Regional Municipality of Waterloo

Administration and Finance Committee

Agenda

Tuesday, August 11, 2015

Approximately 10:00 a.m. (Immediately following Community Services Committee)

Regional Council Chamber

150 Frederick Street, Kitchener

1. Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”

2. Public Hearing of Development Charges Complaint under Subsection 20(4) of the “Development Charges Act”, 1997

2.1 Report COR-FSD-15-13, Development Charges Complaint – Puddicombe House Inc./2464476 Ontario Inc. 7
2.2 Opening Address – Region of Waterloo (Cathy Deschamps)
2.3 Opening Address – Puddicombe House Inc. (Nicholas Cressman) 19
2.4 Committee Discussion
2.5 Closing Address – Region of Waterloo (Cathy Deschamps)
2.6 Closing Address – Puddicombe House Inc. (Nicholas Cressman)
2.7 Recommendation of Committee

Recommendation:

3. Delegations

3.1 PDL-CAS-15-06, Filling of Vacant Council Position 23
Recommendation:

That the Council of the Regional Municipality of Waterloo declare the Regional Councillor – Kitchener seat formerly held by Wayne Wettlaufer vacant in accordance with the Municipal Act, 2001;

And That the filling of the vacancy be referred to the August 19, 2015 Regional Council meeting for a decision on the options presented in Report PDL-CAS-15-06.

i) Larry Wettlaufer
ii) Jeffrey Pelich
iii) Birgit Lingenberg
iv) Dennis Yanke

4. Presentations

4.1 Craig Smith, Risk Manager, and Brian McEnhill, Risk and Insurance Analyst Re: Council Orientation - Waterloo Region Municipalities Insurance Pool

<table>
<thead>
<tr>
<th>Consent Agenda Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

5. Request to Remove Items from Consent Agenda

6. Motion to Approve Items or Receive for Information

6.1 COR-TRY-15-71, Investment Position at June 30, 2015 (Information)

6.2 COR-TRY-15-72, Quarterly Summary of Tenders/Quotes, Requests for Proposals and Consultant Selections Approved by the Chief Administrative Officer (Information)

<table>
<thead>
<tr>
<th>Regular Agenda Resumes</th>
</tr>
</thead>
</table>

7. Reports – Corporate Services

7.1 COR-TRY-15-73, One Time Capital Grant for Shalom Counselling Services
Recommendation:

That the Regional Municipality of Waterloo approve a one-time capital grant in the amount of $25,000 for Shalom Counselling Services Incorporated to be funded from the Capital Levy Reserve Fund, as outlined in report COR-TRY-15-73 dated August 11, 2015.


Recommendation:

That the Region of Waterloo take the following action with respect to Bill 73 – Smart Growth for our Communities Act, 2015:

a. Indicate its support for the principle that "growth should pay for growth"

b. Endorse the proposed amendments to the Development Charges Act, 1997 that:

   i. Add transit to the list of services that are not subject to a mandatory 10% deduction

   ii. Allow the use of a planned level of service for prescribed services

   iii. Allow development charge recoveries for waste diversion

c. Urge the Province to broaden the application of development charges by amending Bill 73 in order to:

   i. Eliminate the mandatory 10% deduction for all other services

   ii. Delete the list of ineligible municipal services

d. Request the Province to:

   i. Delete Subsection 2(3) of Bill 73 that would allow the Province through regulations to mandate the use of area-specific development charges

   ii. Add Transit to Subsection 5(5) to include public transit in the list of services for which Development Charges may be collected at the time of subdivision agreement

   iii. Delete Subsection 5(c.2) of Bill 73 to remove the requirement to complete an Asset Management Plan in conjunction with the Development Charges Background Study
iv. Delete Section 8 of Bill 73, which would prevent municipalities from imposing charges on development other than the charges permitted by the Development Charges Act, and provide the Minister with broad powers of investigation into a municipality’s affairs, potentially at the municipality’s cost.

v. Repeal Section 4 of the Development Charges Act to remove mandatory exemptions for industrial expansions.

vi. Repeal Subsection 62(2) of the Development Charges Act to remove the requirement that new Development Charge bylaws must be enacted within 18 months of the changes coming into force.

vii. Circulate draft regulations to the Development Charges Act to stakeholders for public consultation.

e. Request the Province commence a review of the role of the Ontario Municipal Board now in order to properly address the full range of issues faced by municipalities in responding to the requirements of a changing Provincial policy environment.

f. Request the Province to amend Bill 73 so that conformity updates to official plans approved by the Province be exempt from appeals in their entirety.

g. Forward this report to the Minister of Municipal Affairs and Housing, the Municipal Finance Officers’ Association of Ontario and the Association of Municipalities of Ontario.

8. Information/Correspondence

8.1 Council Enquiries and Requests for Information Tracking List

9. Other Business

10. Next Meeting – September 15, 2015
11. **Motion to go into Closed Session**

That a closed meeting of Planning and Works, Administration and Finance and Licensing and Hearings Committees be held on Tuesday, August 11, 2015 immediately following Administration and Finance Committee in the Waterloo County Room in accordance with Section 239 of the Municipal Act, 2001, for the purposes of considering the following subject matters:

a) receiving of advice that is subject to solicitor-client privilege and proposed or pending acquisition of land in the Township of Woolwich

b) proposed or pending disposition of land in the City of Kitchener

c) potential litigation and receiving of advice that is subject to solicitor-client privilege related to an agreement

d) proposed or pending disposition of land in the City of Kitchener

e) receiving of advice that is subject to solicitor-client privilege related to an agreement

f) receiving of advice that is subject to solicitor-client privilege related to a court decision

g) labour relations matter

h) labour relations matter

i) receiving of advice that is subject to solicitor-client privilege related to a by-law

12. **Adjourn**
Region of Waterloo
Corporate Services
Financial Services & Development Financing

To: Chair Sean Strickland and Members of the Administration and Finance Committee
Date: August 11, 2015       File Code: L02-20
Subject: Development Charges Complaint – Puddicombe House Inc./2464476 Ontario Inc.

Recommendation:


Summary: Nil

Report:

1. Introduction

On June 2, 2015, Puddicombe House Inc./2464476 Ont. Inc. (the “Complainant”) submitted a complaint to the Region (the “Complaint”) pursuant to section 20 of the Development Charges Act, 1997 (the “DC Act”). The Complaint relates to the basement floor area portion of a Regional Certification of Development Charges dated June 1, 2015, pursuant to the By-law 14-046 of The Regional Municipality of Waterloo, A By-law to Establish Development Charges for The Regional Municipality of Waterloo (the “DC By-law”).

The purpose of this report is to outline the process that has been established by the DC Act and Council for the Complaint, and provide background in relation to the Complaint filed as well as the response of staff.
2. Process for a Complaint

Section 20 of the DC Act states as follows:

Complaint to council of municipality

20. (1) A person required to pay a development charge, or the person’s agent, may complain to the council of the municipality imposing the development charge that,

(a) the amount of the development charge was incorrectly determined;

(b) whether a credit is available to be used against the development charge, or the amount of the credit or the service with respect to which the credit was given, was incorrectly determined; or

(c) there was an error in the application of the development charge by-law.

Time limit

(2) A complaint may not be made under subsection (1) later than 90 days after the day the development charge, or any part of it, is payable.

Form of complaint

(3) The complaint must be in writing, must state the complainant’s name, the address where notice can be given to the complainant and the reasons for the complaint.

Hearing

(4) The council shall hold a hearing into the complaint and shall give the complainant an opportunity to make representations at the hearing.

Notice of hearing

(5) The clerk of the municipality shall mail a notice of the hearing to the complainant at least 14 days before the hearing.

Council’s powers

(6) After hearing the evidence and submissions of the complainant, the council may dismiss the complaint or rectify any incorrect determination or error that was the subject of the complaint. (emphasis added)

The key to this provision of the DC Act is that Council must find that there has been an incorrect determination or error in the application of the DC By-law before it grants the requested remedy.
Pursuant to Report F-14-088, dated June 27, 2014, Council delegated the power to hold a complaint hearing to this Committee. In holding such a hearing, this Committee should comply with principles of procedural fairness including providing the Complainant with an opportunity to provide representations at the hearing.

