



Media Release: Friday, June 12, 2015, 4:30 p.m.

Regional Municipality of Waterloo

Administration and Finance Committee

Agenda

Tuesday, June 16, 2015

Approximately 10:15 a.m. (Immediately following 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**
 - 3. Presentations**

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) **CAO-SPL-15-02**, Citizen Input and Engagement in the 2015-2018 Strategic Planning Process (Information) 5
 - b) **COR-FFM-15-08**, Extension of the Agreement with the City of Waterloo Regarding Use of Waterloo Parking Structure 27

Recommendation:

That the Regional Municipality of Waterloo enter into an amending agreement with the Corporation of the City of Waterloo to further extend an existing option to purchase a share of a parking structure owned by the City of Waterloo and used by Regional employees, as outlined in report COR-FFM-15-08, dated June 16, 2015.

- c) **COR-FSD-15-11**, Canada 150 Community Infrastructure Program (Information) 29
- d) **COR-TRY-15-61**, Periodic Financial Report for the Four Months Ended April 30, 2015 (Information) 32

Regular Agenda Resumes

6. Reports – Corporate Services

- a) **COR-FSD-15-12**, 2016 Budget Process & Timetable 39

Recommendation:

That the Regional Municipality of Waterloo take the following action with respect to the 2016 Budget:

1. Approve the 2016 Budget timetable as set out in Schedule B to Report COR-FSD-15-12 dated June 16, 2015;
2. Forward a copy of Report COR-FSD-15-12 to the Waterloo Region Police Services Board.

- b) **COR-TRY-15-62/HRC-EOE-15-02**, P2015-16 Employee Assistance Program 56

Recommendation:

That the Regional Municipality of Waterloo accept the proposal of Homewood Health Inc. for P2015-16 Employee Assistance Program in the estimated amount of \$567,000 including all applicable taxes for a three (3) year term (estimated annual cost of \$189,000) beginning October 1, 2015 with an option to renew for three (3) additional one (1) year terms, as outlined in report COR-TRY-15-62/HRC-EOE-15-02, dated June 16, 2015.

- c) **CC-15-01**, Grants to Community Organizations – 2015 Allocations 59

Recommendation:

That the Regional Municipality of Waterloo approve the 2015 grants to Community Organizations as recommended by the ad-hoc working group and outlined in Report CC-15-01 and the attached Appendix 1, dated June 16, 2015.

7. Information/Correspondence

- a) Council Enquiries and Requests for Information [Tracking List](#) 63

8. Other Business

9. Next Meeting – August 11, 2015

10. Adjourn



Report: CAO-SPL-15-02

Region of Waterloo

Office of the Chief Administrator

Strategic Planning and Strategic Initiatives

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

Date: June 16, 2015 **File Code:** A26-50

Subject: **Citizen Input and Engagement in the 2015-2018 Strategic Planning Process**

Recommendation:

For information.

Summary:

This report provides an update on the strategic planning process and the work completed to date to engage the public and gather citizen input to help inform the Region's Strategic Planning process. This report also provides the results of both the statistically reliable telephone survey completed by Environics Research Group and the preliminary results from the qualitative input methods. A complete set of the Appendices are available on the Region's website at <http://www.regionofwaterloo.ca/en/regionalgovernment/standingcommittees.asp> and in the Councillors' Library.

Report:

1.0 Background

The Region of Waterloo engages in a strategic planning process for every term of Council to identify priorities for the next four years, and to ensure the Region is prioritizing the most pressing issues and needs in the community. The Plan also provides a focus for the organization and ensures there is a common direction over the

next four years for Council and staff. The Region's Strategic Plan guides decision-making and helps inform the annual budget process.

1.1 Strategic Planning Process

The 2015-2018 strategic planning process was approved in December 16, 2014 (CAO-SPL-15-001). The involvement of Regional Councillors within the Strategic Planning Steering Committee has been critical to the success of the overall planning process. This Steering Committee has provided advice and direction to Regional staff, and has acted as a "sounding board" throughout the Strategic Planning process. Steering Committee members include: Regional Chair Ken Seiling, Councillors Helen Jowett, Wayne Wettlaufer, Jane Mitchell and Sean Strickland.

The Region of Waterloo's Strategic Plan is informed and guided by the following key components:

Vision: which describes the preferred future and the impact the organization hopes to have on the community.

Mission: which describes the organization's purpose and addresses why the organization exists.

Values: which are the collective commitment to how staff and Council work with citizens, customers, colleagues and community partners.

Focus Areas: which are areas of focus for staff and Council to achieve the vision.

Strategic Objectives: which define "what" the Region is trying to accomplish within each area of focus, adding clarity, describing the overall intent and direction of the focus area, and helping staff align their work to the focus area.

Actions: which identify "how" the Region will achieve each of the strategic objectives.

The following are the stages, timeline and key activities of the strategic planning process (Some of these stages overlap):

Stage 1: Compiling background information (December 2014 to January 2015)

In Stage 1, statistical trends and future projections were identified to provide context for the planning work in subsequent phases. A profile of the community and an analysis of the regional demographics helped inform Council and

stakeholders about key trends and issues as well as possible future challenges in the near to mid-term. This information was provided to Council as background information during Council's initial strategic planning workshop on April 1, 2015. This information was also presented at two community forums on March 26th and March 27th and is also available on the Region's website.

Stage 2: Gathering input – Phase 1 (January to May 2015)

To ensure that the plan is valued and relevant to the community, public input was sought from citizens and staff in order to identify high level community priorities. Details of the methods used to collect input from the public are contained in section 3.0.

Throughout the input gathering process with the public, Regional staff were also provided an opportunity to contribute to the discussion on the identification of issues, opportunities and trends through focus groups and community forums as well as through on-line tools, including an on-line discussion forum and on-line survey.

Information collected during this phase was summarized and provided to Council in Stage 3 of the planning process.

Stage 3: Establishing focus areas and strategic objectives (April to June 2015)

Council's first strategic planning workshop was held on April 1, 2015. During this workshop Council had the opportunity to discuss the trends, issues and community statistics collected during Stage 1 of the process as well as the results of the telephone survey.

Council also had a second strategic planning workshop during on May 14th to receive and discuss the preliminary results of the qualitative input gathered in stage 2.

Based on all the input collected, Council had the opportunity to identify initial/draft focus areas and strategic objectives for 2015 to 2018. These draft focus areas and objectives will be reviewed by key stakeholders in the community to discuss potential actions for collaboration over the next month, including a forum with regional community leaders from across a broad range of sectors.

A third Council workshop has been scheduled in late June to finalize Focus Areas and Objectives.

Stage 4: Develop actions to achieve our strategic objectives (July 2015 to September 2015)

A second set of public consultations will be undertaken in this stage to help identify potential actions in order to make progress on the priorities and objectives identified by Council at the end of Stage 3. Public input will be gathered through an online discussion forum and topic-specific focus groups.

Based on the Council identified priorities and objectives, and based on the additional public input, staff will formulate potential “actions” over the summer months to help achieve the objectives. The actions specify “how” the Region plans to achieve Council’s objectives.

A final report to Council will be prepared in mid-September, which will include recommended focus areas, strategic objectives and actions in order to align with the 2016 budget process.

Stage 5: Measuring, monitoring and communicating the Strategic Plan (September 2015 to November 2015)

Stage 5 will ensure that the plan is communicated to community partners, stakeholders and staff. A detailed communications plan will be developed that takes advantage of Regional communications resources, both for internal and external audiences, and will extend to training of staff, corporate alignment efforts, and partnership development.

This phase will also involve the development of progress indicators on each of the strategic objectives and associated actions found in the Strategic Plan. A process and system to monitor and track progress on all of the actions over the next four years will be created and will build upon the success of the web-based tool that was developed for the 2011-2014 Strategic Planning process (and can be found at: <http://seeourprogress.regionofwaterloo.ca/>).

Individual Department Strategic Plans will also be completed by the end of this stage.

The overall strategic planning approach has a number of advantages:

- It allows the Strategic Plan to be informed by the Service Review.
- It allows for efficient collection of public input to inform the Service Review and Strategic Plan; and
- It allows for the completion of both the Service Review and the Strategic Plan prior to the start of the 2016 budget process, ensuring that the results of both

processes will inform the 2016 and future budgets.

More details regarding the coordination and integration between the Strategic Planning process and the Service Review process is described in the Service Review Update report of December 16, 2014 (CAO-IAU-15-001).

2.0 Purpose of Public Input

In order to ensure that the Region's Strategic Plan reflects the most pressing priorities of our community and to provide input to a number of Regional initiatives, Regional staff collected community input using several methods between January 2015 and April 2015 (Phase 1) and will continue to collect input from May to August 2015 (Phase 2).

This input has been termed consultation and engagement as the purpose of the process is two-fold:

First, the consultation was specifically designed to gather public input on:

- Life in Waterloo Region.
- Government and Taxation.
- Experience and satisfaction with Region of Waterloo services (barriers and suggestions).
- Communication and engagement preferences.
- Community priorities for the 2015-2018 Strategic Plan.
- The biggest issues facing this community.
- Demographics to ensure population representation.
- Specific questions related to the Service Review.

Secondly, the consultation was designed to be interactive and:

- Engage the community.
- Create awareness about the Region of Waterloo services and programs.
- Speak with diverse communities to understand changing needs.
- Create the opportunity for more in-depth conversations and probe on issues that were identified in the statistically reliable telephone survey.

- Gather input from groups that may not typically participate in a consultation process.
- Provide information for other Region of Waterloo initiatives, e.g. Diversity and Inclusion Strategy, Service Strategy, Communications Strategy, etc.

3.0 Public Input Methodology

There are two phases to the engagement and consultation process, branded “Strat Chat” (Diagram 1) for the Region’s strategic planning process. Phase 1 is more broad-based and focuses on gathering information regarding high level priorities from the public and staff.

Phase 2 is to delve deeper and validate and/or refine the themes generated in Phase 1. Phase 2 will also help to identify more specific actions in order to achieve the high level priorities identified in Phase 1.

The Region implemented both quantitative and qualitative methods in order to obtain a balance of in-depth as well as quantifiable information. The methods to gather public input included:

Quantitative Method

- A statistically reliable, random telephone survey with 1,200 residents. This survey was conducted by Environics Research Group.

Qualitative Methods

- Focus groups with a variety of stakeholder groups.
- Online discussion forum.
- Community forums.
- On-line/paper surveys.

Taken together, the results from the public input process provide the Region a detailed picture of community sentiment and priorities, which allows for the development of strategic initiatives that are informed and aligned with the insights, views and opinions of the community.



Diagram 1:
“Strat Chat” Branding

3.1 Quantitative Method - Telephone Survey

A statistically reliable public survey was conducted between January 24 and February 10, 2015, to inform the development of strategic priorities as well as the Service Review process. Environics Research Group was hired through an RFP process to conduct a telephone survey with a representative sample of 1,200 residents.

Environics Research Group is a national research firm with over 30 years experience conducting citizen research for municipalities and regional governments across Canada, including the Cities of Kitchener, Brampton, Mississauga and Ajax as well as the province of Alberta (among others). Environics has been instrumental in helping organizations identify priorities, measure performance, satisfaction and citizen engagement.

The survey was designed to mostly collect quantitative results from a random sample of citizens in order to ensure that the process is objective and statistically reliable. The Council Strategic Planning Steering Committee and the Service Review Steering Committee provided input on the development of the survey questions prior to implementation.

The main survey sample was drawn at random from a database of listed telephone numbers which was designed to be representative of the Region's population. The results of this survey are weighted to ensure representativeness of the sample to the actual population, according to the 2011 Census. Representation from each of the Region's municipalities were included in the total sample. The margin of error for a phone sample of this size is ± 2.8 percentage points, 19 times out of 20. The survey tool was pre-tested on a small sample of Waterloo Region residents to ensure clarity and comprehension of the questionnaire.

In the course of the 20-minute telephone survey, residents were asked to provide insights on the Region's efforts to provide programs and services, their quality of life, communications preferences, and interactions with Region staff.

3.2 Qualitative Methods - Focus Groups (Phase 1)

Focus groups were held with a variety of groups between February 2015 and April 30, 2015. Efforts were made to host sessions and recruit participants from diverse groups in the community especially as they relate to the trends, issues and forecasts for our community. For example, because our population is aging and growing more ethnically diverse, specific efforts to engage seniors and ethnic populations were implemented. Also, in order to ensure that the Region heard from all members of the community, focus groups were held with people who may not typically participate without targeted outreach. For example, focus groups were held with people who have experienced

homelessness, people living with disabilities, people living on a low income and newcomers to Canada.

These qualitative methods were also implemented to allow for more in-depth discussion and provided the opportunity to probe on priorities that were identified in the statistically reliable telephone survey. For example, the environment was identified as a priority in the telephone survey and therefore focus groups with environmental groups were held in order to gather detailed information on this area of focus. Issues that were also identified in the telephone survey as needing improvement were probed in the focus groups in order to identify solutions to improve this area. For example, engagement with the public was identified as an area needing improvement and therefore questions on how to engage the community and communication preferences were asked of focus group participants.

A total of twenty focus groups and three community forums were conducted between February 2015 and May 30, 2015. Sessions ranged in length from one to two hours depending on the wishes of the group.

3.3 Qualitative Methods – Online discussion forum

An on-line forum called the “Strat Chat” was developed to add to the variety of ways that citizens could engage in conversations about priorities for the 2015-2018 Strategic Plan. The online engagement supplemented the public input process to: increase engagement; diversify engagement; take advantage of existing community networks and interests; share information and engage a younger demographic. Input for the Service Review was also gathered through this method.

The online “Strat Chat” has a series of open ended questions where citizens can respond and have discussions on the issues identified as well as vote on one another’s ideas. There are also polling and survey type questions for citizens to respond to as well as a map feature where citizens can specify certain locations while describing the challenge and potential solutions. The questions on the forum vary as the strategic planning process evolves.

As of May 4, 2015 there were on average 60 to 130 visitors to the online forum per day and 278 active participants. These participants have posted 340 new ideas for consideration. There have been 2,416 unique visitors to the site, where 1-5 visitors have taken the time to register and participate (a 20% conversion rate, which is considered very high).

