average monthly cost of \$20,952.57 per month.

Other Department Consultations/Concurrence:

Staff from Corporate Services, Treasury Services Division (Procurement) were consulted regarding this process.

Attachments:

Nil

Prepared By: Bev Aikenhead, Acting Director, Employee and Organizational Effectiveness

Approved By: Jane Albright, Commissioner, Human Resources and Citizen Service

| Council Enquiries and Requests for Information | | | | |
|-------------------------------------------------------|------------------|----------------|----------------------------|----------------------------------|
| Administration and Finance Committee | | | | |
| Meeting date | Requestor | Request | Assigned Department | Anticipated Response Date |
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