Decisions of this Committee are final and binding. Section 22 of the DC Act provides that a complainant can appeal any decision of this Committee to the Ontario Municipal Board.

The Region provided the Complainant 14 days notice of the hearing scheduled for August 11, 2015 pursuant to the notice requirements in the DC Act.

3. The Development

On or about June 1, 2015, the Region received a Regional/Educational Certification Request Form, pursuant to the Region’s DC By-law, that was completed by the Township of Wilmot (the “Township”). This request was based on the Complainant’s application for a building permit to construct a two story banquet hall, including a basement area (the “Basement Area”), amounting to a total of 15,020.4 square feet (the “Banquet Hall”). The Regional/Educational Certification Request Form is attached as Appendix “A” to this report.

On or about June 1, 2015, the Region completed a Regional Certification of Development Charges based on the Regional/Educational Certification Request Form. The total gross floor area of 15,020.4 square feet was reduced by 3,825 square feet to account for a redevelopment allowance and further reduced by 479 square feet to provide for an “Accessory Building” exemption in the Basement, leaving 10,716.4 square feet as the net assessable gross floor area.

Region staff had applied the “Accessory Building” exemption in the Basement for a mechanical room, electrical room and machine room totalling 479 square feet. Region staff did not apply the “Accessory Building” exemption for the remainder of the Basement Area, totalling 5,025 square feet, that was vacant although listed as a “mechanical room” in the architect’s drawing for the Banquet Hall (the “Vacant Area”). Staff had investigated the Vacant Area in consultation with Facilities Management staff and determined that such a large area was not needed for mechanical and other equipment to support the Banquet Hall. Communication with Township staff suggested that the Complainant intends to construct a spa in the Vacant Area at a later date. A copy of the architect’s drawing and the architect’s cover letter dated May 28, 2015, are attached as Appendices “B,” and “C” respectively, to this report.

The certification applied the Non-Residential rate of $9.35 per square foot to the net assessable area for a Regional development charge of $100,198.53.
On or about June 2, 2015, the Complainant paid these Regional development charges but it noted that the payment for the Vacant Area charge ($46,989.55) was under protest. The table below shows the development charges assessed by area:

<table>
<thead>
<tr>
<th>Area</th>
<th>Sq.Ft.</th>
<th>DC Rate</th>
<th>DC Payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Floor Banquet Hall</td>
<td>7,510.2</td>
<td>$ 9.35</td>
<td>$ 70,220.37</td>
</tr>
<tr>
<td>Basement:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mechanical, Electrical &amp; Machine Rooms</td>
<td>479.0</td>
<td>Exempt</td>
<td>-</td>
</tr>
<tr>
<td>Other Developed Space</td>
<td>2005.6</td>
<td>$ 9.35</td>
<td>$ 18,752.36</td>
</tr>
<tr>
<td>Vacant Area - To Be Developed*</td>
<td>5025.6</td>
<td>$ 9.35</td>
<td>$ 46,989.55</td>
</tr>
<tr>
<td><strong>Total Basement</strong></td>
<td>7,510.2</td>
<td></td>
<td><strong>$ 65,741.91</strong></td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td></td>
<td></td>
<td><strong>$135,962.28</strong></td>
</tr>
<tr>
<td>Less: Redevelopment Allowance</td>
<td>(3,825.0)</td>
<td>$ 9.35</td>
<td>$(35,763.75)</td>
</tr>
<tr>
<td><strong>Total Development Charge Payable</strong></td>
<td></td>
<td></td>
<td><strong>$100,198.53</strong></td>
</tr>
</tbody>
</table>

* The vacant area to be developed is the subject of the complaint.

It is noted that the Township of Wilmot plans to collect the development charges for the main floor banquet hall (7,510.2 sq. ft.) only at this time. The Township plans to assess the development charges for the basement portion of the development upon conversion of the vacant space.

4. The Complaint

The Complaint is attached as Appendix “D” to this report. In general terms, the Complaint states that the Vacant Area meets the definition of “Accessory Building” as prescribed by the Region’s Development Charge By-law. The Complainant states that the entire Vacant Area is used for no other purpose other than to provide heating, cooling, ventilating, electrical, mechanical and telecommunications equipment and that Region staff should not be able to arbitrarily limit the size of an “Accessory Building.” The Complainant also states that it will require a building permit if it converts the Vacant Area and that the Region can collect applicable development charges at that future time.

5. Response to the Complaint

In general terms, the DC Act is a provincial statute that allows municipalities to enact by-laws for the collection of development charges, which are in the form of a tax, to pay for future growth related municipal services.
Subject to certain restrictions as set out in the DC Act, municipalities are able to make their own policy decisions concerning how they impose and collect development charges. For example, some municipalities only impose development charges for residential development while others impose development charges for all development. Some municipalities exempt universities, churches or hospitals from development charges while others do not.

The Region’s DC By-law, based on the policy decisions of Council, imposes development charges for all development in Waterloo Region, unless exempted. The DC By-law then classifies this development as either Residential Use or Non-Residential Use (or Mixed Use Development if a Residential Use and Non-Residential Use occur on the same property) and imposes the applicable development charge. The key is that all development, unless exempted, falls within one of these classifications.

Subsection 3(4),(c),(v) of the DC By-law exempts an “Accessory Building” as follows:

(4) **This By-law does not apply to:**

(c) **Development for any one or more of the following uses of land:**

(v) **an Accessory Building, provided that the total Gross Floor Area of the Accessory Building or Buildings on the Site does not exceed the total Gross Floor Area of the applicable main use, buildings, Dwelling Units or Lodging Units;**

Section 1 of the DC By-law defines “Accessory Building” as follows. The Complaint relies on subsection (ii), as underlined:

"Accessory Building" means a building or structure, or part of a building or structure, that is:

(i) a parking garage that is exclusively devoted to providing vehicle parking to the main use situated on the same Site;

(ii) a mechanical room that is exclusively devoted to providing heating, cooling, ventilating, electrical, mechanical or telecommunications equipment for a building or buildings situated on the same Site

(iii) an entrance way, elevator, stairwell or hallway that provides access to a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;

(iv) a pool area, change room, restroom, fitness facility, kitchen, laundry room, lounge or meeting room that is for the exclusive use of the residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;
(v) a storage room that provides storage exclusively to a resident or residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site; or

(vi) an exterior deck, porch, canopy, gazebo, storage shed or stairway that is exclusively devoted to the use of the residents of a Dwelling Unit or Lodging Unit, or Dwelling Units or Lodging Units, on the same Site;

and for the purposes of this definition, “Site” shall include common elements of the same condominium as the applicable main use, buildings, Dwelling Units or Lodging Units;

In this case, the Basement Area clearly shows three smaller rooms marked as “mechanical room,” “electrical room” and “machine room” where heating, cooling, ventilating, electrical and mechanical works will be installed. The Basement Area then has the larger unfinished Vacant Area marked as “mechanical room” by the Complainant’s architect. Despite this label, the area is vacant and is intended for future development. There is no meaningful heating, cooling, ventilating, electrical and mechanical works in this Vacant Area. In substance, this unfinished room is not a mechanical room but rather vacant space intended for future interior finish.

It is further noted that the Region will not collect development charges when the Complainant converts the Vacant Area, even if a building permit is required. Pursuant to the DC By-law, the Region only collects development charges when square footage is constructed or there is a change in use from residential to commercial pursuant to the local municipalities’ zoning by-law. It does not collect development charges when square footage is interior finished. This means that the building permit for construction of the Banquet Hall, as a whole, is the only instance under the DC By-law in which the Region imposes the proper charge.

6. Recommendation

The recommendation of staff is that the Region dismiss the Complaint based on the grounds that the Vacant Area is not, in substance, a “mechanical room that is exclusively devoted to providing heating, cooling, ventilating, electrical, mechanical or telecommunications equipment for a building or buildings situated on the same Site” but rather a vacant area intended for future development.

Corporate Strategic Plan:

This report supports Focus Area 2 – “Growth Management and Prosperity” of the Corporate Strategic Plan and specifically Strategic Objective 2.2 – Develop, optimize and maintain infrastructure to meet current and project needs. Development charges provide an important source of funding for infrastructure needed to accommodate planned growth.
Financial Implications:

The definitions and exemptions included in the development charge by-law and the resulting effect on development charges assessed were considered and approved during the 2014 development charge by-law review. Any change made to the definitions which expands the exemptions would result in reduced assessment and collection of development charges.