The site can be accessed at: <http://stratchat.regionofwaterloo.ca/>.

3.4 Qualitative Methods - Online/Paper Survey

An online survey which contained both qualitative and quantitative questions was developed based on the telephone survey questions and was made available to members of the public from February 1, 2015 to April 30, 2015. The survey was promoted at various meetings and events, and was also promoted through Face Book, Twitter as well as in the winter edition of Region News. A paper version of this survey was also developed and offered to the public for those without computer access. This survey took approximately 15 minutes to complete. Individual answers were anonymous as no identifying information was collected. Participants could skip any question they did not wish to answer. A total of 127 people have participated in this survey to-date.

4.0 Public Input Results

The public provided a wealth of information which will inform the 2015-2018 Strategic Plan priorities, departmental strategic plans, as well as other key Region of Waterloo initiatives such as the Service Review, the diversity and inclusion strategy, service strategy and communication improvements. It is important to note that the findings from both quantitative and qualitative methods are fairly consistent overall and both provide useful information for various aspects of the planning process.

4.1 Statistically Reliable Telephone Survey Results

In the course of the 20-minute telephone survey, residents were asked to provide insights on:

- Life in Waterloo Region.
- Government and Taxation.
- Satisfaction with Regional Programs and Services.
- Community Engagement.
- Public awareness of programs and services.
- Priorities for the 2015-2018 Strategic Plan.
- Demographics to ensure population representation.

A summary report of the survey results can be found at <http://www.regionofwaterloo.ca/en/regionalgovernment/standingcommittees.asp> or on the Region of Waterloo's website under the "strategic planning" menu. Some of the significant findings and highlights include the following:

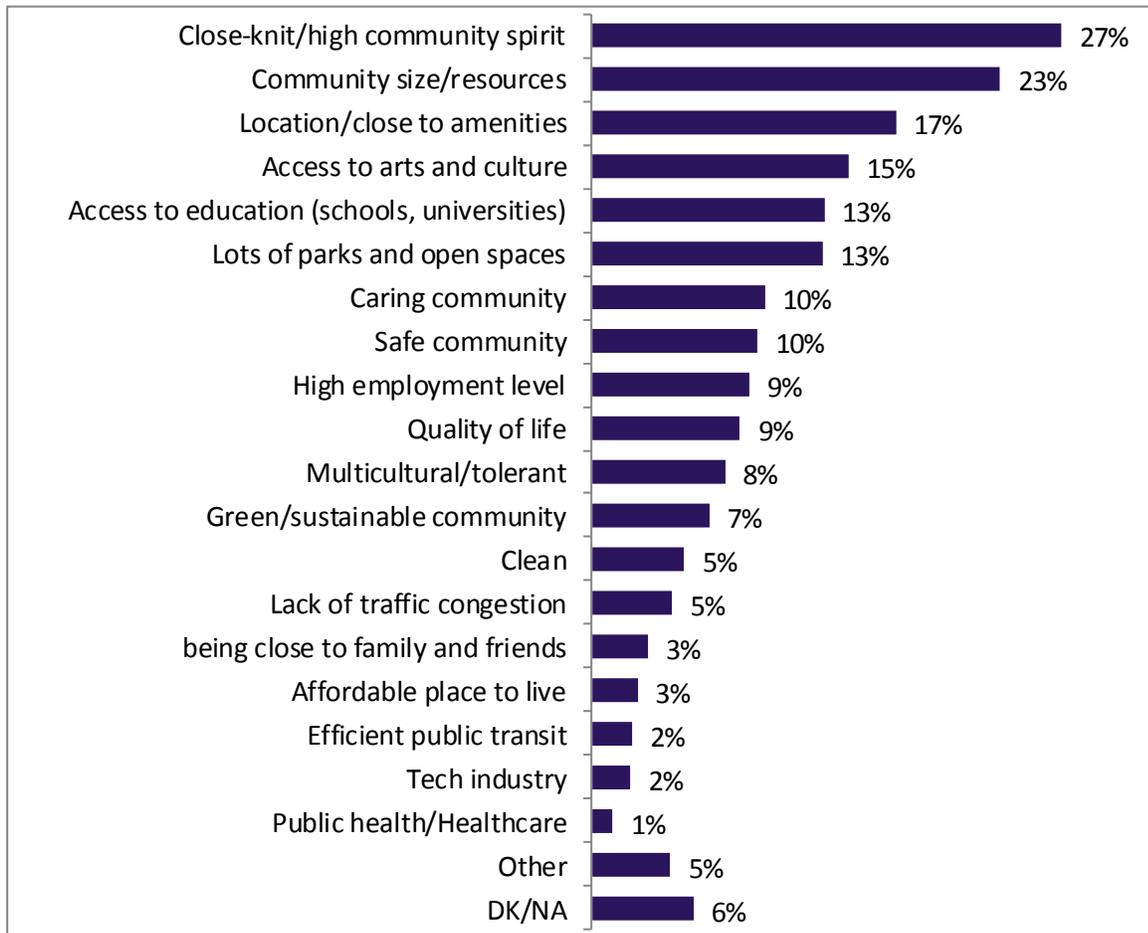
Quality of Life

Waterloo Region residents are generally satisfied with life in their community. Most believe they have good quality of life, and they appreciate the access to technology and infrastructure, as well as the close-knit community spirit. Residents feel that Waterloo Region is a good and safe place to live, as well as raise a family. Those who live in the Region also report a strong sense of belonging to the community.

Most appealing aspects of life in Waterloo Region

When residents are asked to name the most appealing aspects of life in Waterloo Region (Figure 1), they are most likely to talk about the close-knit community spirit, and that the Region is a good size – meaning that it offers plenty of resources, but maintains a small-town feel.

Figure 1: Most appealing aspect of Waterloo Region



Priorities

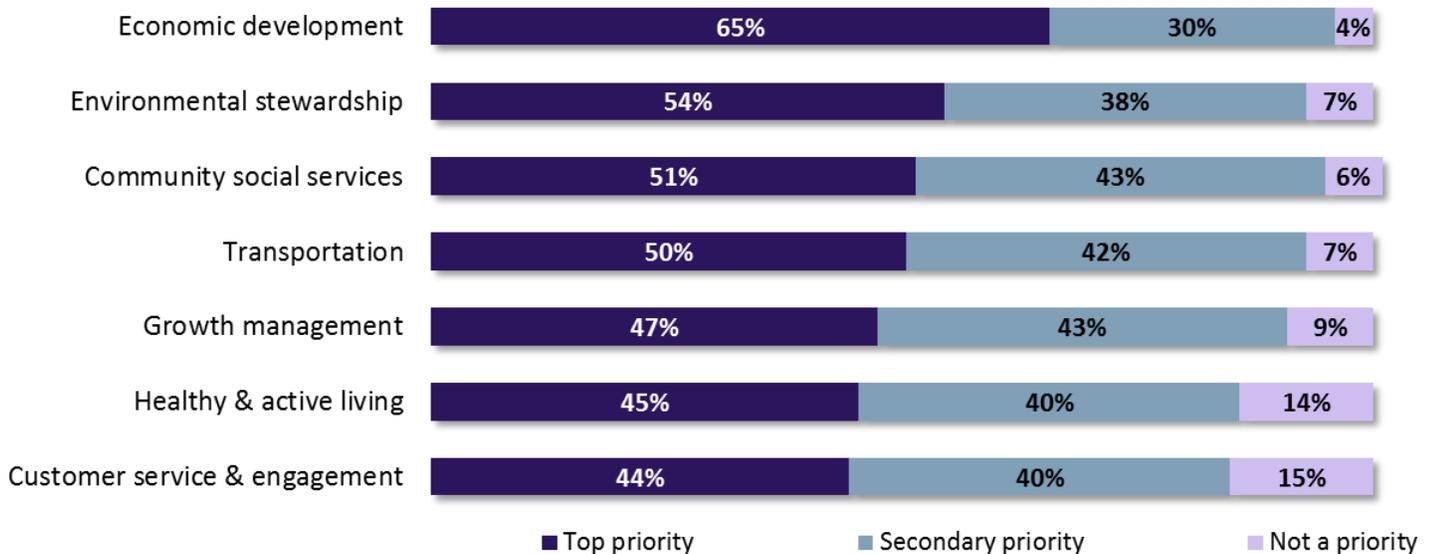
To outline the Region’s priorities moving forward, residents were given an explanation of seven broad priority areas – the economy, the environment, transportation, growth management, community and social services, public health and customer service and engagement – and asked to rank each one as either a top priority, secondary priority or not a priority. To ensure no major areas of focus were missed, residents were asked a follow-up question about priorities not included in the list; most were unable to name one.

Following this exercise, residents were then given a series of potential initiatives within each of the larger priority areas, and again asked to rank them as top, secondary or non-priorities.

Overall, residents believe economic development and the environment should be the top priorities for the Region of Waterloo (Figure 2). Younger residents are most likely to see the economy as a top priority, including three in four (76%) of those aged 18 to 29. Small majorities see environmental stewardship (54%) and community social services (51%) as top priorities, both of which are more likely to be seen as so by women than men. Women are also more like to see healthy and active living as a top priority, while men place greater importance on growth management. Specific priorities within each of these areas of focus are detailed in the report found at:

<http://www.regionofwaterloo.ca/en/regionalgovernment/standingcommittees.asp>.

Figure 2: Priorities for Region of Waterloo

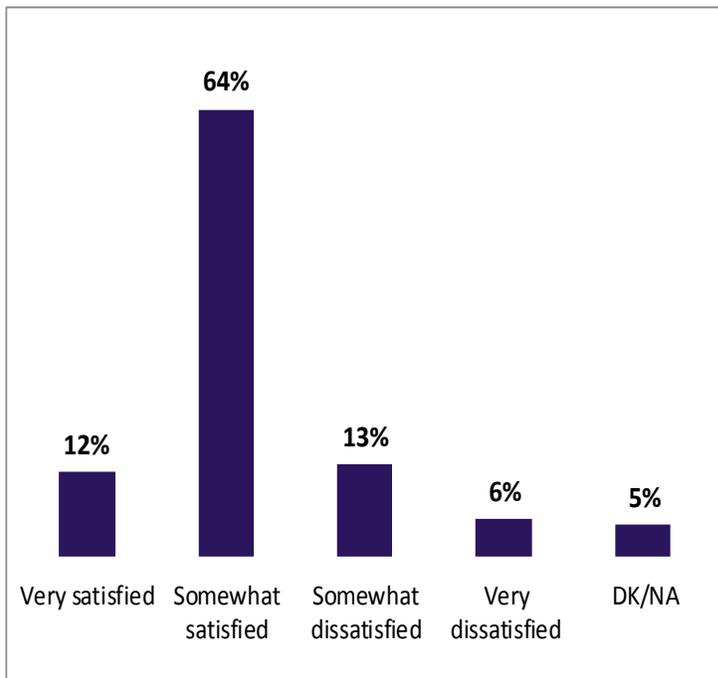


In addition to asking about priorities, residents were also asked about the most important issues facing the Region. The issues that are “top-of-mind” for residents include transit and in particular the LRT/ rapid transit (ION) project. Other non-transit related issues include taxes, unemployment, road maintenance, traffic congestion, over-development and infrastructure to keep up with population growth.

Satisfaction with the Region of Waterloo Government

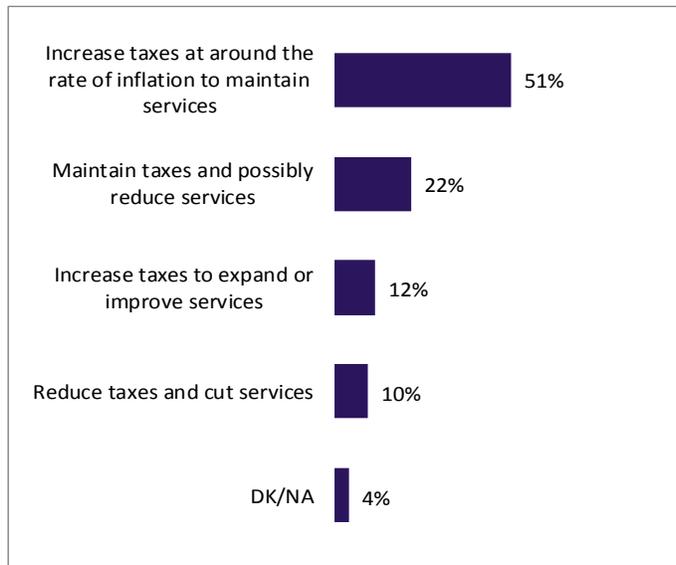
Satisfaction with life in Waterloo Region also carries over to satisfaction with the regional government; three in four are happy with their government’s performance. A total of 76 percent of residents are satisfied or very satisfied with the Region of Waterloo government (Figure 3). This level of satisfaction is consistent with what is seen in other Regions across Ontario. A majority of residents also believe that the Region is generally moving in the right direction.

Figure 3: Satisfaction with the Region of Waterloo Government



Balance delivering services with taxation

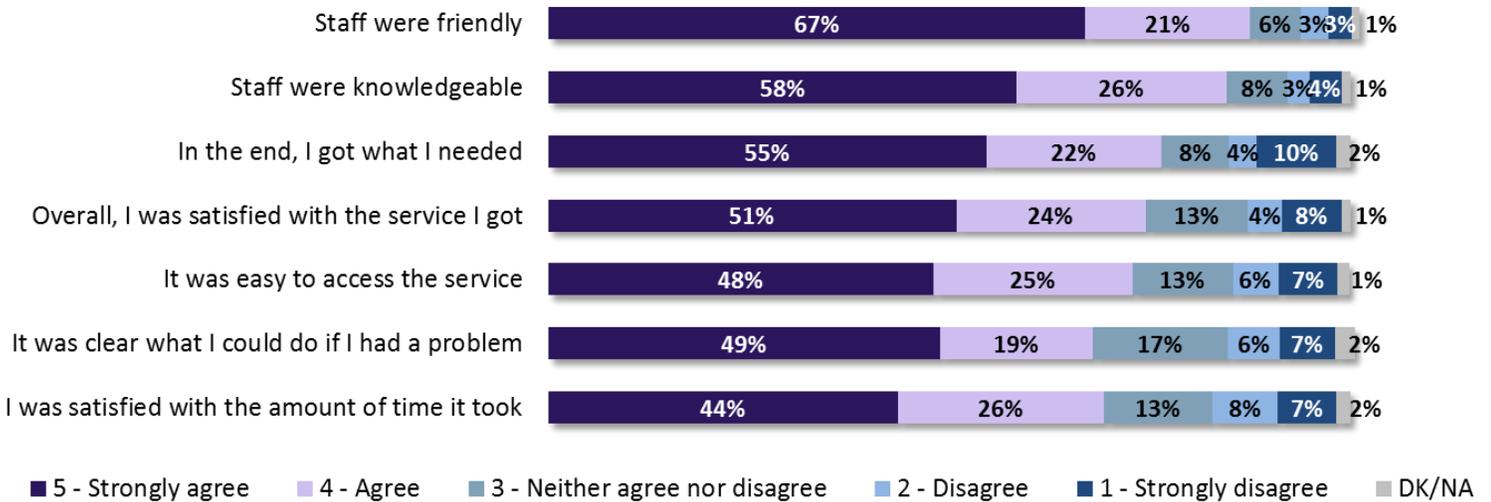
When it comes to balancing tax revenues and services, residents are most likely to prefer that taxes are raised around the rate of inflation in order to maintain services (Figure 4).

Figure 4: Balance delivering services with taxation

Satisfaction with regional services and Region of Waterloo staff

A series of questions were asked about satisfaction with regional services and the staff who provided them (Figure 5). Three in ten residents have interacted with Region staff, most often in person or by phone, and for a wide variety of reasons. Region staff receive high marks from residents who interacted with them in the past year. More than eight in ten each strongly agree or agree that staff were friendly (88%) and knowledgeable (84%). Three in four each agree that they got what they needed from the interaction (77%), that they were satisfied overall with the service they received (75%) and that it was easy to access (73%). Agreement is slightly lower that residents were satisfied with the amount of time it took to get the service (70%) and that it was clear what they could do if there was a problem (68%), but more than two in three still agree with both statements. Ratings of Region staff are similar across municipalities, though younger residents (aged 18 to 29) are more likely to say that staff were knowledgeable, and that in the end they were able to get what they needed.

Figure 5: Satisfaction with regional services and Region of Waterloo staff



Residents were asked the extent to which they agree or disagree with a battery of statements for seven different service areas – the economy, the environment, transportation, growth management, community and social services, public health and customer service and engagement. According to residents:

- Roads are said to be safe for drivers and pedestrians, and easy to navigate, but less safe for cyclists.
- The Region has good quality drinking water and effective recycling programs.
- The Region could do more to reduce income inequality and unemployment.
- Promotion and development of the local economy is being handled well.
- A majority like living in a growing community, but are less likely to agree that rural growth is well managed.
- Local restaurants are safe and residents have opportunities to be active.
- The Region is moving in the right direction, and meeting the needs of its residents, but residents would appreciate more opportunities to be involved in the decision-making process.

Drivers of Satisfaction

The Region of Waterloo is committed to providing services that meet or exceed the expectations of citizens and customers. Therefore it is important to understand what influences, or “drives,” general opinions of the Region of Waterloo’s performance in delivering these services. To identify drivers, a key drivers analysis was conducted, which is a statistical (multivariate) technique to understand which factors most influence a given outcome. The driver’s analysis identifies how strongly satisfaction with specific services provided by the Region are associated with overall satisfaction with the Regional government. The technique works by finding patterns in the data that show how the dependent variable (overall satisfaction with the regional government) is linked up with independent variables (the services measured in the survey).

Satisfaction, or agreement that the government is doing good work in the following service areas are the strongest predictors, or drivers of overall satisfaction with the regional government as a whole:

Customer service and engagement: The regional government provides opportunities to get involved in decision-making; the Region is in touch with the needs of the community; residents feel they are getting good value for their tax dollars. Improved customer service and engagement with residents will have the greatest impact on overall satisfaction with the Region of Waterloo.

Economic development: The government is making it easy to do business in Waterloo Region.

Transportation: That roads are well-maintained and regional transit meets the needs of residents.

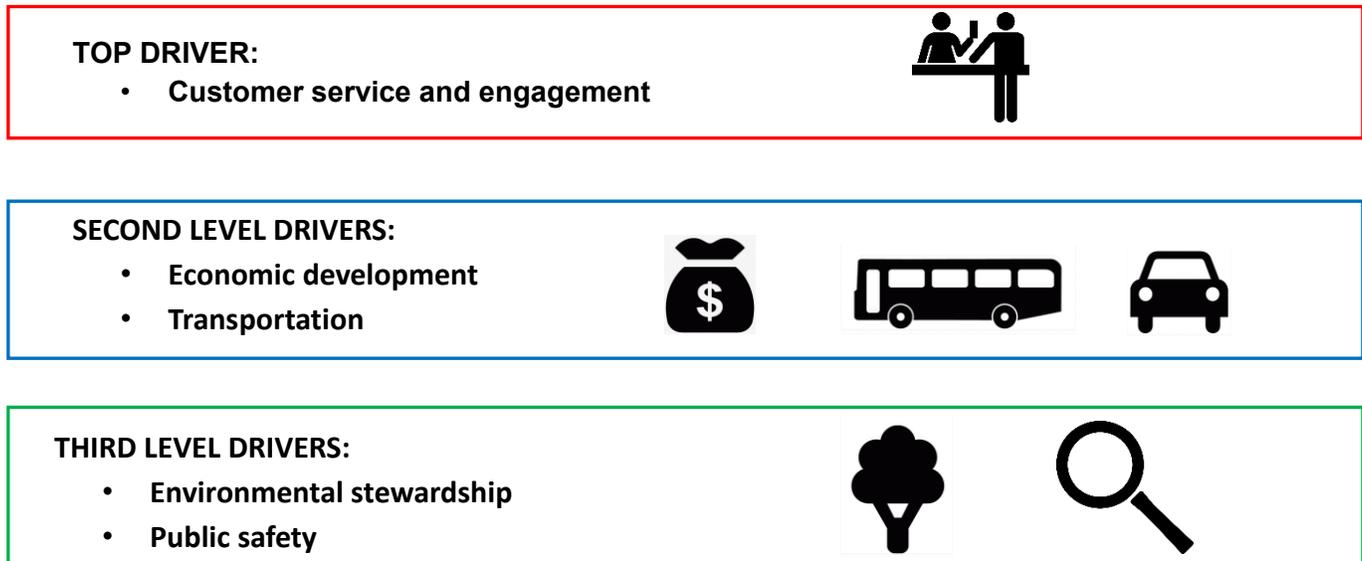
Environmental stewardship: Efforts to conserve water and divert waste from landfills through green bin and recycling programs.

Public safety: The Region is a safe place to live.

It is important to note that the top drivers of government satisfaction (Figure 6) can differ from what residents believe to be the top priorities for the Region for two reasons.

1. Stated importance is what residents think the priorities should be while the other is inferred based on mathematical calculations (derived from the drivers analysis);
2. The priorities are looking ahead to the future of the region (priorities), while the drivers are about making an immediate impact on satisfaction with the government (drivers).

Figure 6: Key drivers of satisfaction with Region of Waterloo government

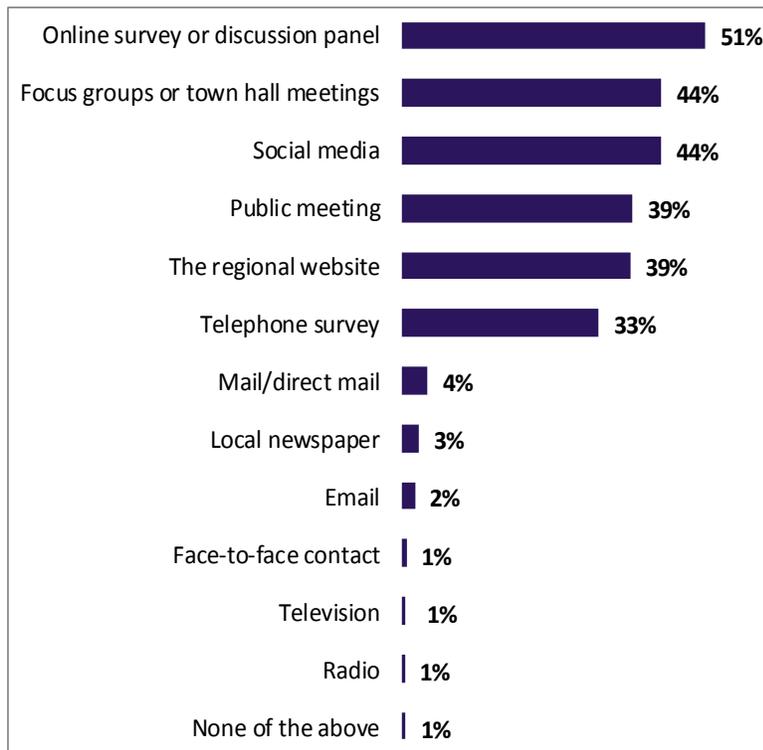


Community Engagement

As the previous section demonstrated the importance of community engagement, this section looks to understand the best ways to solicit citizen opinions, so that they can feel involved in the decision making process.

When residents are asked how they would like to give the government their input on specific issues (Figure 7), the largest proportions say they would be interested in completing an online survey or discussion panel (51%), taking part in a focus group or town hall (44%), or providing their input through social media (44%).

Some subgroup differences in preferences for public engagement appear in the results. Younger residents (18 to 29) are more likely to prefer using social media to provide input, while residents with children in the home would rather complete an online survey.

Figure 7: Preferred method of public engagement

4.2 Qualitative Results

Conversations with a variety of stakeholder groups were conducted through various methods including focus groups, an online discussion forum, community forums and on-line/paper surveys. Participants were invited to participate through a variety of methods including; Facebook and Weather Channel ads, bookmarks in all township and city libraries, bus advertisements, displays at local events, etc.

Preliminary results from all qualitative methods regarding what citizens feel are the top priorities for making Waterloo Region a better place to live, work and play were identified (For the full report go to <http://www.regionofwaterloo.ca/en/regionalgovernment/standingcommittees.asp>).

Overall the qualitative conversations held through the variety of methods reinforce, align with and provide specific details on the priorities outlined in the telephone survey results as described in the previous section. Many of the priorities and suggestions identified also reinforce current and ongoing initiatives that the Region is already working on through Master Plans or other programs and services.

Through the conversations the public cite many positive areas of strength with current Regional services and programs. The public also described issues that they felt needed to be taken into consideration as the Region developed priorities for the 2015-1872873

2018 Plan as they were either unmet needs or trends that could impact program and service delivery.

In order to inform Council discussions on the high level focus areas and strategic objectives, preliminary results were identified from phase 1 of the consultation to illustrate the public's key areas of priority.

A. Economic Development

Themes within the Economic Development priority area include:

- Work with the new Waterloo Region Economic Development Corporation to balance business prosperity with social equity and environmental responsibility.
- Work with community partners to help existing businesses stay, grow and thrive.
- Attract new, high quality organizations, businesses, jobs, investments (domestic and foreign) and people (e.g. youth, immigrants) to Waterloo Region.
- Work with community partners to develop jobs and training to address changing workforce composition, e.g. youth, people living with disabilities and those needing retraining after downsizing.
- Enhance marketing efforts to increase awareness about the Region of Waterloo International Airport.
- Collaboratively work towards building and maintaining the Region's cultural vitality.
- Create vibrant places and spaces that support arts and culture.
- Provide access and promote inclusion in the Region's cultural life, e.g. places for youth.
- Promote Waterloo Region as a world class community locally and globally.
- Preserve heritage and history to contribute to our Region's cultural and economic well-being.

B. Transportation

Themes within the Transportation priority area include:

- Implement a Light Rail Transit System (LRT) fully integrated with an expanded conventional transit system.

- Encourage improvements to inter-city transportation services to and from Waterloo Region.
- Develop, promote and integrate active and safe forms of active transportation (cycling, walking, trails).
- Optimize road safety and awareness to safely manage all forms of traffic on roads and roundabouts.
- Work with area municipalities to reduce traffic congestion.
- Improve infrastructure and safety for cyclists and pedestrians.
- Work with area municipalities to improve levels of winter road and sidewalk snow removal in environmentally sustainable ways (less salt).

C. The Environment

Themes within the Environment priority area include:

- Reduce the amount of waste going to the landfill, e.g., enhance access to landfill for those who do not have cars (1 – 2 times per year have place to dispose of toxic, e waste, etc.).
- Enhance water conservation and protection efforts.
- Reduce emissions of greenhouse gases (GHGs) and deal with impacts of climate change (improve air quality).
- Preserve, protect and enhance environmentally sensitive lands, forests, farm lands and our rivers.
- Continue intensification efforts in urban areas to support growth while ensuring a mix of housing types (affordability), availability of green spaces, trails and public common spaces.
- Improve the green bin program by creating awareness and expanding service to multi-unit developments, community housing.
- Support the use of green energy sources in regional facilities and in the community.
- Prepare for critical weather and emergencies.
- Develop a Regional park along the Grand River.

D. Healthy, Safe and Inclusive Communities

Themes within the Healthy, Safe and Inclusive priority area include:

- Work in collaboration with community partners to reduce poverty.
- Deliver new affordable and supportive housing opportunities.
- Take action to reduce homelessness in Waterloo Region.
- Promote active lifestyle and healthy local eating initiatives (e.g., walking cycling, bike paths, etc.).
- Make the transit system affordable and accessible for people living on a low income and Conestoga College students.
- Increase public awareness of poverty issues and promote local actions to reduce poverty.
- Consider the implications of all policies/decisions that the Region makes, noting the impact on those groups who experience socially determined inequities, e.g. people living in low income, newcomers /refugees, people living with disabilities, etc.
- Work with the Province to extend access to oral health care.
- Prevent the displacement of affordable housing in the downtown cores – impact of intensification.
- Collaborate with the community to support services and promote early learning and child development.
- Work with community partners to increase availability and accessibility of treatment and supports for people using substances.