Other Department Consultations/Concurrence:

The Legal Services Division assisted in the preparation of this report.

Attachments:

Appendix “A” – Regional Certification of Development Charges – Certificate Number WIL-0007-15

Appendix “B” - Basement Plan – Puddicombe Reception Center & Spa


Appendix “D” - Letter from Nicholas Cressman of Puddicombe House Inc. and 2464476 Ontario Inc. dated June 2, 2015

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

Approved By: Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer
Appendix “A”

Regional Certification of Development Charges

Only Valid Until December 31, 2015

Prepared by: Tina Vitoria

Reference: ALL-084-14

Property Information

<table>
<thead>
<tr>
<th>Street Address</th>
<th>Owner</th>
<th>Assessment Roll #</th>
<th>Settlement Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>145-165 Peel Street</td>
<td>Puddicombe House</td>
<td>3018-050-012-020-00-0000</td>
<td>New Hamburg</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Plan / Tract / Conc.</th>
<th>Lot / Block / Unit</th>
<th>Reference Plan #</th>
<th>Part(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Smith’s Plan</td>
<td>Pt Lots 25,25, Shade Survey East of Peel and Pt Lots 9,10, Bleams S</td>
<td>----</td>
<td>----</td>
</tr>
</tbody>
</table>

Development

RDC Calculation is Based on Building Permit # 14-402

and is for a Maximum Development of:

- 15020.4 Square Foot Building
- Non-Residential (Non-Industrial)

Service: Full

<table>
<thead>
<tr>
<th>Allowances / Exemptions / Credits</th>
<th># of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redevopment Allowance</td>
<td>3825</td>
</tr>
<tr>
<td>Accessory Building</td>
<td>478.98</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>15020.4 - 4303.98 = 10716.42 x $9.35 = $100,198.53</td>
</tr>
</tbody>
</table>

Total Regional Development Charge: $100,198.53

Regional Certification: [Signature] for Treasurer

Building Permit Issued On: ________________________

Date Remitted to Region of Waterloo: ______________ Amount $ __________________

Document Number: 1760851 Document Name: WAT AND TWS 2015 LOG FILE
Appendix “B”
Appendix “C”

May 28, 2015

Region of Waterloo
Planning, Development and Legislative Services
150 Frederick St.,
Kitchener, ON. N2G 4J3

T: 519 575 4400

Attention: Region of Waterloo
Project: Puddicombe Reception Centre & SPA
Re: Occupied Floor Area

The basement floor area noted as “Mechanical Room” on R. Ritz Architect drawing AP-2 (rev 7) will be a gravel floor and is not occupied by the public. The mechanical room is exclusively devoted to providing heating, cooling, ventilating, electrical, mechanical or telecommunications equipment. The public’s access in the basement is restricted to only the Washrooms located in the basement.

If you have any questions with respect to the above items, please do not hesitate to contact our office.

Sincerely,

R. RITZ ARCHITECT

Robert Ritz
B. Arch., O.A.A.
Appendix "D"

June 2, 2015

Re: Complaint about Regional Development Charges

Regional Clerk,
Regional Municipality of Waterloo
150 Frederick Street
Kitchener, Ontario
N2G 4J3

Re: Error in the application of the Development Charge By-Law in regards to space labelled as B01 Mechanical (WIL-0007-15)

The regional development charge defines a "mechanical room that is exclusively devoted to providing heating, cooling, ventilating, electrical, mechanical or telecommunications equipment for a building or buildings situated on the same site."

We received the following response from the Region of Waterloo staff as to why the space labelled 801 wasn't accepted as a mechanical room.

"Regarding the space labelled as B01 Mechanical, the Region's opinion is that this space represents unfinished space available for future consideration and given the size and use of the building, is not required to house mechanical equipment and consequently does not meet the definition of "Accessory Building" as prescribed by the Region's Development Charge By-law. The Mechanical space provided for under B09, B08, and B05 should be sufficient space to house the equipment required to service the building. A revised certification will be provided to the Township of Wilmot by tomorrow morning at the latest."

Paddicombe House Inc./2464476 On Inc.
145 Peel St, New Hamburg, On
N3A1E7
519-662-2111
We have provided (as requested by the Region of Waterloo) a letter from the architect that the space labeled 801 meets that requirement in its current form.

The entire area in question is used for no other purpose other than to provide "heating, cooling, ventilating, electrical, mechanical or telecommunications equipment for a building or buildings situated on the same Site".

The comments above from the Region of Waterloo are based on preconceived assumptions (of what a mechanical room is) that do not stand up to scrutiny when compared to the actual definition of a mechanical room. There is no part of the area in question that does not meet the definition and inclusion as a mechanical room is supported in the supplied letter from the Architect of this project.

For 801 Mechanical to be available for future consideration it would have to undergo significant alterations from its current design and would require a building permit to do so. The regional development charge by-laws do not define how much space can be dedicated for the use of a mechanical room. Nor do the by-laws state that the size of a mechanical room cannot be changed at some future date. If the size of the mechanical room is altered at some point in the future, the development charges can be applied at that time. The definition and/or bylaw does not provide an opportunity for Region of Waterloo staff to arbitrarily determine how much space is required or not required for a mechanical room.

"As the space 801 meets all the criteria outlined as an accessory structure defined in the regional development charge by-laws it should also be exempt from them as 809, 808, and 805 are, regardless of the size of 801.

The space 801 not being granted accessory use status would be in violation of the regional development charge by-laws.

Nicholas Cressman
Puddicombe House Inc. And 2464476 On Inc
To Region of Waterloo Administration and Finance Committee

August 11, 2015

Re: Improper Administration of Development Charges

Puddicombe House Inc.
2464476 Ontario Inc.
145 Peel St
New Hamburg,
Ont
N3A 1E7

Puddicombe House Inc is currently constructing a banquet/event hall to the rear of the
Puddicombe House property at 145 Peel St. New Hamburg. This hall is being built to add to the
suite of services provided by the current existing Puddicombe House Restaurant Inn and Spa.

Region of Waterloo Staff have accessed development charges on the basement area B01 of this
new construction. It is our understanding that mechanical rooms are exempt from development
charges.

Area B01 is (for the most part) remaining a gravel floor.

As we have indicated to Waterloo Region staff that the area B01 is being exclusively used as a
mechanical room. Region of Waterloo staff requested a letter from the architect indicating this
area is used exclusively for a mechanical room. The requested letter is included in this package.
A review of the definition of a mechanical room on the region of Region of Waterloo website
would indicate that in this case it meets all and every criteria. It is somewhat surprising (in the first
place) that Region of Waterloo staff have taken the position that development charges should be
applied to a mechanical room basement area of mostly gravel floor.

Region of Waterloo definition

a mechanical room that is exclusively devoted to providing heating, cooling,
ventilating, electrical, mechanical or telecommunications equipment for a building or
buildings situated on the same site
The builder and architect have previously indicated that the mechanical equipment will not be contained in area B09. It will indeed and without question occupy space in area B01. Since area B01 is used for no other purpose it meets all and every criteria of a mechanical room as outlined in the Region of Waterloo's definition above. The area in question clearly can be used for no other purpose (not even storage) since most of area B01 is a gravel floor. Area B01 already (at this early stage of construction) contains a grease trap for kitchen sewage purposes. The definition above does not impose any restrictions on the size of a mechanical room. Neither does the definition impose any restrictions relating to changing the size of a mechanical room at some point in the future. In this case, the space (in the future) may be changed at some point in time or may never be changed. No one is able to make that determination at this point in time. This is no different than any other mechanical room which presumably at some point in time could be altered. If the use was changed at some point in the future a building permit would be required.

The position of Region of Waterloo staff on this matter would appear to be related to preconceived ideas of what a mechanical room should consist of. These preconceived ideas do not stand up to scrutiny when compared to the actual definition of a mechanical room.

We are asking that you reverse the decision of Region of Waterloo staff to apply development charges to this area.

Thank you for your time on this matter.