E. Responsive and Engaging Government and Services

Themes within the Responsive and Engaging Government and Services priority area include:

- Enhance opportunities for public engagement, input and involvement in Regional programs and decisions.
- Enhance communication and improve awareness of Regional services using plain language.

- Improve the delivery and accessibility of Regional services and facilities to address the diverse and changing community population and needs (e.g., seniors, immigrants, LGBTQ, people living with disabilities, people living in poverty, etc.).
- Ensure regional programs and services are efficient, effective and provide value for money (tax dollars).
- Work with community partners to develop a "hub" model of service delivery for the rural communities.
- Enhance a culture of transparency, accountability and openness.
- Train and support staff to effectively engage the public in decision making and how to communicate the results of the engagement.
- Optimize regional programs and work with area municipalities and community partners to deliver age friendly and coordinated services for seniors.

Many issues and priorities identified could be applicable to the Corporate Strategic Plan, the Department Strategic Plans, and/or individual work area plans. This information will be passed to the appropriate Departments for consideration and review in the next stage of the process which is the development of actions. More detailed analysis will follow in Phase 2 of the consultation process.

5.0 Next Steps

Phase 2 of the community input process will be implemented from May – August 2015 in order to review the priorities identified by Council and to seek input on proposed actions in order to achieve the strategic objectives. These mechanisms will include a community leader forum, a web-based survey for the public to provide feedback, the online discussion forum, attendance at community events and focus group sessions with the public and staff. The feedback collected from Phase 2 of the community and staff input process will be compiled and presented to Council, in order for Council to refine the strategic objectives and actions before finalizing the Strategic Plan which will take place in September 2015.

The telephone survey results and the qualitative public input identified the importance of community engagement and providing opportunities for the public to get involved in decisions that impact them. By asking, listening and considering the responses gathered from the public through the Strategic Planning process, the Region is already making progress towards improving public engagement in and being in touch with the needs of the community.

Corporate Strategic Plan:

The corporate strategic planning process identified in this report provides a framework to ensure effective and efficient governance which recognizes and responds to the needs of the community through the priorities identified by Council.

Financial Implications:

The financial implications of the Strategic Plan actions are addressed during the normal budget process and in individual program budgets.

Other Department Consultations/Concurrence:

All Regional Departments will continue to be involved in the development and implementation of the Region's Strategic Plan.

Attachments:

Appendix A: Environics Telephone Survey Report: Community Priorities and Satisfaction Research (not attached)

See <http://www.regionofwaterloo.ca/en/regionalgovernment/standingcommittees.asp>.

Appendix B: Public Input for the 2015-2018 Strategic Plan – Preliminary Qualitative Results from Phase 1 (not attached)

See <http://www.regionofwaterloo.ca/en/regionalgovernment/standingcommittees.asp>.

A “hard copy” of these Appendices will be made available in the Councillors' Library.

(Alternate formats are available upon request)

Prepared by: Lorie Fioze, Manager, Strategic Planning and Strategic Initiatives

Approved by: Michael L. Murray, Chief Administrative Officer



Report: COR-FFM-15-08

Region of Waterloo
Corporate Services
Facilities Management and Fleet Services

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

Date: June 16, 2015 **File Code:** A19-07

Subject: Extension of the Agreement with the City of Waterloo Regarding Use of Waterloo Parking Structure

Recommendation:

That the Regional Municipality of Waterloo enter into an amending agreement with the Corporation of the City of Waterloo to further extend an existing option to purchase a share of a parking structure owned by the City of Waterloo and used by Regional employees, as outlined in report COR-FFM-15-08, dated June 16, 2015.

Summary: Nil

Report:

The Region of Waterloo and the City of Waterloo entered into an Agreement relating to the Waterloo Parkade on July 9, 1991 which was amended by Agreement on July 10, 1992 (the "Master Agreement"). The Waterloo parkade is located at 10 Willis Way, Waterloo. The Master Agreement was further amended by Agreement dated July 4, 2013 (collectively "the Agreements"). The Agreements provide for the sharing of responsibility for the capital cost of the parking structure and the allocation of revenue and expenses associated with its ongoing operation in direct proportion to the number of spaces used by each party. The Region of Waterloo currently utilizes approximately 324 parking spaces or roughly 70% of the available spaces within the structure. These spaces are used by staff working at the Region's building at 99 Regina Street.

The Agreements also provide that the Region may exercise an option to purchase a proportionate share of the parking structure. The proportionate share of ownership would be equivalent to the number of spaces used by the Region as compared with the total number of available parking spaces within the structure. Given the Region's current utilization, if the option were to be exercised, the Region would be the owner of

approximately 70% of the structure as a tenant in common with the City of Waterloo, which would own the remaining share. As per the current Agreements, the option must be exercised prior to July 1, 2015. The amending Agreement will extend the period within which the option may be exercised to July 1, 2017.

Although there have been a number of discussions with City of Waterloo staff over the last two years, there are still several items outstanding which may influence the Region's decision of whether or not to purchase its share of the structure. Some of these include the determination of future capital and operating expenses, and the Region's parking needs. A further extension of this agreement by 2 years would allow the Region to determine whether or not the purchase of the Waterloo Parkade would be beneficial.

Regional Facilities Management staff has discussed all aspects of the amending agreement with their counterparts at the City of Waterloo and City staff have advised that they intend to recommend the signing of the amending agreement. A report containing this recommendation will be considered by the City of Waterloo's Council on June 22nd, 2015.

Corporate Strategic Plan:

This agreement supports strategic objective 2.2 to develop, optimize and maintain infrastructure to meet current and projected needs.

Financial Implications:

There are no new financial implications from approval of the amending agreement. The initial agreements to share financial obligations according to the proportion of parking spaces occupied by each party remains in effect.

Other Department Consultations/Concurrence:

Staff from Legal Services and Finance have been consulted in the development of this report.

Attachments: Nil

Prepared By: Kathy Long, Manager of Facilities Property Management

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



Report: COR-FSD-15-11

Region of Waterloo

Corporate Services

Financial Services and Development Financing

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

Date: June 16, 2015 **File Code:** F11-03

Subject: **Canada 150 Community Infrastructure Program**

Recommendation:

For Information

Summary: Nil

Report:

The Federal Government announced the Canada 150 Community Infrastructure Program on May 15, 2015. This is a federal grant program to cost-share in the rejuvenation of existing community infrastructure with an application deadline of June 9, 2015.

The program's criteria include:

- \$150m federally over two years to support the rehabilitation, renovation and expansion of existing community infrastructure; \$44 million for Southern Ontario which includes the Region of Waterloo
- Renewal of existing infrastructure is eligible, no new infrastructure will be funded
- Funding available up to 50% of cost, priority will be given to those only needing 33% funding from the Feds
- The maximum amount of federal funding per project is \$1 million
- Eligible projects include community centres, cultural centres and museums, parks, rec trails, libraries, gyms, arenas, swimming pool, etc., tourism facilities, and other

existing community infrastructure assets for public benefit that have a local community impact, such as local roads, drinking water treatment and distribution systems, connectivity and broadband, local airports, solid waste management and wastewater infrastructure

- Expenditures must be incurred between April 1, 2016 and March 31, 2018 (projects must be construction-ready)
- Priority will be given to projects that can be completed by June 30, 2017 (in time to celebrate Canada's 150th birthday – hence the program name)

The funding is available for projects that would not otherwise have been constructed or constructed as quickly. After reviewing a number of potential projects, four applications were put forward for federal funding totaling just over \$2.5 million for the following programs:

Project	Estimated Capital Cost	Federal Funding Requested	Original Timeframe
Joseph Schneider Haus and McDougall Cottage renovations	\$960,000	\$320,000	2015-18
Improvement of Energy Efficient Lighting Systems at multiple Regional facilities/sites	\$3,640,000	\$1,000,000	2015-18
Rehabilitation of Regional Road 21 (Arthur Street), Sandy Hills Dr. to Floradale Road/Wellington Road, Elmira (\$700,000)	\$2,100,000	\$700,000	2019
Rehabilitation of Regional Road 52 (Bridge Street) Eastbridge Blvd to Northfield Dr. (\$523,333)	\$1,570,000	\$523,333	2019
Total	\$8,270,000	\$2,543,333	

Renovations at Joseph Schneider Haus and McDougall Cottage include reconstructing exterior pathways and the museum's entrance, renovating public washrooms, lobby and gift shop to improve accessibility (Joseph Schneider Haus National Historic Site); renovating the museums' exhibit galleries including installation of high efficiency lighting (Schneider/McDougall); installing an art hanging system in two galleries; renovating

offices, and rehabilitating the public demonstration kitchen (McDougall).

Upgrading existing lighting systems will improve energy efficiency at administration buildings, Transit, Police and Museum facilities. The project also includes a complete retrofit of airfield lighting with LED lights at the Region of Waterloo International Airport.

Rehabilitation of Regional Road 21 (Arthur Street), Sandy Hills Dr. to Floradale Road/Wellington Road, Elmira and rehabilitation of Regional Road 52 (Bridge Street) Eastbridge Blvd to Northfield Dr.; these Regional roads will be rehabilitated with expanded asphalt to extend the life of these infrastructure assets.

Corporate Strategic Plan:

This report supports the Corporate Strategic Plan objective to develop, optimize and maintain infrastructure to meet current and projected needs under Strategic Focus Area 2, Growth Management and Prosperity.

Financial Implications:

As indicated earlier in this report all of the projects submitted for funding under the Canada 150 Community Infrastructure Program are included in the Region of Waterloo's capital budget and forecast. Should federal funding for these projects be approved, staff will report back with recommended sources of funding for the Regional share of the works and to seek authorization to enter into contribution agreements with the federal government.

Other Department Consultations/Concurrence:

The Planning, Development & Legislative Services and Transportation & Environmental Services Departments were consulted in the preparation of this report.

Attachments: Nil

Prepared By: Cathy Deschamps, Director, Financial Services & Development Financing

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



Report: COR-TRY-15-61

Region of Waterloo

Corporate Services

Treasury Services

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

Date: June 16, 2015

File Code: F11-30

Subject: Periodic Financial Report for the Four Months Ended April 30, 2015

Recommendation:

For Information

Summary:

The Region's actual vs. budget position as at April 30, 2015 for Direct Regional Services (excluding Waterloo Regional Police Services and Library Services) is a surplus of \$347,000. This surplus represents 0.3% of the Region's 2015 net year to date tax supported operating budget expenditures of \$104 million. The Water Supply operating budget has posted a surplus of \$750,000 and the Wastewater Treatment budget a shortfall of \$2.3 million due to lower than expected revenues.

Report:

Regional Council passed the Financial Management By-law (By-law 05-008) to establish the financial management framework for the Region. The By-law requires that a report to Administration and Finance Committee be prepared periodically on the Budget to Actual variances within the Operating Budgets. This report covers the four months ended April 30, 2015.

Tax Supported Operating Budget

The Region's actual vs. budget position as at April 30, 2015 for Direct Regional Services (excluding Waterloo Regional Police Services and Library Services) is a surplus of \$347,000.

Appendix One includes the net budget, net actual, and variance (both dollar and percentage) information for the 2015 Operating Budget for the first four months of the year. The net cost of operating budgets is recovered through property tax revenue.

Program Variances

The variances reported in Appendix One under the “Variance” column present the actual results for the Region for the first four months of 2015. Further detail on significant variances identified in Appendix One is provided in the following notes:

Note 1 – Waterloo Region International Airport

For the first four months of 2015, Waterloo Regional International Airport revenues are under budget by \$113,000 or 6.6%. This is primarily due to a shortfall in landing, fuel and parking revenues, resulting from flight cancellations due to poor weather conditions and a malfunctioning weather reporting station. During the winter months of 2015, there were more flight cancellations than would normally be experienced in an entire year.

Note 2 – Provincial Offences

Year to date POA revenues are under budget by \$240,000. Collections Revenue are \$46,000 lower than budget and general revenues are \$140,000 lower than budget due to a continuing decline in tickets issued, the early court resolution process which can result in decreased fine amounts and a higher number of defaults arising from people's inability to pay. Finally, Red Light Camera (RLC) Revenues are \$54,000 lower than budget due to one camera being non-operational in April due to construction. Partially offsetting the revenue shortfalls is \$22,000 in cost savings as a result of delayed hiring. In the 2015 Budget, Council approved a \$750,000 reduction in POA revenues after experiencing a \$1.6 million negative variance in 2014. The year to date variance in 2015 is considerably smaller than at the same point in 2014.

Note 3 – Waste Management

Year to date (YTD) revenue has exceeded budget by \$235,000 due to the receipt of Waste Diversion Ontario Blue Box funding related to the fourth quarter of 2014. Future WDO funding for 2015 is uncertain as negotiations between industry stewards and municipalities are currently being mediated and the two sides are at an impasse. YTD Industrial/Commercial/Institutional tonnage of 20,923 tonnes is slightly ahead of budget and the same period last year (18,409 tonnes). Although recycling revenues are favourable compared to YTD budget, commodity prices for recycling material have been declining and this trend is predicted to continue. Operating expenditures are currently at budget.

Note 4 – Transportation

The estimated April YTD 2015 costs related to Transportation are \$214,000 under budget. Final winter control costs have not been received from all of the area municipalities and consequently estimates have been used where actual winter control costs were not available.

Note 5 – Income Support Programs, Benefits and Social Assistance, and Transfer from Tax Stabilization Reserve Fund

For the first four months of 2014, Income Support Programs are showing a negative variance of \$54,000 (2.8%). There continue to be issues with the implementation of SAMS, which has impacted the reliability of the information being reported. Offsetting the higher than budgeted caseload expenditures is a lower YTD expenditure on benefits to social assistance recipients of \$193,000 (18.8%). The transfer from the Tax Stabilization Reserve Fund is adjusted to reflect YTD actual costs and funding. Overall, YTD expenditures for income support programs are equal to budget.