Lyle Cressman
Karen Cressman
Nicholas Cressman
Amber Kroetsch
May 28, 2015

Region of Waterloo
Planning, Development and Legislative Services
150 Frederick St.,
Kitchener, ON. N2G 4J3

T: 519 575 4400

Attention: Region of Waterloo
Project: Puddicombe Reception Centre & SPA
Re: Occupied Floor Area

The basement floor area noted as “Mechanical Room” on R. Ritz Architect drawing AP-2 (rev 7) will be a gravel floor and is not occupied by the public. The mechanical room is exclusively devoted to providing heating, cooling, ventilating, electrical, mechanical or telecommunications equipment. The public’s access in the basement is restricted to only the Washrooms located in the basement.

If you have any questions with respect to the above items, please do not hesitate to contact our office.

Sincerely,

R. RITZ ARCHITECT

Robert Ritz
B. Arch., O.A.A.
Region of Waterloo
Planning, Development and Legislative Services
Council & Administrative Services

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

Date: August 11, 2015   File Code: C03-02

Subject: Filling of Vacant Council Position

Recommendation:

That the Council of the Regional Municipality of Waterloo declare the Regional Councillor – Kitchener seat formerly held by Wayne Wettlaufer vacant in accordance with the Municipal Act, 2001;

And That the filling of the vacancy be referred to the August 19, 2015 Regional Council meeting for a decision on the options presented in Report PDL-CAS-15-06.

Summary:

The purpose of this report is to outline the options available to fill the vacancy on Regional Council resulting from the death of Regional Councillor Wayne Wettlaufer on June 21, 2015.

Vacancies on a municipal council are addressed in Sections 259-263 of the Municipal Act (the Act). The Act stipulates that if the office of a member of municipal council becomes vacant as a result of a death, the municipality must pass a motion to declare the seat vacant at one of its next two meetings. Based on the Region’s meeting schedule, this declaration must occur at the August 19, 2015 Council meeting.

Report:

In accordance with the Act, Regional Council, within 60 days of declaring the vacancy, has the following 2 options for filling the vacancy:
(1) appoint an eligible voter to assume the vacant seat; or,
(2) hold a by-election in accordance with the Municipal Elections Act, 1996 (MEA).

Decision to be Made within 60 days of Declaration

Council is required to select one of the above-noted options within 60 days after the day the declaration of vacancy is made. With the declaration being made on August 19, 2015, a decision on how to fill the vacancy needs to be done by October 18, 2015. The only scheduled Council meeting prior to that date is September 23, 2015. The following is a brief overview of each option:

Option 1 - Appointment

The Act provides for the appointment of an eligible voter who has consented to accept the office if appointed. This could be done in any of the following ways:

a) Appoint the next runner up in the October 27, 2014 election;
b) Implement a procedure for applications for appointment;
c) Choose a specific individual.

It is important to note that in any of these scenarios outlined above, individual Members of Council would be required to publicly vote on his/her preferred candidate at an open Council meeting.

Option 2 – By-election

The by-election process is prescribed by the MEA. The legislated timeframes are outlined below:

- Within 60 days (October 19, 2015) after the day a declaration of vacancy is made (August 19, 2015), Council must pass a by-law requiring a by-election to be held;
- Nomination Day is to be set not more than 60 days from the date Council passes a by-law requiring a by-election; and
- Voting day is 45 days after Nomination Day.

Staff would need to review the legislative timeframes and the preparation involved in the conduct of a by-election with the City of Kitchener to determine the date for a City-based by-election.
Past Vacancies in other Ontario Municipalities

In a review of other Ontario municipalities dealing with vacancies since 2000, 5 have been due to the death of a candidate. In depth analysis has not been completed but some of those vacancies occurred within an election year.

Since the 2014 municipal election, Oakville, Mississauga and Wellington North have dealt with vacancies and all are holding or have held by-elections. In the case of Oakville and Mississauga, these have been ward elections and not city wide.

The chart below summarizes how vacancies have been filled across Ontario since 2000. The majority of these vacancies were for single offices.

<table>
<thead>
<tr>
<th>Vacancy filled by By-election</th>
<th>Vacancy filled by Appointment</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>79% were within 1 year of the prior election</td>
<td>63% were within 1 year of the prior election</td>
</tr>
<tr>
<td></td>
<td>17% were within 1 year of the upcoming election</td>
</tr>
</tbody>
</table>

In reviewing the data provided by other municipalities, municipal councils have taken into consideration a number of different factors in determining whether to fill a vacancy through appointment or by-election, including:

- Proximity to the next regular election
- Costs
- Public interest
- Turnaround time

While the research indicates that the majority of council vacancies in Ontario since 2000 have been filled through appointments, the decision as to which method to employ rests solely with Regional Council.

Corporate Strategic Plan:

This report meets the intent of section 5.3 of the Regional Strategic Plan - Ensure Regional programs and services are efficient and effective and demonstrate and foster open and accountable municipal government.
Financial Implications:

An appointment under the basis of the last election results would have no costs. If the appointment processes were opened, costs could range up to $12,000. Estimates are being prepared but a by-election city wide for the City of Kitchener could cost approximately $100,000.

Other Department Consultations/Concurrence:

Nil

Attachments

Nil

Prepared By: Lee Ann Wetzel, Manager Council & Administrative Services/Deputy Clerk

Approved By: Kris Fletcher, Director Council & Administrative Services/Regional Clerk
Region of Waterloo

Corporate Services

Treasury Services

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

Date: August 11, 2015        File Code: F12-20

Subject: Investment Position at June 30, 2015

Recommendation:

For Information

Summary: Nil

Report:

Investing activities are governed by Section 418 of the “Municipal Act,” Ontario Regulation 438/97 and by the Region’s Consolidated Investment Policy. The Region’s Consolidated Investment Policy states that the Investment Policy Objectives are as follows, in priority order:

A. General Portfolio Policy Objectives
   1. Minimization of Credit Risk
   2. Maintenance of Liquidity
   3. Rate of Return

B. Sinking Fund Portfolio Policy Objectives
   1. Minimization of Credit Risk
   2. Rate of Return
   3. Maintenance of Liquidity

The Consolidated Investment Policy also requires that reports and a summary of compliance with the policy be provided to the Administration and Finance Committee.
This report describes the Region’s investment position at June 30, 2015 for the General Portfolio and Sinking Fund Portfolio. Both investment portfolios held eligible investments of various terms. Bonds were verified to comply with the Region’s Consolidated Investment Policy at the time of each investment purchase. The following table summarizes the combined portfolio balance over the past five years.

<table>
<thead>
<tr>
<th>Region of Waterloo</th>
<th>5 Year Portfolio Book Value as at June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2011</td>
</tr>
<tr>
<td>General Portfolio</td>
<td>$250.1 m</td>
</tr>
<tr>
<td>Sinking Fund Portfolio</td>
<td>$33.0 m</td>
</tr>
<tr>
<td>Total</td>
<td>$283.1 m</td>
</tr>
</tbody>
</table>

General Investment Portfolio

The Region’s General Portfolio is comprised of reserves, reserve funds and operating funds. Provincial regulations establish the type of investments the Region can hold while the Region’s Consolidated Investment Policy establishes limits for the allowable investments. The Region’s General Portfolio is currently comprised of holdings ranging from daily money market instruments to long term bonds and debentures.

Cash is a significant portion of the General Portfolio at June 30th in anticipation of cash flow requirements for upcoming capital projects. The portfolio holdings are summarized as follows based on earliest applicable call dates:

<table>
<thead>
<tr>
<th>General Portfolio as at June 30, 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash*</td>
</tr>
<tr>
<td>Short Term Investments (&lt; 1 year)</td>
</tr>
<tr>
<td>Medium Term Investments (1 to 5 years)</td>
</tr>
<tr>
<td>Long Term Investments (&gt; 5 years)</td>
</tr>
<tr>
<td>Total</td>
</tr>
<tr>
<td>Book Value</td>
</tr>
<tr>
<td>$194.2 m</td>
</tr>
<tr>
<td>$41.1 m</td>
</tr>
<tr>
<td>$80.9 m</td>
</tr>
<tr>
<td>$31.2 m</td>
</tr>
<tr>
<td>$347.4 m</td>
</tr>
<tr>
<td>% of Portfolio</td>
</tr>
<tr>
<td>55.9%</td>
</tr>
<tr>
<td>11.8%</td>
</tr>
<tr>
<td>23.3%</td>
</tr>
<tr>
<td>9.0%</td>
</tr>
<tr>
<td>100.0%</td>
</tr>
<tr>
<td>Number of Securities</td>
</tr>
<tr>
<td>n/a</td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>32</td>
</tr>
<tr>
<td>18</td>
</tr>
<tr>
<td>67</td>
</tr>
<tr>
<td>Investment Strategy</td>
</tr>
<tr>
<td>General cash flow requirements</td>
</tr>
<tr>
<td>Maturities planned to coincide with expected use of reserves and reserve funds</td>
</tr>
<tr>
<td>Varied</td>
</tr>
<tr>
<td>Yield Range</td>
</tr>
<tr>
<td>1.15%</td>
</tr>
<tr>
<td>0.68% - 6.7%</td>
</tr>
<tr>
<td>2.00% - 6.73%</td>
</tr>
<tr>
<td>2.55% - 5.70%</td>
</tr>
<tr>
<td>0.68% - 6.73%</td>
</tr>
<tr>
<td>Weighted Average Yield</td>
</tr>
<tr>
<td>1.15%</td>
</tr>
<tr>
<td>3.25%</td>
</tr>
<tr>
<td>4.14%</td>
</tr>
<tr>
<td>4.12%</td>
</tr>
<tr>
<td>2.54%</td>
</tr>
<tr>
<td>Total Average Annualized Yield for General Portfolio excluding cash</td>
</tr>
<tr>
<td>3.77%</td>
</tr>
<tr>
<td>Weighted Average Term to Maturity excluding cash</td>
</tr>
<tr>
<td>3.33 years</td>
</tr>
</tbody>
</table>

*Yield on cash was 1.15% at June 30th, which was prior to the July Bank of Canada rate cut. Current yield on cash is 1.00%.
General Portfolio holdings at June 30, 2015 by issuer are shown in Appendix 1. Additional information on the General Portfolio is shown on Appendix 2.

**Sinking Fund Portfolio**

The Sinking Fund Portfolio is comprised of contributions from the sinking fund participants pertaining to these specific debentures and investment income earned on the contributions.

The book balance declined significantly in 2012 and 2013 due to Sinking Fund debt retirements in 2012 and 2013 but increased in 2015 as contributions were received for Sinking Fund debentures issued in 2013 and 2014. The cash balance at June 30th comprises a significant portion of the Sinking Fund portfolio due to contributions from Sinking Fund participants in April and May that were not yet invested at June 30th.

Due to Sinking Fund debt retirements in 2012 and 2013, some portfolio components are not in compliance with the Region’s Consolidated Investment Policy as shown in Appendix 3. This is mainly due to the small investment base and opting for the investments with the best returns and ability to meet future cash flow requirements. Staff will re-balance the portfolio to comply as contributions and investments are made. The portfolio is summarized as follows based on earliest applicable call dates:

<table>
<thead>
<tr>
<th>Sinking Fund Portfolio as at June 30, 2015</th>
<th>Cash*</th>
<th>Short Term Investments (&lt; 1 year)</th>
<th>Medium Term Investments (1 to 5 years)</th>
<th>Long Term Investments (&gt; 5 years)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book Value</td>
<td>$8.1 m</td>
<td>$Nil</td>
<td>$1.6 m</td>
<td>$4.2 m</td>
<td>$13.9 m</td>
</tr>
<tr>
<td>% of Portfolio</td>
<td>58.2%</td>
<td>0%</td>
<td>11.3%</td>
<td>30.5%</td>
<td>100.0%</td>
</tr>
<tr>
<td>Number of Securities</td>
<td>n/a</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Investment Strategy</td>
<td>n/a</td>
<td>Maturities are planned to coincide with sinking fund maturities</td>
<td>Varied</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yield Range</td>
<td>1.15%</td>
<td>n/a</td>
<td>5.30% - 6.73%</td>
<td>3.30% - 5.40%</td>
<td>1.15% - 6.73%</td>
</tr>
<tr>
<td>Weighted Average Yield</td>
<td>1.15%</td>
<td>n/a</td>
<td>6.17%</td>
<td>3.51%</td>
<td>3.16%</td>
</tr>
<tr>
<td>Total Average Annualized Yield for Sinking Fund Portfolio excluding cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4.82%</td>
</tr>
<tr>
<td>Weighted Average Term to Maturity excluding cash</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>12.42 years</td>
</tr>
</tbody>
</table>

*Yield on cash was 1.15% at June 30th, which was prior to the July Bank of Canada rate cut. Current yield on cash is 1.00%.

Sinking Fund Portfolio holdings at June 30, 2015 by issuer are shown in Appendix 3. Additional information on the Sinking Fund Portfolio is shown on Appendix 4.
Investments/Disposals of Own Securities

The Region did not invest in or dispose of any of its own securities in either the General Portfolio or Sinking Fund Portfolio during the first six months of 2015.

Corporate Strategic Plan:

One of the focus areas of the 2011-2014 Corporate Strategic Plan is Service Excellence. The objective of this focus area is to ensure all Regional programs and services are efficient and effective and demonstrate accountability to the public.

Financial Implications:

On July 15th, the Bank of Canada decreased the overnight rate to 0.50% to provide monetary stimulus to help the economy return to full capacity and sustainable inflation given that second quarter growth was less than expected. The next rate setting is scheduled for September 9th. Fluctuations in interest rates have a direct impact on the rate of return on the Region’s investment portfolio. A decline in interest rates has an immediate impact on funds held in cash or short term investment funds and a delayed impact relating to bond holdings which are replaced with lower yielding investments as they mature. The Region’s portfolio is comprised of bonds with laddered maturity dates.

Low interest rates and a robust capital investment program continue to impact the Region through decreased interest income attributable to reserves, reserve funds and the operating budget. Bond maturities are used for capital expenditures and funds available for reinvestment are yielding a lower rate of return. Staff monitors cash balances daily and will continue to assess cash requirements and market conditions. Staff is also developing Sinking Fund investment strategies to address the future maturities of Sinking Fund debt issued in recent years.

Other Department Consultations/Concurrence: Nil

Attachments:

Appendix 1 – General Portfolio Holdings at June 30, 2015
Appendix 2 – Additional Information on General Portfolio at June 30, 2015
Appendix 3 – Sinking Fund Portfolio Holdings at June 30, 2015
Appendix 4 – Additional Information on Sinking Funding Portfolio at June 30, 2015

Prepared By: Tricia Alpaugh, Manager, Treasury Services

Approved By: Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer
## Appendix 1 – General Portfolio Holdings at June 30, 2015