Note 6 – Police

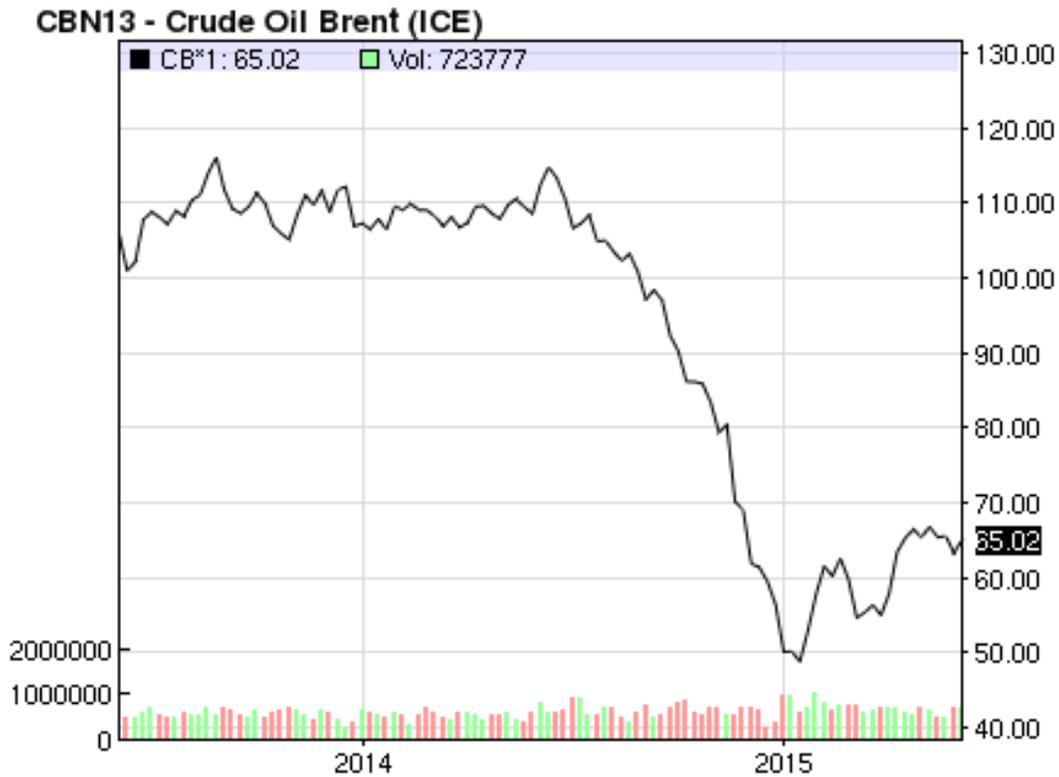
Net actual expenditures for the Waterloo Regional Police Service are reported equal to budget as current practice is to offset any variance relating to Police with a transfer to or from the Police Services Reserves. The Police Services Board receives reports on its financial position over the course of the year.

Note 7 – Library

The current practice is to transfer any surplus to the Library Capital Reserve Fund. As a result, net actual expenditures are shown equal to budget.

Oil and Fuel Prices

The price of crude oil dropped sharply since June of last year. The current price of crude is approximately \$60 USD/barrel (up from \$50 in January and below \$105 USD/barrel at this point last year). Analysts expect that crude oil prices will remain low for at least the next 12 months, at the \$50-\$55 level. The price of oil and fuel affects the Region's budget in a number of areas including public transit, paramedic services, police services, roads maintenance, waste management, asphalt used to construct and resurface roads, and support vehicles in other Regional departments. The following chart depicts the world price of oil per barrel over the last two years:



Source: nasdaq.com

The 2015 operating budget was approved using a fuel price strategy whereby the price of diesel was set at \$1.00/L and the price of gasoline at \$0.88/L (from a standardized fuel price of \$1.07625/L in 2014). The strategy provided that 45% of the savings associated with the budgeted price decrease was reflected in the 2015 property tax levy and 55% of the savings was budgeted as a transfer to reserve. This approach was taken to mitigate fluctuations in the fuel price and reduce the risk of a deficit once prices climb back to 2014 levels. January to May 2015 diesel prices averaged \$0.94/L and gasoline averaged \$0.87/L, both currently below their respective budget prices.

User Rate Operating Budgets

A summary of the revenues, expenditures and contributions to the capital reserves for the Water and Wastewater Treatment budgets is presented in Appendix One.

Note 8 – Water Supply

As of the end of April, water flows are slightly higher than budget for this period resulting in a positive YTD variance of \$417,000. If water revenues continue at this pace, a revenue surplus of approximately 2% may result at year end. Depending on summer weather conditions, the water flows could change significantly to year end.

The reported variance in water supply expenditures of \$333,000 is due to temporary vacancies, chemicals and the timing of expenditures.

Note 9– Wastewater Treatment

There is a Wastewater revenue shortfall to the end of April of \$2.4 million due primarily to a slow spring thaw and dry conditions in March and April. Actual wastewater flows over the first 4 months of 2015 are 12% lower than in the same period in 2014. In the event this trend continues, the revenue shortfall could be in the range of \$6 to \$8 million by year end. Any unfavourable year end variance in the 2015 Wastewater budget would be funded from the Wastewater Reserve Fund.

The under spending in wastewater expenditures of \$101,000 is due to temporary vacancies and the timing of expenditures.

Corporate Strategic Plan:

This report aligns with Focus Area 5, Service Excellence, of the 2011-2014 Corporate Strategic Plan and the objective to ensure Regional programs are efficient and effective and demonstrate accountability to the public.

Financial Implications:

To the end of April, the Region has posted a surplus of \$347,000 or 0.3% of the Region's net YTD expenditures of \$104 million. The Water Supply operating budget has posted a surplus of \$750,000 and the Wastewater Treatment budget a shortfall of \$2.3 million due to lower than expected revenues. Staff continues to monitor the Region's financial position and will provide additional financial reports to Committee as warranted. The next Periodic Financial Report is scheduled for October, 2015.

Other Department Consultations/Concurrence:

All departments have reviewed the financial information for the reporting period and provided input to this report.

Attachments:

Appendix One – Periodic Financial Report – April 30, 2015

Prepared By: Lee Parent, Manager of Finance

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

The Regional Municipality of Waterloo
Periodic Financial Report
As of April 30, 2015

Appendix One

	\$ in 000's			%	Note
	YTD Budget	YTD Actual	Variance		
Property Tax Budgets					
Elected Offices	\$ 445	\$442	\$3	0.7%	
Chief Administrative Officer	\$596	\$552	\$44	7.4%	
Corporate Services					
Commissioner	\$104	\$104	\$0	0.0%	
Treasury Services	739	739	0	0.0%	
Financial Services	1,064	996	68	6.4%	
Information Technology Services	2,111	2,119	(8)	(0.4%)	
Facilities Management & Fleet Svcs	3,155	3,079	76	2.4%	
Total	\$7,173	\$7,037	\$136	1.9%	
Human Resources & Citizen Service	\$2,407	\$2,371	\$36	1.5%	
Planning, Development & Legislative Services					
Commissioner	\$226	\$184	\$42	18.6%	
Cultural Services	2,953	2,933	20	0.7%	
Community Planning	1,065	1,057	8	0.8%	
Regional Airport	1,711	1,824	(113)	(6.6%)	1
Council & Administrative Services	730	736	(6)	(0.8%)	
Provincial Offices	(1,351)	(1,134)	(217)	(16.1%)	2
Legal Services	174	102	72	41.4%	
Economic Development	835	840	(5)	(0.6%)	
Total	\$6,343	\$6,542	\$(199)	(3.1%)	
Transportation and Environmental Services					
Commissioner	\$0	\$18	\$(18)	0.0%	
Design and Construction	0	0	0	0.0%	
Waste Management	12,720	12,485	235	1.8%	3
Grand River Transit	16,390	16,336	54	0.3%	
Transfer to RTMP Reserve	8,128	8,128	0	0.0%	
Transportation	17,252	17,038	214	1.2%	4
Total	\$54,490	\$54,005	\$485	0.9%	
Community Services					
Commissioner	\$166	\$133	\$33	19.9%	
Housing	11,266	11,203	63	0.6%	
Seniors' Services	2,847	2,908	(61)	(2.1%)	
Children's Services	2,590	2,560	30	1.2%	
Ontario Works Administration	4,285	4,383	(98)	(2.3%)	
Income Support Programs	1,927	1,981	(54)	(2.8%)	5
Benefits and Social Assistance	1,025	832	193	18.8%	5
Transfer from Tax Stabilization					
Reserve Fund	(725)	(503)	(222)	30.6%	5
Total	\$23,381	\$23,497	\$(116)	(0.5%)	
Public Health & Emergency Services					
Public Health	\$2,498	\$2,513	\$(15)	(0.6%)	
Paramedic Services	4,118	4,145	(27)	(0.7%)	
Total	\$6,616	\$6,658	\$(42)	(0.6%)	

June 16, 2015

Report: COR-TRY-15-61

The Regional Municipality of Waterloo
Periodic Financial Report
As of April 30, 2015

Appendix One

	\$ in 000's			%	Note
	YTD Budget	YTD Actual	Variance		
Corporate Financial	\$1,697	\$1,697	\$0	0.0%	
Supplementary Taxes	(1,267)	(1,267)	0	(0.0%)	
Crime Prevention Council	228	228	0	0.0%	
Associated Agencies	2,263	2,263	0	0.0%	
Total Direct Regional	\$104,372	\$104,025	\$347	0.3%	
Police	\$48,537	\$48,537	\$0	0.0%	6
Regional Library	831	831	0	0.0%	7
Net Before Levy	\$153,740	\$153,393	\$347	0.2%	
Tax Revenue					
Tax Revenue	\$151,642	\$151,642	\$0	0.0%	
Payments in Lieu	2,098	2,098	0	0.0%	
Total	\$153,740	\$153,740	\$0	0.0%	
Net Regional Levy	\$0	\$347	\$347	0.2%	
User Rate Budgets					
Water					
Expenses	\$11,949	\$11,616	\$333	2.8%	8
Revenues	16,544	16,961	417	2.5%	8
Contribution From Reserve	4,595	4,595	0	0.0%	
Total	\$0	\$750	\$750	4.5%	
Waste Water					
Expenses	\$14,100	\$13,999	\$101	0.7%	9
Revenues	23,782	21,352	(2,430)	(10.2%)	9
Contribution From Reserve	9,682	9,682	0	0.0%	
Total	\$0	\$(2,329)	\$(2,329)	(9.8%)	
Water Distribution					
Expenses	\$527	\$509	\$18	3.4%	
Revenues	655	643	(12)	(1.8%)	
Contribution From Reserve	128	128	0	0.0%	
Total	\$0	\$6	\$6	0.9%	
Waste Water Collection					
Expenses	\$292	\$286	\$6	2.1%	
Revenues	364	359	(5)	(1.4%)	
Contribution From Reserve	72	72	0	0.0%	
Total	\$0	\$1	\$1	0.3%	



Report: COR-FSD-15-12

Region of Waterloo

Corporate Services

Financial Services and Development Financing

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

Date: June 16, 2015 **File Code:** F01-80

Subject: 2016 Budget Process & Timetable

Recommendation:

That the Regional Municipality of Waterloo take the following action with respect to the 2016 Budget:

1. Approve the 2016 Budget timetable as set out in Schedule B to Report COR-FSD-15-12 dated June 16, 2015;
2. Forward a copy of Report COR-FSD-15-12 to the Waterloo Region Police Services Board.

Summary:

The development of the 2016 Operating Budget and 2016-2025 Capital Plan is underway. This report provides Council with:

- An overview of key economic indicators;
- A summary of the major factors that staff expect will impact the 2016 Budget;
- An overview of the general approach that Regional staff will be taking when preparing 2016 budget estimates; and
- An outline of the 2016 budget timetable and budget review process.

Staff will work to present a budget that strikes an appropriate balance between meeting strategic plan goals, responding to service level demands and expectations, recognizing the need for new or expanded services, and achieving reasonable tax and user rate impacts.

Report:**1. Budget Context**

A brief review of recent budget approvals serves as a good starting point for consideration of the 2016 budget. Schedule “A” provides a summary of operating budget approvals during the past three years. The Regional tax levy comprises approximately 52% of the total residential property tax bill. Total tax supported expenditure in 2015 is \$814 million with a Regional property tax levy of \$451 million. Approximately 68% of the 2015 property tax levy is for direct Regional Services and 32% for Police Services. Budgeted operating expenditure in 2015 for water and wastewater is \$81 million. The 2016 budget will be the second budget for this term of Council.

2. Current Economic Environment

The Region’s budget is impacted by a number of economic factors. These factors combine to create an overall economic context for each annual budget, and are summarized below.

2.1 Economic Growth

Domestic economic growth projections were provided in the 2015/16 Federal and Provincial budgets and are summarized as follows:

Federal and Provincial real GDP growth projections				
	2014 (actual)	2015	2016	2017
Canada	2.2%	1.7%	2.5%	3.2%
Ontario	2.2%	2.7%	2.4%	2.2%

Sources: 2015/16 Government of Canada Budget, 2015/16 Province of Ontario Budget

World trade volumes continue at a sluggish pace and global growth projections remain weak across most economies. The Canadian economy appears to be weathering the late 2014 decline in oil prices, although real GDP forecasts have been trimmed. Locally, according to the Conference Board of Canada’s ranking of Canadian cities, “Waterloo shines as one of the top cities for migrants, thanks to its well-earned reputation for innovation and education and ranked first in education, second in innovation, and third in the economy category.”

2.2 Federal and Provincial Budgets and Funding

While the Federal Government is planning to balance its budget this year, Ontario remains two to three years away from achieving this goal, as set out below:

Federal and Provincial surplus (deficit) projections, in \$ billions					
	2014/15	Forecast			
		2015/16	2016/17	2017/18	2017/18
Canada	(\$2.0)	\$1.4	\$1.7	\$2.6	\$2.6
Ontario	(\$10.9)	(\$8.5)	(\$4.8)	\$0	n.a.

Source: 2015/16 Government of Canada Budget, 2015/16 Government of Ontario Budget

Federal funding for municipalities comes in the form of subsidy for housing programs, public health, economic development, the Federal Gas Tax Transfer and targeted, time limited infrastructure programs. Federal funding for housing programs is expected to be stable in 2016 (at approximately \$9 million), although reductions in 2017-18 could result in a Regional tax levy impact of approximately \$1 million. The Region receives \$14.7 million annually from the Federal Gas Tax Transfer and applies the funding to the Roads Capital Program.

A number of Regional programs are cost shared with the Province, with annual provincial subsidies totalling approximately \$200 million. Programs receiving provincial subsidy include Ontario Works, Children's Services, Seniors' Services, Public Health, Paramedic Services, and Transit, and to a much lesser extent Police, Museum and Library. The 2015/16 Provincial Budget has confirmed that the uploading of Ontario Works benefit costs and some court security costs will occur as planned, with the uploads to be complete in 2018. In 2016, provincial cost sharing for Ontario Works benefits will increase to 94.2%. As directed by Council, the Ontario Works upload savings will be used to offset costs associated with implementation of the Regional Transportation Master Plan.

Provincial funding represents a greater risk to the Region than Federal funding, as the amount of provincial funding is significantly higher and the Province remains in a deficit position. Municipal governments remain cautious in their expectations for funding from senior levels of governments for both existing cost-shared programs and new initiatives.

An overview of the 2015/2016 federal and provincial budgets was presented to Administration and Finance Committee in staff report COR-FSD-15-09 dated May 5, 2015.

2.3 Inflation

The most recent Consumer Price Index (CPI) figures (April 2015) show inflation running at 0.8% year over year for both Canada and Ontario. Current rates are below the 2% target range established by the Bank of Canada and the average CPI over the first four months of 2015 was 1.0% for Canada and 1.3% for Ontario. Federal and provincial governments and financial institutions are predicting inflation rates in the 2.0%-2.5% range for 2016:

Inflation (CPI) Projections	2016 forecast (%)
Canada	2.2
Ontario	2.0
Bank of Canada	2.0
National Bank Financial	2.2
CIBC	2.2
RBC	2.6
Scotiabank	2.1

Sources 2015/16 Government of Canada Budget, 2015/16 Government of Ontario Budget, Bank of Canada, National Bank Financial, Canadian Imperial Bank of Commerce, Royal Bank of Canada, Scotiabank

It is noted that CPI figures reflect a basket of consumer goods which does not necessarily reflect municipal government expenditures. The non-residential building construction index as reported by Statistics Canada for the first quarter of 2015 increased by 1.9% over 2014 (Toronto census metropolitan area). This index better reflects the cost of inputs in construction related projects which compose a large portion of the Region's capital plan.

2.4 Interest Rates

The overnight interest rate set by the Bank of Canada dropped to 0.75% in January of this year. The rate had been 1.0% since September 2010. Long term borrowing rates continue to remain near historic lows and are currently at 2.3% for debentures with a 10 year term and 3.4% for a 20 year term. Long term borrowing costs are expected to rise over the next 6-12 months and the Region will monitor the rates in anticipation of a planned fall 2015 debenture issue. The Region continues to maintain a Aaa credit rating from Moody's, with a stable outlook.

2.5 Unemployment Rates and Ontario Works Caseload Levels

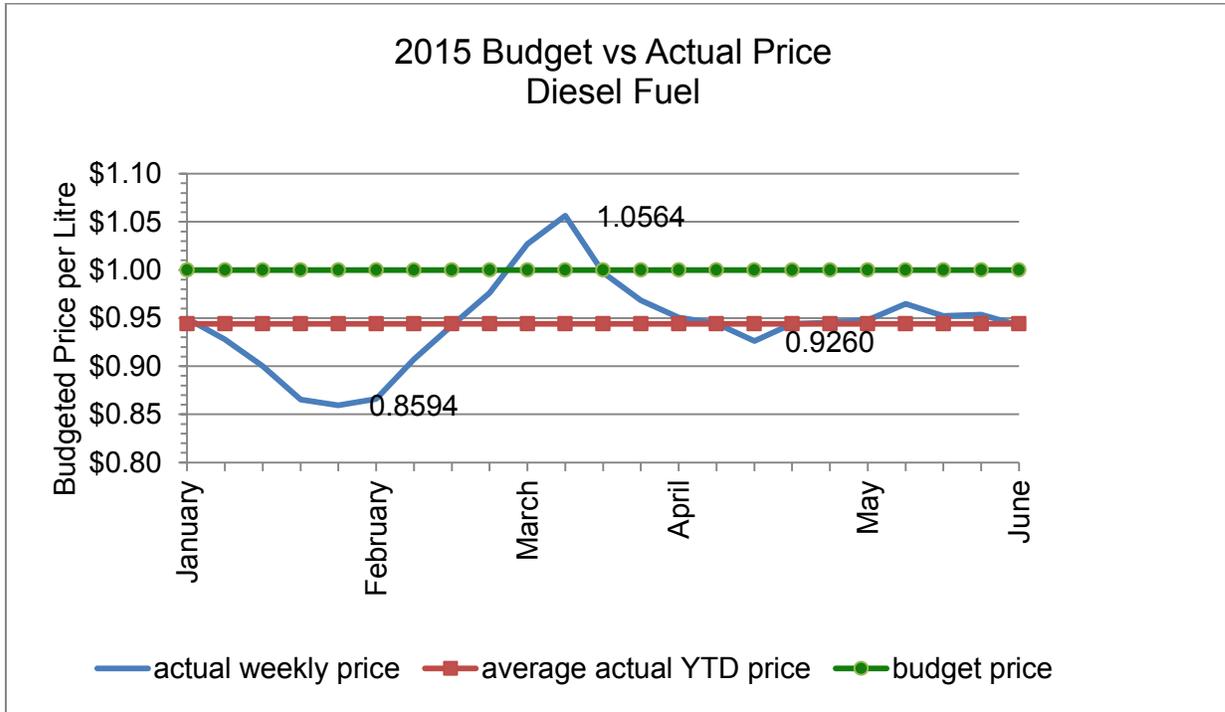
The unemployment rate in April 2015 was 6.8% in Ontario (April 2014 was 7.4%) and 6.0% in Waterloo Region (April 2014 was 6.8%). Ontario Works caseload levels have been in the range of 8,200-9,000 per month since the beginning of 2010. Last November, the province implemented a new Social Assistance Management System (SAMS). The system is still experiencing a number of reporting issues, making it difficult to ascertain caseload levels at this point in time. Broadly speaking, caseload levels continue to be persistently high and despite improvements in the economy, there is no indication of any relief from high caseload levels. It is worth noting that the risk of a negative variance to the Region due to higher Ontario Works caseloads decreases as the upload of benefit costs to the province proceeds through to 2018. In 2016, the provincial cost sharing of social assistance benefits will increase to 94.2% (from 91.4% in 2015).

2.6 Oil and Fuel Prices

The price of crude oil dropped sharply in the last six months of 2014. The current price of crude is approximately \$60 USD/barrel (up from \$50 in January and compared to \$105 USD/barrel at this point last year). Analysts expect that crude oil prices will remain low for at least the next 12 months, at the \$50-55 level. The price of oil and fuel affects the Region's budget in a number of areas including public transit, paramedic services, police services, roads maintenance, waste management, and support vehicles in other Regional departments.

The 2015 operating budget was approved using a fuel price strategy whereby the price of diesel was set at \$1.00/L and the price of gasoline at \$0.88/L (from a standardized fuel price of \$1.07625/L in 2014). The strategy provided that 45% of the savings associated with the budgeted price decrease was reflected in the 2015 property tax levy and 55% of the savings was budgeted as a transfer to reserve. This approach was taken to mitigate fluctuations in the fuel price and reduce the risk of a deficit once prices climb back to 2014 levels. January to May 2015 diesel prices averaged \$0.94/L and gasoline averaged \$0.87/L, both currently below their respective budget prices.

The following chart outlines the year to date actual and average diesel prices relative to the 2015 budgeted price:



2.7 Building Trends

Recent building permit activity in Waterloo Region is summarized as follows:

Building Permit Activity				
	2012	2013	2014	2015*
Jan – Apr # of Residential units	781	632	817	1,521
Jan – Apr Value of residential permits	\$170.1m	\$143.3m	\$168.2m	\$251.9m
Annual # of Residential units	2,398	2,564	3,805	n.a.
Annual Value of residential permits	\$520.1m	\$543.0m	\$851.2m	n.a.
Jan – Apr Non-residential square feet (million)	0.53	0.37	0.63	0.59
Jan – Apr Value of non-residential permits	\$123.7m	\$76.9m	\$88.6m	\$84.3m
Annual # of Non-residential square feet (millions)	1.89	1.38	2.15	n.a.
Annual Value of non-residential permits	\$339.9m	\$228.6m	\$433.4m	n.a.

*preliminary information; more detailed analysis performed in June and at year-end

Building permit activity is one indicator of the strength of the local economy, as well as a predictor of change in the assessment base. Residential activity in 2014 showed moderate increases over 2013. Permits were issued for 3,805 units in 2014, valued at \$851 million. The higher number of residential permits to date in 2015 includes a 600 unit student project being constructed in Waterloo. Non-residential building permits were issued in 2014 for 2.2 million square feet of floor space, valued at \$433 million. It should be noted that the overall number of permits issued in 2014 in comparison to prior years is higher due to the rush to submit permit applications in advance of new development charge rates coming into effect in August, 2014.

January to May 2015 indicates a strong start to the year in residential and non-residential building activity, despite the cold weather, which typically decreases winter/spring building permit activity.

2.8 Development Charges

Regional Development Charges (RDC) are a significant source of funding for growth related capital projects undertaken by the Region. Recent RDC activity is summarized in the following table:

Regional Development Charge Summary				
	2012	2013	2014	2015 Estimate
Residential				
Jan-Apr units	453	403	497	484
Jan-Apr revenue	\$5.8m	\$5.3m	\$6.6m	\$8.7m
Annual equivalent single detached units**	1,565	1,578	3,091	n/a
Annual revenue	\$20.2m	\$21.0m	\$44.0m	n/a
Non-residential				
Jan-Apr square feet	397,614	268,487	308,720	49,470
Jan-Apr revenue	\$3.7m	\$2.6m	\$3.0m	\$0.5m
Annual square feet	1,038,207	1,110,070	1,477,597	n/a
Annual revenue	\$9.6m	\$10.5m	\$14.3m	n/a

**includes DC collections and funded exemptions only

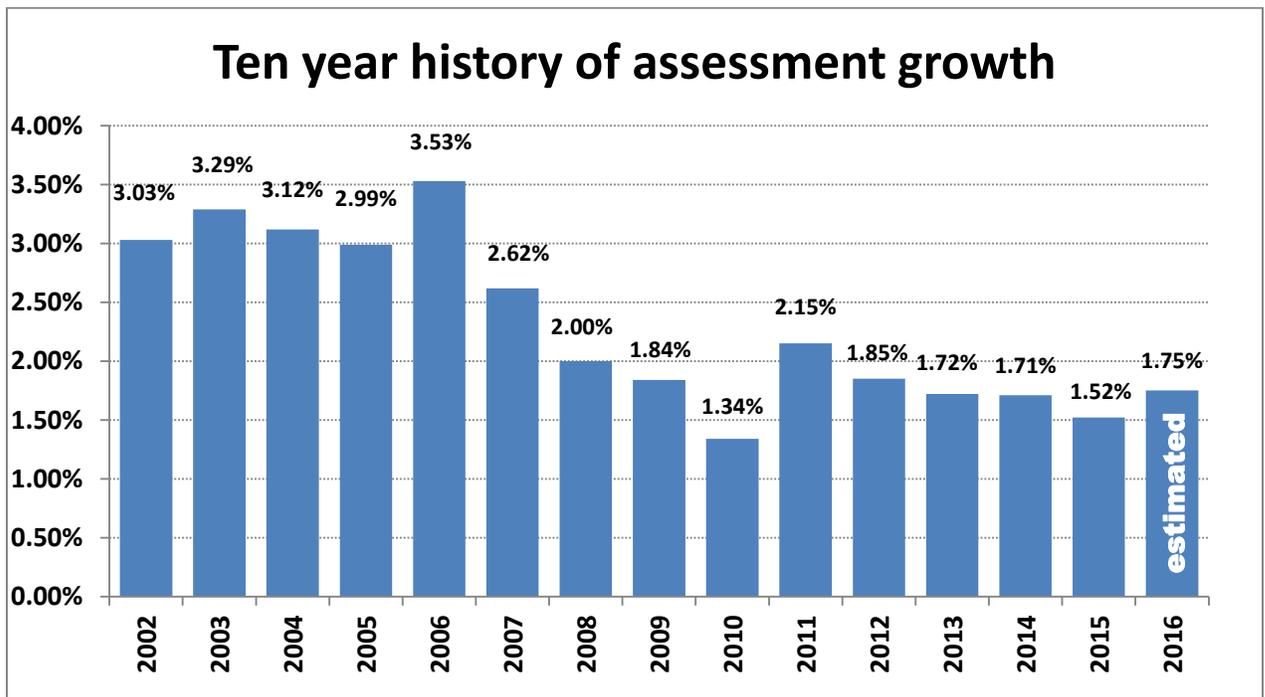
As of April 30, 2015 residential RDC revenue collection is estimated to be \$8.7 million, which represents an increase of 32% over the same period in 2014 (largely due to residential RDC rate increases implemented in August 2014). It should be noted that the substantial revenue levels seen in annual 2014 figures are largely due to the rush to make permit applications in advance of new residential development charge rates effective August 1, 2014.

Non-residential RDC revenue collection is estimated to be \$0.5 million, which is a decrease of 84% over 2014. At the time of preparing this report, several substantial commercial applications were being drafted, however, the related development charges have yet to be quantified and collected.

Total year-to-date RDC revenue collection is approximately \$9.2 million, lower by \$0.4 million or 4% in comparison to the same period in 2014.

2.9 Assessment Growth

Assessment growth in 2014 (and reflected in the 2015 Budget) was 1.52%, representing the second lowest level of assessment growth in the Region in the last 15 years. The following graph provides a summary of assessment growth over the last ten years:



Weighted assessment growth for the Region is currently 0.41% higher than the start of the year. One supplementary run has been completed and the next is scheduled for August, with a final run in October. Staff is currently projecting 2015 assessment growth (used for the 2016 Budget) to be approximately 1.75%.

3. Capital Planning and Financing

The Region of Waterloo's \$3.6 billion 10 year capital program includes both infrastructure required to accommodate growth in the residential and non-residential sectors, as well as lifecycle work to maintain existing infrastructure in a state of good repair. The Region remains in a period of significant capital expansion with construction of new infrastructure including major upgrades to water and wastewater facilities, significant road network projects and asset renewal work at regional facilities and housing properties.