<table>
<thead>
<tr>
<th>SECURITY DESCRIPTION</th>
<th>Portfolio Amount</th>
<th>%</th>
<th>Policy Limitation Per Issuers</th>
<th>Maximum Per Issuer</th>
<th>Policy Limitation Per Category</th>
<th>Maximum Per Category</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROVINCIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario</td>
<td>$ 26,750,060</td>
<td>17.5%</td>
<td>$ 76,419,269</td>
<td>50.0%</td>
<td>$ 76,419,269</td>
<td>50.0%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>$ 4,550,122</td>
<td>3.0%</td>
<td>$ 38,209,634</td>
<td>25.0%</td>
<td>$ 38,209,634</td>
<td>25.0%</td>
</tr>
<tr>
<td>Alberta Capital Finance Authority</td>
<td>$ 3,181,717</td>
<td>2.1%</td>
<td>$ 38,209,634</td>
<td>25.0%</td>
<td>$ 38,209,634</td>
<td>25.0%</td>
</tr>
<tr>
<td><strong>Other Provincials</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>$ 4,098,729</td>
<td>2.7%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manitoba</td>
<td>6,071,410</td>
<td>4.0%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Brunswick</td>
<td>7,100,772</td>
<td>4.6%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Other Provincials</td>
<td>$ 17,270,910</td>
<td>11.3%</td>
<td></td>
<td></td>
<td>$ 38,209,634</td>
<td>25.0%</td>
</tr>
<tr>
<td><strong>SCHEDULE I BANKS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TD/Canada Trust</td>
<td>$ 2,996,105</td>
<td>2.0%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIBC</td>
<td>12,435,165</td>
<td>8.1%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of Nova Scotia</td>
<td>10,000,000</td>
<td>6.5%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of Montreal</td>
<td>11,903,892</td>
<td>7.8%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Bank</td>
<td>5,002,626</td>
<td>3.3%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Schedule I Banks</td>
<td>$ 42,337,788</td>
<td>27.7%</td>
<td></td>
<td></td>
<td>$ 53,493,488</td>
<td>35.0%</td>
</tr>
<tr>
<td><strong>MUNICIPAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of Waterloo</td>
<td>$ 12,044,275</td>
<td>7.9%</td>
<td>$ 76,419,269</td>
<td>50.0%</td>
<td>$ 76,419,269</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>Other Municipalities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Toronto</td>
<td>4,678,182</td>
<td>3.1%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Hamilton</td>
<td>1,001,183</td>
<td>0.7%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of Durham</td>
<td>3,005,514</td>
<td>2.0%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of York</td>
<td>14,588,978</td>
<td>9.5%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of London</td>
<td>1,998,146</td>
<td>1.3%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Ottawa</td>
<td>2,519,762</td>
<td>1.6%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC Mun Finance Authority</td>
<td>5,523,983</td>
<td>3.6%</td>
<td>$ 15,283,854</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Other Municipalities</td>
<td>$ 33,315,749</td>
<td>21.8%</td>
<td></td>
<td></td>
<td>$ 38,209,634</td>
<td>25.0%</td>
</tr>
<tr>
<td><strong>INVESTMENT FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Investment Fund</td>
<td>$ 13,387,917</td>
<td>8.8%</td>
<td>$ 76,419,269</td>
<td>50.0%</td>
<td>$ 76,419,269</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENT PORTFOLIO</strong></td>
<td>$152,838,538</td>
<td>100.0%</td>
<td></td>
<td></td>
<td>$ 76,419,269</td>
<td>50.0%</td>
</tr>
<tr>
<td>PH&amp;N - Community Housing Investments (2)</td>
<td>$ 388,045</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Bank Funds</td>
<td>$194,186,663</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL PORTFOLIO</strong></td>
<td>$347,413,247</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

(1) Phillips Hagar & North - Community Housing Fund transferred from ROWCHI in 2012. Funds will be liquidated in 2015 to fund capital expenditures completed in 2014.

(2) Alternate formats available upon request.
Appendix 2 – Additional Information on General Portfolio at June 30, 2015

Investments by Year of Maturity based on Earliest Applicable Call Date
Bond maturities have been designed to coincide with expected use of reserves and reserve funds.

![Bar chart showing bond maturities by year from 2015 to 2033 with values on the y-axis and years on the x-axis.]

Bond Investments by Sector (Excludes One Investment Fund)
Bond investments of $139,450,621 are governed by the Region's Consolidated Investment Policy.

![Pie chart showing the distribution of bond investments by sector. The sectors and their percentages are: Government Agencies - 2%, Provincial Bonds - 31%, Municipal Debentures - 35%, Schedule I Banks Investments - 32%.]

Note: Alternate formats available upon request.
### Appendix 3 – Sinking Fund Portfolio Holdings at June 30, 2015

<table>
<thead>
<tr>
<th>SECURITY DESCRIPTION</th>
<th>Portfolio Amount</th>
<th>%</th>
<th>Policy Limitation Per Issuers</th>
<th>Maximum Per Issuer</th>
<th>Policy Limitation Per Category</th>
<th>Maximum Per Category</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROVINCIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario</td>
<td>$ 3,552,108</td>
<td>61.0%</td>
<td>$ 1,591,217</td>
<td>50.0%</td>
<td>$ 1,591,217</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>SCHEDULE I BANKS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIBC (Note 1)</td>
<td>900,128</td>
<td>15.5%</td>
<td>318,243</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Schedule I Banks</td>
<td>$ 900,128</td>
<td>15.5%</td>
<td></td>
<td></td>
<td>$ 1,113,852</td>
<td>35.0%</td>
</tr>
<tr>
<td><strong>MUNICIPAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of Waterloo</td>
<td>$ 1,367,149</td>
<td>23.5%</td>
<td>$ 1,591,217</td>
<td>50.0%</td>
<td>$ 1,591,217</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENT PORTFOLIO</strong></td>
<td>$ 5,819,385</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Bank Funds</td>
<td>$ 8,108,452</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL PORTFOLIO</strong></td>
<td>$ 13,927,837</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. The investment purchase in 2014 was not in compliance with the Region’s Consolidated Investment Policy. This is mainly due to the small investment base and opting for the investments with the best returns and ability to meet future cash flow requirements. Staff will re-balance the portfolio to comply as contributions and investments are made.

2. Alternate formats available upon request.
Appendix 4 – Additional Information on Sinking Fund Portfolio at June 30, 2015

Investments by Year of Maturity based on Earliest Applicable Call Date
Bond maturities have been designed to coincide with sinking fund debenture maturities.

Bond Investments by Sector
Bond investments of $5,819,385 are governed by the Region’s Consolidated Investment Policy.

Note: Alternate formats available upon request.
Region of Waterloo

Corporate Services

Treasury Services (Procurement)

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

Date: August 11, 2015  File Code: F18-30

Subject: Quarterly Summary of Tenders/Quotes, Requests for Proposals and Consultant Selections Approved by the Chief Administrative Officer

Recommendation:

For Information

Summary: Nil

Report:

The Region’s Purchasing By-law allows for the Chief Administrative Officer to award certain tenders/quotes, requests for proposals, and consultant proposals, as set out below:

1. Tenders are competitive bids which specify the scope of work and the terms under which the Region will contract for the goods and services. Administrative awards of tenders between $100,000 and $500,000 can occur if the following criteria are met: a minimum of three compliant bids are received, award to the lowest bidder, and the bid amount within budget.

2. A Request for Proposal (RFP) is a formal, publicly released document outlining a need and inviting proponents to submit plans to fulfill that need. The RFP specifies in general terms what the Region wants but provides flexibility for respondents to propose a solution. RFPs include an evaluation criteria and scoring matrix. While price is part of the evaluation criteria and scoring, award is made to the vendor with the highest overall score. For RFPs between $100,000 and $500,000, the criteria to enable an administrative award are that the proposal is compliant, that it best meets the criteria as established, that at least three compliant proposals are submitted, and price is within budget.
3. Consultant Proposals are a type of RFP with the commodity being consultant services. For consultant proposals between $100,000 and $300,000, the criteria to enable an administrative award are that the proposal is compliant, that it best meets the criteria as established, and the price is within budget.

Administrative awards allow for an efficient and timely procurement process. A summary report is submitted on a quarterly basis to the Administration and Finance Committee outlining all tenders/quotes, RFPs and consultant proposals approved by the Chief Administrative Officer. Appendices 1 and 2 provide the details of the tender/quote and RFP awards made by the Chief Administrative Officer from April 1, 2015 to June 30, 2015.

The Chief Administrative Officer is also authorized to award bids when Council is not in session. No other bids were awarded other than those noted in this report.

**Corporate Strategic Plan:**

This report supports and meets the 2011-2014 Corporate Strategic Plan objective to ensure Regional programs and services are efficient and effective and demonstrate accountability to the public under strategic Focus Area 5, Service Excellence.