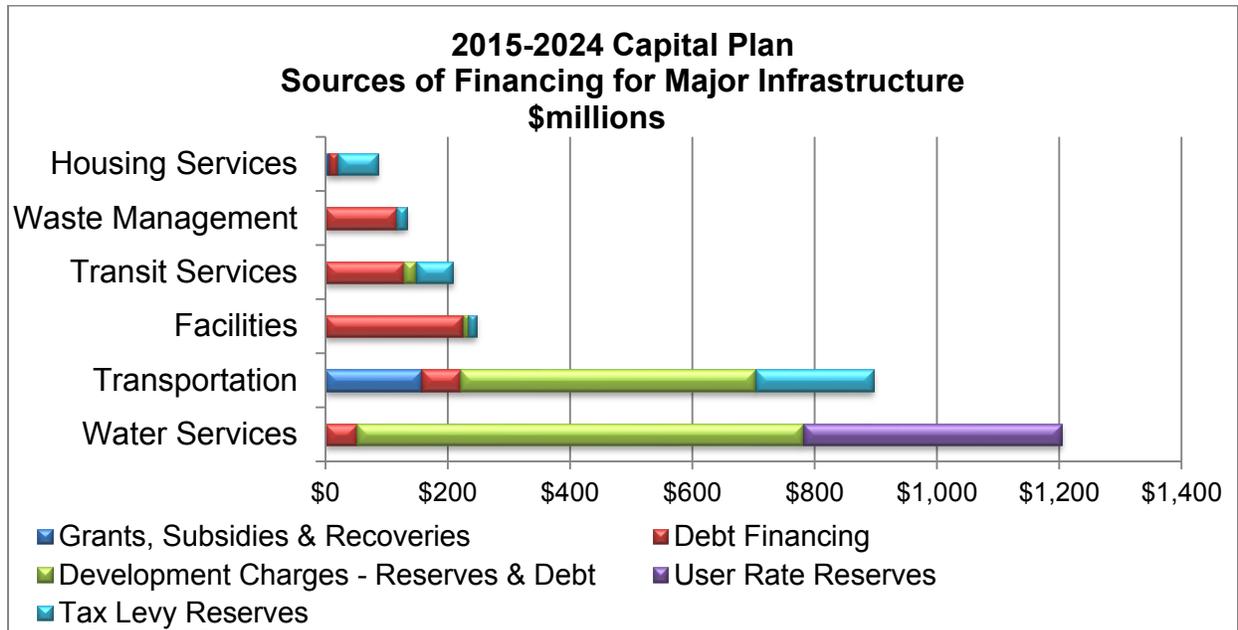
As discussed at orientation sessions and during the 2015 budget process, sources of financing for capital investments are limited to:

1. Grants, subsidies, and recoveries
2. Development charges
3. Property taxes and user rates, in the form of:
 - a. Reserves and reserve funds (from prior year operating budgets);
 - b. Direct contributions from annual operating budgets; and
 - c. Debenture financing (charged against future year operating budgets)

A review of the capital program will be undertaken by staff in June and July. One focus of these reviews will be to assess the sufficiency of development charge reserve funds. The 2014 Development Charges Background Study used the Places to Grow growth forecast established by the Province as the amount of growth against which eligible capital costs will be recovered through development charges. Growth rates in recent years have not attained the Places to Grow projections and there is a risk that projected growth will not be achieved as originally anticipated in the background study. Lower than projected growth could result in development charge collections being lower than required to fund growth related projects. An examination of longer term implications of this collection risk is underway and includes a review of impacts on capital plan needs from both expenditure and financing perspectives.

Staff has previously reported to Council on the extent of the Region's reliance on debenture financing in various program areas and the low level of regional reserve and reserve fund balances relative to other regional municipalities. While the capital program for certain regional services is largely funded through annual contributions to reserves (water, wastewater and roads for example), certain program areas have little or no access to reserve funding, notably waste management, public transit and Regional facilities.

The following graph depicts the relative sources of financing for major infrastructure over the next 10 years:



This financing strategy was adopted to mitigate impacts to current year operating budgets. However, in the absence of adequate reserve contributions and funding, debenture financing is the only alternative. While long term borrowing for capital works is appropriate in many cases, the resulting debt servicing costs place a significant burden on future operating budgets. To the extent that debenture financing can be reduced or avoided, then future debt servicing costs and operating budgets can be better controlled. Limiting debenture financing to fund significant property acquisition, facilities and fixed infrastructure is a strategic attempt to manage debt servicing costs.

Through the capital plan reviews, staff will review and assess the financing strategies of all capital programs and will report back to Committee and Council as required through the 2016 budget process.

4. Preliminary Budget Projections

4.1 Tax Supported Operating Budget – Direct Regional Services

Initial estimates of the 2016 budget (i.e. property tax levy) and tax rate impacts for Regional services are shown in the following table:

	(\$ m)	%
2015 tax levy (Regional purposes)	\$305.5	
Regional Transportation Master Plan (1.5% of previous year urban levy)	6.0	
Ontario Works upload	(1.7)	
Net debt servicing costs	1.9	
Capital project financing	3.7	
Salaries/benefits	4.7	
All other items	3.2	
2016 estimated Regional tax levy	\$323.2	3.9%
Assessment growth (Region portion of 1.75%)		-1.2%
2016 estimated tax impact (Region only)		2.7%

The figures shown above reflect service levels currently funded through base budgets, and therefore exclude any new or expanded service requests (which would come in the form of a budget issue paper). The year over year regional tax levy increase required to support current service levels is estimated to be 5.8% for regional services in 2016 (3.9% on the total levy). This would translate to a tax rate impact (net of assessment growth) in the range of 2.7%, before any consideration of the Police budget.

Major 2016 Budget Drivers

With the above context and economic climate in mind, there are certain factors and initiatives that will impact the 2016 operating budget:

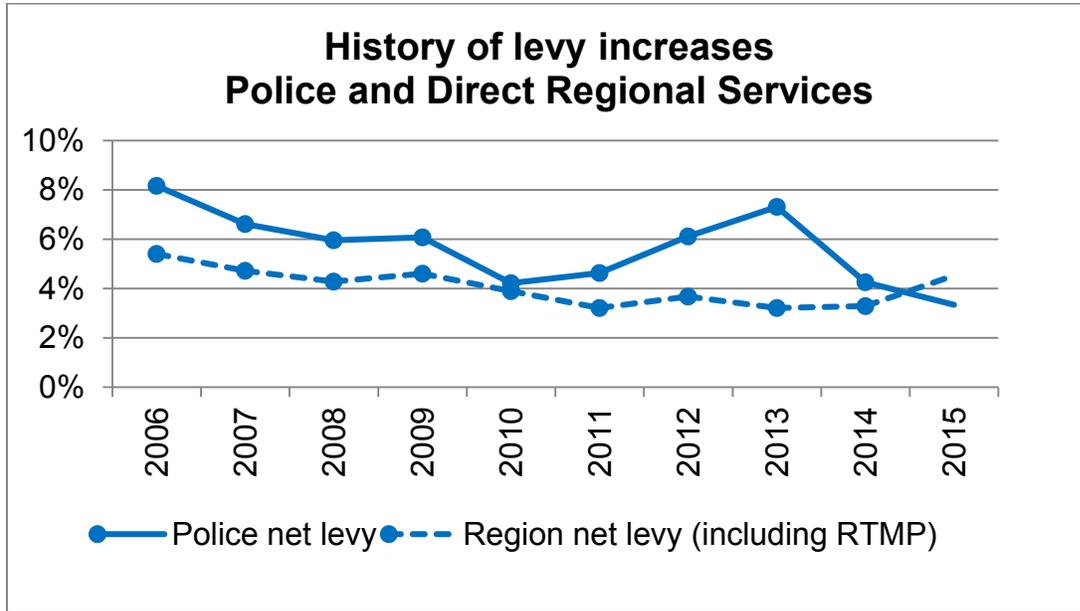
- Debt Servicing Costs:** The Region's 2015-2024 tax supported capital plan totals \$2.5 billion. Approximately 29% of the Region's tax supported capital plan is financed through debentures. As noted earlier in the report, staff are conducting a capital plan review to identify options for reducing the impact of new debt servicing costs in the immediate 5 years of the capital plan.
- Regional Transportation Master Plan (RTMP):** Regional Council has approved a funding strategy for the Regional Transportation Master Plan (including Rapid Transit and GRT expansion) which requires a 1.5% annual urban levy increase for 2016-2018 and 0.75% (projected) in 2019. These increases will be offset by the uploading of Ontario Works benefit costs to the Province through 2018. The anticipated net tax rate impact for RTMP in 2016 is 0.97%.
- Provincial Offences Administration (POA) & Red Light Camera (RLC) Revenues:** The 2015 budget provided for \$6.3 million in revenue related to POA fines and \$1.2 million in revenue related to RLC infractions. Despite a \$750,000 budget reduction in 2015, year to date combined POA/RLC revenues are under

budget as reported in the April 30, 2015 Periodic Financial Report (COR-TRY-15-12) dated June 16, 2015 by \$240,000. Approximately \$54,000 of the variance relates to RLC revenues which are, in part, reduced due to increased compliance at traffic lights where cameras are located. The remaining \$150,000 relates to a decline in the number of tickets issued and the early court resolution process which can result in decreased fine amounts. A further revenue budget reduction in the range of \$500,000 may be required in 2016.

- **Community Housing subsidies:** The Region annually provides \$25 million in subsidies to non-profit and cooperative housing providers. Tax levy impacts associated with this program are largely driven by the provincially mandated funding model. This model determines factors such as inflation, rent control/Market Rent indices, and property taxes. Impacts in 2016 are currently projected to be in the \$0.8 - \$1.0 million range.
- **Contract Settlements and Negotiations:** It is noted that most collective agreements (affecting both property tax and user rate funded budgets) had been previously settled in the range of 1.25% - 1.75% annually. Several of these contracts expire in 2016. Actual (for concluded agreements) and estimated compensation costs are reflected in both the tax supported and user rates budget projections.
- **Annualization of service enhancements approved in the 2015 budget:** The base budget for tax supported areas will include a property tax levy increase of \$600,000 for annualization of budget issue papers approved in the 2015 budget.

4.2 Tax Supported Operating Budget – Police Services

The following chart summarizes the property tax levy increases for Police and direct Regional services since 2006:



As depicted in the chart above, levy increases for Police Services have outpaced Direct Regional Services in all years but one (2015). Because of this disparity, the proportion of the levy dedicated to Police Services has increased from 30% in 2006 to 32% in 2015.

The 2015 Polices Services budget included a net expenditure increase of 3.3% with a property tax rate impact of 0.58%. Factors expected to impact the 2016 Police Services budget include the annualization of 2015 service expansions, the impact of a collective agreement currently being negotiated, movements through the salary grids, and debt servicing costs for any new debt issued in 2015.

4.3 Water and Wastewater Operating Budgets and Capital Plans

Staff is also developing the 2016 Water and Wastewater operating budgets and 2016-2025 capital plans. The model that was used to develop 2015 user rates and subsequent year projections recommends a rate increase of 3.9% in 2016 for water supply (4.9% in 2015) and 6.9% for wastewater treatment (7.9% in 2015). Although key inputs such as electricity and chemicals are large factors in these operating budgets, the component that has the most impact in determining user rates is the capital plan. Financing for water and wastewater capital projects includes development charges and user rates. Staff will assess these and other issues in developing recommended user rate increases for 2016. Any such rate changes are expected to come into effect on March 1, 2016.

5. Regional Service Review

At its meeting on June 25, 2014 Regional Council approved a Regional Service Review (Report F-14-074/CA-14-006). The Service Review Steering Committee has been meeting periodically to review opportunities identified by the consultant, KPMG, for 1865870

changing service levels or delivery models in order to produce efficiencies or better outcomes. The final report outlining these recommended changes from the consultant is expected to be presented to Council in September, 2015.

6. Budget Preparation

In order for staff to deliver a budget that is reasonable and reflective of critical Region-specific objectives to Council, the budget preparation process will include the following measures:

- A review of the 10 year capital plan. The ten year forecast is being reviewed with each department, with discussions covering the full range of project need, scope, timing, cost and sources of financing. Staff is in the process of developing the updated 10 year capital plan.
- User fees and charges will be reviewed to ensure that such fees are at appropriate levels.
- Regional staff will complete operating budget review meetings this fall with the Chief Administrative Officer and Chief Financial Officer. These sessions will include a detailed review of the 2016 base budget, a historical budget-to-actual review of spending and revenues, proposals for user fees for 2016 and proposed 2016 service levels.

New programs and program expansions are presented in the form of budget issue papers. A budget issue paper must typically meet at least one of the following criteria in order to be presented:

- Comply with a legislative or regulatory requirement
- Address a long term financial sustainability issue
- Remedy an identified health and safety risk
- Respond to a specific request or direction from Council

Similar to 2015, it is expected that a limited number of new budget issue papers will be presented in the 2016 budget process.

7. 2016 Budget Timetable

The proposed timetable for review of the 2016 Budget is set out in Schedule "B" to this report. The budget review process will include four Budget Committee meetings with two public input sessions. At the first budget meeting, scheduled for October 21, staff will provide an overview of 2016 operating and capital budgets. The second (November 18) and third meetings (December 16) will be for detailed budget review and user rate budget approval, with the final meeting for approval of the property tax budget scheduled in mid January 2016. Please note that all proposed Budget Committee meeting dates fall on Council dates with the exception of the Committee meeting on November 18, 2015.

Corporate Strategic Plan:

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

Financial Implications:

The Region's tax supported services represent approximately 52% of the total residential property tax bill. In 2016, it is estimated that a 1% impact on regional taxes will equate to \$4.6 million.

Other Department Consultations/Concurrence:

All departments and the Waterloo Regional Police Service contribute to the development of the Regional budget.