**Financial Implications:** As set out in each Appendix.

**Other Department Consultations/Concurrence:** Nil

**Attachments:**

Appendix 1 – C.A.O. Tender/Quote Awards

Appendix 2 – C.A.O. Proposal Awards

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

**Approved By:** Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer
## Appendix 1 – CAO Tender/Quote Awards (April 1, 2015 to June 30, 2015)

<table>
<thead>
<tr>
<th>Tender Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders (Successful Bidder Indicated in Bold)</th>
<th>Tender/Quote Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2015-126</td>
<td>Process and electrical upgrades to make the final connection of two new extraction wells to the groundwater extraction system.</td>
<td>H2Ontario Inc.</td>
<td>$129,950.00</td>
<td></td>
<td>$115,343.62</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Dean-Lane Contractors</td>
<td>$130,371.49</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>BGL Contractors Corp.</td>
<td>$135,576.27</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Lexan Electrical Inc.</td>
<td>$146,900.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The 2015 Waste Management Capital Program has an overall budget of $721,000 for groundwater management projects, of which $200,000 has been allocated for this project component.
<table>
<thead>
<tr>
<th>Tender Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders</th>
<th>Tender/Quote Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
</table>
| T2015-135 Mezzanine Renovation at 150 Main Street, Cambridge | To create accessible meeting room space and an accessible washroom for Regional Staff at 150 Main Street, Cambridge. | James Kemp Construction Ltd.  
STM Construction Ltd.  
Ball Construction Ltd.  
StuCor Construction Ltd.  
Basekamp Construction Ltd. | $207,887.23  
$213,919.17  
$228,712.00  
$237,300.00  
$248,487.00  
$301,448.97 | The 2015 Facility Asset Renewal Capital Program includes $3,822,337 for 150 Main Street Building Maintenance. An amount of $225,000 has been allocated for the mezzanine renovations. At the time of award, $29,815 had been spent or committed leaving a balance of $195,185 to cover this tender. | $187,209.00 |
<table>
<thead>
<tr>
<th>Tender Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders (Successful Bidder Indicated in Bold)</th>
<th>Tender/Quote Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2015-161 Underground Traffic Signal Maintenance</td>
<td>To perform maintenance on existing traffic control infrastructure for a five (5) year period.</td>
<td><strong>Just Loops 2014</strong>&lt;br&gt; Weinmann Limited&lt;br&gt; J.C.H. Contracting Ltd.&lt;br&gt; Folmur Const. (2014) Ltd.</td>
<td>$277,584.80&lt;br&gt; $482,507.50&lt;br&gt; $660,908.75&lt;br&gt; $972,011.85</td>
<td>The approved Transportation Operating Budget for loop maintenance totals $68,111 in 2015.</td>
<td>$249,973.71 ($49,995/year)</td>
</tr>
<tr>
<td>T2015-138 Furnace Replacement at Various Regional Housing Properties</td>
<td>Removal and replacement of 155 furnaces that have reached the end of their life expectancy.</td>
<td><strong>Hy-Mark Mechanical Ltd.</strong>&lt;br&gt; AirWave Climatecare&lt;br&gt; Amber Heating and Sheetmetal Ltd.</td>
<td>$331,090.00&lt;br&gt; $335,208.85&lt;br&gt; $502,680.50</td>
<td>The 2015 Waterloo Region Housing capital budget provides $7,224,645 for various projects. At the time of award, $2,070,322 had been spent. The budget for this work is $607,000.</td>
<td>$298,157.00</td>
</tr>
<tr>
<td>T2015-140 Shingled Roof Replacement at Seven (7) Waterloo Regional Housing Properties</td>
<td>Full replacement of asphalt shingles at seven (7) Waterloo Region Housing sites which have reached the end of their life expectancy.</td>
<td><strong>Apply Contracting Ltd.</strong>&lt;br&gt; Triumph Aluminum and Sheet Metal Inc.&lt;br&gt; Nedlaw Roofing Ltd.</td>
<td>$338,696.03&lt;br&gt; $438,314.23&lt;br&gt; $525,235.30</td>
<td>The 2015 Waterloo Region Housing capital budget provides $7,224,645 for various projects. At the time of award, $2,102,959 has been spent. The budget for this work is $690,000.</td>
<td>$305,007.00</td>
</tr>
<tr>
<td>Tender Number &amp; Name</td>
<td>Description</td>
<td>List of Bidders (Successful Bidder Indicated in Bold)</td>
<td>Tender/Quote Price (Includes HST)</td>
<td>Budget</td>
<td>Net Cost of Award (Net of HST Rebate)</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------</td>
<td>-----------------------------------------------------</td>
<td>----------------------------------</td>
<td>--------</td>
<td>-------------------------------------</td>
</tr>
</tbody>
</table>
| T2015-152            | Landscaping and site maintenance at all 58 Waterloo Regional Housing properties for a three (3) year period with the option to renew for two (2) one (1) year terms. | **Grounds Guys Kitchener** (areas A-G)  
**Frank’s Outdoor Maintenance Inc.** (area H)  
**2100783 Ontario Ltd. o/a The Grounds Guys** (area I)  
Note: a total of Eighteen (18) Proponents submitted bids for one or more of the nine (9) designated properties. The geographic locations for Kitchener are areas A to E, for Waterloo area F, Wellesley, Elmira and New Hamburg area G and Cambridge areas H and I. | $350,770.62  
$76,614.00  
$69,889.09  
$497,273.71 | The 2015 operating budget for Waterloo Region Housing includes $265,185 for landscaping costs. The budget is sufficient to cover the $149,270 per annum. | $447,810.38 ($149,270/yr) |
<table>
<thead>
<tr>
<th>Tender Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders (Successful Bidder Indicated in Bold)</th>
<th>Tender/Quote Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
</table>
| T2015-177            | Janitorial Services at two (2) Grand River Transit locations | Supply of all labour, materials and equipment necessary to perform janitorial cleaning services at two (2) GRT locations. (Strasburg and Chandler) for a one (1) year period with the option to renew for four (4) additional one (1) year terms. | Cheema Cleaning Services Ltd.  
Domclean Limited  
Commercial Cleaning Services  
GDI Services (Canada) LP  
Precise Janitorial Services Inc.  
JDI Cleaning Systems Inc.  
SQM Janitorial Services Inc. | $115,938.00  
$134,443.74  
$150,516.00  
$162,838.89  
$182,305.00  
$200,281.20  
$241,984.12 | The 2015 Facilities operating budget includes $159,784 for janitorial services at the two (2) GRT locations. | $104,406.00 |
| T2015-118            | Strange Street Chlorination System and Mixing Upgrade | Supply and install a new chemical dosing and storage system and a new tank mixing system. | W.A. Stephenson Mechanical Contractors Ltd.  
Finnbilt General Contracting Limited  
Ball Construction Ltd. | $293,800.00  
$298,618.32  
$389,147.14 | The 2015 Water Capital Budget and Ten Year Water Capital Forecast includes a total of $3,350,000 in 2015 for Facilities upgrades. The budget includes an allowance of $300,000 for this work. | $264,576.00 |
<table>
<thead>
<tr>
<th>Tender Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders (Successful Bidder Indicated in Bold)</th>
<th>Tender/Quote Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
</table>
| T2015-160 Landfill Gas Piping and Odour Control System, North Expansion Area, Waterloo Landfill Site | Supply of all labour, equipment, and materials necessary to construct the Landfill Gas Piping and Odour Control System within Cell NE-4 in the North Expansion Area at the Waterloo Landfill Site. | H2Ontario Inc.  
Kieswetter Excavating Inc.  
Ground Force Environmental Inc.  
MJK Construction Inc. | $560,796.40  
$687,430.80  
$739,265.92  
$925,969.03 | The 2015 Waste Management Capital Program has an overall budget of $890,000 for Landfill Gas Piping and Odour Control System, North Expansion Area, Waterloo Landfill Site. The budget includes $515,000 for this work. | $496,280.00 |
James Kemp Construction Ltd.  
STM Construction Ltd. | $133,514.02  
$165,884.00  
$285,890.00 | The 2015 Wastewater Capital Program includes a total of $1,900,000 in 2015 for undertaking several infrastructure upgrades at the Cambridge Wastewater Treatment Plants. The budget includes $140,000 for this work. | $132,805.07 |
## Appendix 2 – CAO Request for Proposal Awards (April 1, 2015 to June 30, 2015)

<table>
<thead>
<tr>
<th>Proposal Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders</th>
<th>Proposal Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P2015-02</td>
<td>To oversee the operation and ensure optimal performance of the Region’s solar photovoltaic systems as well as provide electrical services for energy management program initiatives and general electrical contracting needs for Regional facilities, for a one year term with the option to renew for four (4) additional one (1) year terms.</td>
<td><strong>Arcadian Projects</strong></td>
<td>$164,804.96</td>
<td>The 2015 Facility Asset Renewal capital budget includes $1,153,000 for Energy Management Upgrades to major buildings of which $30,000 has been allocated for electrical energy related projects. Additionally, various facilities operating budgets include $130,800 for the operation and maintenance of the Solar Photovoltaic system.</td>
<td>$148,412.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>Topline Power Systems</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>ResCo Energy</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Awarded to the supplier with the highest overall score.
Region of Waterloo
Corporate Services
Treasury Services

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

Date: August 11, 2015  File Code: F25-20

Subject: One-time Capital Grant for Shalom Counselling Services

Recommendation:

That the Regional Municipality of Waterloo approve a one-time capital grant in the amount of $25,000 for Shalom Counselling Services Incorporated to be funded from the Capital Levy Reserve Fund, as outlined in report COR-TRY-15-73 dated August 11, 2015.