Attachments:

Schedule A – Budget Approvals 2013 - 2015

Schedule B – 2016 Budget Timetable

Prepared By: Cheryl Braan, Manager of Budgets and Performance Measurement

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

SCHEDULE "A"

**Region of Waterloo
Three Year Budget Approval Summary**

Budget	2013		2014		2015	
	\$m	% change	\$m	% change	\$m	% change
Tax Supported Budget						
Operating Expenditures						
Regional Services	\$ 606.9	2%	\$ 631.0	4%	\$ 652.8	3%
Library Services	2.4	4%	2.5	4%	2.7	8%
Police Services	143.2	7%	152.4	6%	158.7	4%
Total	\$ 752.5	3%	\$ 785.9	4%	\$ 814.2	4%
Net Levy						
Regional Services	\$ 280.7	3%	\$ 289.9	3%	\$ 303.0	5%
Library Services	2.3	5%	2.4	4%	2.5	4%
Police Services	135.2	7%	140.9	4%	145.6	3%
Total	\$ 418.2	4%	\$ 433.2	4%	\$ 451.1	4%
Tax Rate Impact*		2.74%		1.86%		2.58%
User Rates (Wholesale & Retail)						
Operating Expenditures						
Water	\$ 34.0	1%	\$ 34.7	2%	\$ 35.3	2%
Wastewater	35.8	5%	42.4	18%	45.3	7%
Total	\$ 69.8	3%	\$ 77.1	10%	\$ 80.6	5%
Revenue						
Water	\$ 48.8	6%	\$ 51.1	5%	\$ 54.9	8%
Wastewater	56.6	4%	64.4	14%	71.3	11%
Total	\$ 105.4	5%	\$ 115.5	10%	\$ 126.3	9%
User Rate Increases						
Water		6.9%		4.9%		4.9%
Wastewater		7.9%		7.9%		7.9%
Retail Water		9.9%		8.9%		8.9%
Retail Wastewater		7.9%		6.9%		5.9%

* Excluding four-year reassessment impacts. Average tax impact; urban and rural tax impacts will vary

SCHEDULE "B"
Region of Waterloo
DRAFT 2016 Budget Timetable

PURPOSE OF THE BUDGET SESSION	PLANNED DATE and TIME
2016 Budget Process and Timetable	June 16, 2015 Administration and Finance Committee
Budget Overview Session <ul style="list-style-type: none"> • Preliminary Operating Budget and Capital Program 	October 21, 2015
Detailed Budget Review – Day One <ul style="list-style-type: none"> • User Rate Operating Budget and Capital Program • Tax Supported Operating Budget and Capital Program 	November 18, 2015
Public Input Session #1	November 18, 2015
Detailed Budget Review – Day Two <ul style="list-style-type: none"> • Police Services Board Budget • GRCA Budget • Approval of User Rate Operating budgets and Capital Programs • Update Tax Supported Operating Budget and Capital Program 	December 16, 2015
Public Input Session #2	December 16, 2015
Approval Tax Supported Operating Budget and Capital Program Approval of 2016 User Fees and Charges	mid January, 2016



Report: COR-TRY-15-62/HRC-EOE-15-02

Region of Waterloo
Corporate Services
Treasury Services (Procurement)
Human Resources and Citizen Service

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

Date: June 16, 2015 **File Code:** F18-40

Subject: **P2015-16 Employee Assistance Program**

Recommendation:

That the Regional Municipality of Waterloo accept the proposal of Homewood Health Inc. for P2015-16 Employee Assistance Program in the estimated amount of \$567,000 including all applicable taxes for a three (3) year term (estimated annual cost of \$189,000) beginning October 1, 2015 with an option to renew for three (3) additional one (1) year terms, as outlined in report COR-TRY-15-62/HRC-EOE-15-02, dated June 16, 2015.

Summary: Nil

Report:

Proposals were called for P2015-16 Employee Assistance Program and were advertised in the Record, on the Ontario Public Buyers Association website and on the Region's website. Four (4) proposals were received. The proposals were opened in the presence of A. Dooling, B. Aikenhead, G. Roach, J. Albright, and D. Seiler.

The proposals were evaluated using pre-determined technical criteria which included company profile, understanding & approach, firm experience & references, staff qualifications & experience, quality of the proposal, value added services, and price. Following the qualitative evaluation, three (3) proponents were shortlisted and invited to an interview with the Region. Following the interviews, all three (3) vendors had their price envelopes opened.

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The shortlisted proponents are:

Homewood Health Inc.	Guelph, ON
Morneau Shepell	Toronto, ON
Pace Consulting Group	Kitchener, ON

The proposal submitted by Homewood Health Inc. obtained the highest overall score and had the lowest price. Homewood Health has been in operation for 131 years, and is based out of Guelph, ON. With over 1,100 employees, Homewood has over 150 available service providers for Regional staff within the Region of Waterloo's boundaries. Homewood serves many other municipalities within Ontario.

The Employee Assistance Program (EAP) provides employees and their immediate family members (dependents) with short term professional help in resolving a range of personal and family difficulties. The program also includes management consultation services, critical incident response, online health information resources, and health and wellness seminars.

Vendors were asked to provide the annual cost of services based on an estimated 2,100 hours per year (per previous experience). The number of hours was based upon "core" services which include, but are not limited to:

- Crisis Intervention
- Addiction counselling
- Family, interpersonal, and marital counselling
- Personal and emotional problems
- Change management issues
- Mental health issues
- Stress and stress management
- Legal and financial referral services
- Critical Incident Stress Management (CISM)

Beyond these core services, there are additional services which the Region may utilize at an additional fee. These include:

- Debriefing component of Critical Incident Stress Management Program

- Team workshops on specific issues such as Autism Spectrum Disorder
- Coaching to resolve conflict and interpersonal conduct situations between employees and/or management

Discussions regarding a transition period with PACE (the existing service provider) and Homewood will begin immediately. Staff anticipates a gradual transition from July to October 1, 2015. All employees who are currently using PACE will be able to continue with PACE services up to December 31st, 2015 if they so choose. Any new requests will be forwarded to Homewood effective October 1st, 2015. Homewood's account management team will work with the Region to create a robust program launch and communication plan to inform employees of the new services.

Corporate Strategic Plan:

Award of this contract meets the 2011-2014 Corporate Strategic Plan objective to retain, recruit and develop skilled, motivated and citizen-centered employees under Strategic Focus Area 5, Service Excellence.

Financial Implications:

P2015-16 (Estimated 3 year cost)	\$567,000
Less: Municipal Rebate of 86.46% of HST (11.24%)	<u>(56,400)</u>
Total	<u>\$510,600</u>

Annual costs are anticipated to be \$189,000 including all applicable taxes (\$170,200 after HST rebate). The term of the contract will be for three (3) years with an option to renew for three (3) additional one (1) year terms. Renewal options are at the discretion of the Region. The approved 2015 operating budget for Human Resources and Citizen Service includes \$213,354 for the Employee Assistance Program. The budget is sufficient to fund the costs of the program.

Other Department Consultations/Concurrence:

This report was created with the collaboration of Human Resources and Citizen Services.

Attachments: Nil

Prepared By: Lisa Buitenhuis, Manager, Procurement/Chief Purchasing Officer

Bev Aikenhead, Acting Director Employee & Organizational Effectiveness

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

Jane Albright, Commissioner, Human Resources and Citizen Service



Report: CC-15-01

Region of Waterloo

Ad-hoc Working Group for Grants to Community Organizations

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

Date: June 16, 2015 **File Code:** F-25-20

Subject: **Grants to Community Organizations – 2015 Allocations**

Recommendation:

That the Regional Municipality of Waterloo approve the 2015 grants to Community Organizations as recommended by the ad-hoc working group and outlined in Report CC-15-01 and the attached Appendix 1, dated June 16, 2015.

Summary:

This report addresses the recommended 2015 grants for Community Organizations. Grants for Arts and Culture organizations for 2015 were paid following 2015 budget approval in accordance with report P-12-105/F-12-075 dated September 25, 2012.

Report:

The ad-hoc working group for grants to Community Organizations has reviewed the 2015 grant applications. The 2015 budget for grants to Community Organizations is \$230,881, the same as the 2011-2014 budgets after adjusting for the transfer of funding for the community information database to the Citizen Service budget. The 2015 requests from Community Organizations total \$399,823 and include a new application from Victim Services of Waterloo Region and two new applications from Langs in Cambridge.

1.0 New Requests

Victim Services of Waterloo Region provides immediate, effective and caring emotional support for victims of crime and tragic circumstance including community referrals, outreach, and programs for victims at high risk due to criminal harassment, stalking and domestic violence. According to their application, the program creates opportunities, fosters hope and promotes safer and healthier communities. The organization has

requested \$8,500 to outfit new volunteers with the kits required for on-scene calls and other materials required to perform their duties. Volunteers are used a crisis responders and client numbers are expected to double with the use of a new referral system with Waterloo Regional Police. While the ad-hoc working group recognizes the value of the organization and the services that it provides, the budget for grants to Community Organizations does not have any funds to support new grant requests.

Langs, a neighborhood based organization focused on prevention and health promotion, has requested \$137,842 to cover 25% of the Regional Development Charges for their new building located at 1145 Concession Rd. Cambridge. Langs has submitted a second request for \$9,051 to cover 25% of the Regional Development Charges for the location at 1 Groh Ave. in Cambridge. The grant requests from Langs follow the 2014 review of the Region's Development Charges By-law and discussions around a request for the Region to waive development charges for not-for-profit organizations.

As part of the passing of the 2014 Development Charges By-law, Regional Council approved a motion to take no action on the request to provide Regional development charge exemptions for non-profit organizations and community groups. This is consistent with Regional Council's actions over the years on such requests. Approving a grant for Langs to cover development charges would require a funding source and would set a precedent that would likely result in grant requests from other non-profit organizations to cover development charges. No funding for such grants has been provided in the Regional budget.

2.0 2015 Recommendations

The ad-hoc working group recommendations for 2015 grants to Community Organizations are listed in Appendix 1 attached to this report. The recommended grants are at the same level as approved for 2014 with the grant to Kaljas Homes to be the amount of 2015 property taxes. The Community Organizations have been informed of the ad-hoc working group recommendations.

3.0 Grants to Community Organizations Review

Earlier this year, Administration and Finance Committee (March 24th) and Regional Council (April 1st) approved a recommendation that an ad-hoc committee be formed to develop policies with respect to operating and capital grants for community groups and not-for-profit organizations. That ad-hoc working group will be expanded and will be meeting over the next few months. It is expected that recommendations will be brought back to Administration and Finance Committee prior to the finalization of the 2016 budget.

4.0 2015 Social Development Program Grants

Included in the June 16th Community and Social Services agenda is report CSD-EIS-15-05 which recommends the approval of \$2.2 million of Social Development Program grants which provide OW/ODSP recipients with supportive counselling and reduce the negative impacts of poverty on families with children. The grants support a number of programs including supportive counselling services, parenting programs, peer support initiatives in food assistance programs, community outreach to prevent and reduce the depth of child poverty, and the emergency food hamper program.

Through the 2015 Grants to Community Organizations and Social Development Program Grants, the Region is allocating \$2.45 million of funding to agencies and organizations that provide important services and benefits to individuals and families in need across the Region.

Corporate Strategic Plan:

Grants to Community Organizations do not fall directly under the objectives of the Corporate Strategic Plan, however the provision of these grants enhances the social well being of the Region.

Financial Implications:

The recommended 2015 grants for Community Organizations total \$230,881 which is equal to the 2015 budget provision as shown in Appendix 1.

Other Department Consultations/Concurrence:

Finance Department staff coordinates the annual Grants to Community Organizations process.

Attachments:

Appendix 1 – Community Organizations – 2015 Recommended Allocations

Respectfully submitted,

The Ad-hoc Working Group for Grants to Community Organizations

Helen Jowett
Jane Mitchell
Ken Seiling
Douglas Bartholomew-Saunders
Angela Hinchberger
Ofelia Patterson
Janice Kroetsch
1892591

Appendix 1 – Grants to Community Organizations – 2015 Recommended Allocations

	2014 Approval	2015 Requests	2015 Recommended
<u>COMMUNITY REQUESTS</u>			
Waterloo Region 4-H Association	2,500	3,500	2,500
Kitchener-Waterloo Multicultural Centre	16,396	16,500	16,396
Leadership Waterloo Region	40,000	42,000	40,000
Canadian Mental Health Association	23,717	25,146	23,717
Central Ontario Developmental Riding Program	2,733	3,000	2,733
Child Witness Centre of Waterloo Region	9,156	10,000	9,156
Community Justice Initiatives	20,046	21,273	20,046
Food Bank of Waterloo Region	24,047	26,500	24,047
Kaljas Homes (1)	11,306	11,562	11,306
Independent Living Centre			
Program: Community Support Services	4,162	4,800	4,162
Program: Kids on the Block	9,291	9,500	9,291
Telecare Cambridge	4,692	6,500	4,692
Volunteer Action Centre of K-W & Area Inc.	27,591	28,150	27,591
Waterloo Regional Block Parent Program Inc.	5,000	5,000	5,000
Wilmot Family Resources Centre, Inc.	15,122	15,575	15,122
Woolwich Community Services	15,122	15,424	15,122
COMMUNITY GRANTS (PRIOR RECIPIENTS) (2)	\$230,881	\$244,430	\$230,881
<u>NEW REQUEST (CAPITAL GRANT)</u>			
Victim Services of Waterloo Region		8,500	0
Langs (25% of RDC for 1145 Concession Rd. Cambridge)		137,842	0
Langs (25% of RDC for 1 Groh Ave. Cambridge)		9,051	0
Total New Requests	--	155,393	0
TOTAL COMMUNITY GRANTS	\$230,881	399,823	230,881
BUDGET	230,881	230,881	230,881
FUNDS REMAINING/(IN EXCESS OF BUDGET)	\$0	\$(168,942)	\$0

Notes:

- (1) Kaljas Homes grant is generally the actual amount of property taxes for the year
(2) Excludes Funding for Community Database of \$80,119 which has been moved to Citizen Service

Council Enquiries and Requests for Information				
Administration and Finance Committee				
Meeting date	Requestor	Request	Assigned Department(s)	Anticipated Response Date
24-Mar-15	T. Galloway	Report on options and impacts regarding blending Multi-Residential and New Multi-Residential property classes.	PDLS/COR (Finance)	Oct-2015