Summary: Nil

Report:

Regional Council has, over the past several years, provided one-time capital grants to counselling agencies with which it partners. These grants have been in the amount of $25,000 and have generally included an agreement on the use of the facility for Regional purposes from time to time. Grants have been provided for Carizon Family and Community Services; K-W Counselling Services and the Woolwich Counselling Centre. More recently, a grant of $25,000 was provided to Langs, in Cambridge, which has been a long standing partner in a number of program areas.

Earlier this year the Region received a request from Shalom Counselling Services Incorporated for a $25,000 capital grant. Shalom Counselling Services Inc. is a professional counselling organization located in Waterloo and is part of the network of community counselling agencies in Waterloo Region. This network of seven agencies are all part of the Region of Waterloo Counselling Collaborative which provides counselling at no cost to people in receipt of Ontario Works or Ontario Disability Support Program payments. The Region of Waterloo provides funding for these counselling services through the Social Development Program grants.
Shalom has been providing counselling services since 1983 and is “committed to providing affordable and accessible counselling services to people from all walks of life regardless of ability to pay.” Requests for Shalom’s services continue to increase which has led to the need for expanded space and a $1.2 million capital project is underway. At the time of the request, $780,000 had been committed in support of the project.

Detailed information on Shalom Counselling, its services and the capital project can be found in Shalom’s Proposal for Capital Funds which is attached as Appendix 1.

Consistent with one-time capital grants provided to counselling agencies in past, it is recommended that a one-time grant of $25,000 be provided to Shalom Counselling Services Inc.

**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 meeting over the next few months and with recommendations to be presented to Administration and Finance Committee prior to the finalization of the 2016 budget.

**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 one-time grant of $25,000 can be funded from the Capital Levy Reserve fund which has become the funding source for such grants since the elimination of the operating budget contingency.

**Other Department Consultations/Concurrence:** Nil

**Attachments:**

Appendix 1 – Shalom Counselling Services Proposal for Capital Funds

**Prepared By:** Angela Hinchberger, Director of Treasury Services/Deputy Treasurer

**Approved By:** Craig Dyer, Commissioner of Corporate Services/Chief Financial Officer
PROPOSAL FOR CAPITAL FUNDS
Regional Municipality of Waterloo
Grant Request

“A GROWING HOME FOR SHALOM”
EXPANSION PROJECT
MARCH 2015

Table of Contents

Executive Summary ......................................................................................................................... 5

1. Who is Shalom Counselling Services? ....................................................................................... 6
   1.1 A Brief History of Shalom Counselling Services ................................................................. 6
   1.2 Shalom’s Vision, Mission, and Values .................................................................................. 6

2. Description of Shalom’s Services ............................................................................................. 7
   2.1 Counselling Services ............................................................................................................ 7
   2.2 Reasons for Seeking Counselling at Shalom ....................................................................... 7
   2.3 Accessibility and Affordability ............................................................................................ 8
   2.4 Staffing ................................................................................................................................. 8
   2.5 Working in Partnership: Counselling Services in Waterloo Region .................................... 8
   2.6 Shalom’s Community Education .......................................................................................... 9
   2.7 Shalom’s Funding Sources for Programs and Services ....................................................... 10

   3.1 Shalom’s Current Space ...................................................................................................... 11
   3.2 Shalom’s Expanded Space .................................................................................................. 11
   3.3 “A Growing Home for Shalom” Capital Budget 2014-2018 ............................................. 12
   3.5 Progress and Timelines ...................................................................................................... 13
   3.6 Sustainability Plans ............................................................................................................. 13

4. Conclusion ................................................................................................................................ 14

Appendices .................................................................................................................................... 15

References ..................................................................................................................................... 22
Executive Summary

Shalom Counselling Services Inc. is a professional counselling organization in Waterloo, Ontario – part of the network of community counselling agencies in Waterloo Region. Shalom has been providing therapeutic counselling services in Waterloo Region since 1983. Shalom is committed to providing affordable and accessible counselling services to people from all walks of life, regardless of ability to pay. In a typical year, more than 90% of Shalom's clients are not able to cover the cost of the services they receive and 40 to 45% have family incomes below the poverty line. Shalom raises on average 40% of its annual budget through donations and fundraising activities in order to make highly subsidized counselling services available.

Requests for Shalom’s services continue to increase. In the past three years alone service provision has increased by 29%. The reduction in out-patient counselling services delivered by hospitals, and the increased awareness of mental illness in the community has led to a situation where Shalom’s services are needed more than ever.

The growth experienced has led to the need for increased space, including additional counselling offices, an enlarged waiting area and an accessible washroom. The "A Growing Home for Shalom" capital project is in process. The estimated cost of the project is $1.2 million. The goal is to fully fund this capital project, so that Shalom’s operating revenues are not required for mortgage costs and the agency can continue to subsidize the cost of counselling services for the majority of clients who cannot pay the full fee.

The "A Growing Home for Shalom" capital project will enable Shalom to increase its capacity for service-provision both now and into the future. The Shalom community of supporters has caught the vision and supports the need for Shalom to expand its service capacity. To date 119 donors have committed $780,000 in support of this project.

We respectfully invite the Regional Municipality of Waterloo to consider a grant of $25,000 to assist Shalom in reaching this capital goal. Support from the Regional Municipality of Waterloo is a critical component of reaching this goal and proceeding with expanded service-provision.
1. Who is Shalom Counselling Services?

Shalom Counselling Services Inc. is a professional counselling service in Waterloo Ontario. Shalom is a faith-based organization, dedicated to providing affordable and accessible therapeutic counselling to people from all walks of life, backgrounds and belief systems. Shalom is also a member of Family Services Ontario.

1.1 A Brief History of Shalom Counselling Services

In 1981, a group of mental health professionals, pastors, and other interested persons from the Mennonite and Brethren in Christ Churches founded Shalom Counselling Services, under the auspices of Mennonite Central Committee Ontario (MCCO), responding to a request for a counselling service that would reflect Christian values and beliefs. Pastors of these churches recognized the need for additional counselling resources over and above the counselling provided by them. It was intended at the time that Shalom services provide a resource both for people within the faith community and in the community in general.

The name “Shalom” was chosen by the founders of Shalom Counselling Services (SCS). This Hebrew word means “peace”: Human well-being experienced in all dimensions of life: physical and emotional health, economic stability, being at peace in social relations, and in one’s inner being.

Shalom Counselling Services Inc. (SCS Inc.) began operation, separate from MCCO, as a charitable not for profit corporation registered in Ontario on October 1, 1993.

1.2 Shalom’s Vision, Mission, and Values

VISION: A community of peace and wholeness for all.

MISSION: “Helping People Grow Toward Peace and Wholeness”

This mission is accomplished by providing therapeutic counselling, consultation, and educational programs that integrate mental, emotional, relational, and spiritual dimensions. The services provided promote healing, growth, and well-being for individuals, couples, families, groups, churches, and communities. Shalom enacts this mission through operation of Shalom Counselling Centre in Waterloo, Ontario, which is staffed by Masters or Doctoral level trained and accredited Counsellors, who are Christian professionals.

Shalom exists to serve the mental and emotional health needs of people in our local community. This commitment extends to individuals and families from all cultural, ethnic, religious, and racial backgrounds; and does not restrict any person from seeking and receiving services. The services provided respect the diversity of persons, backgrounds, and beliefs within our community. As the staff members are Christian professionals, Shalom is uniquely able to serve those who desire a faith dimension to counselling. Shalom is committed to providing accessible and affordable counselling services, and makes every reasonable effort to ensure services are available to those unable to pay the full cost of the service. Services will be provided as scope of practice and programs exist in response to presenting concerns, honouring each person’s unique life, faith experience, and spirituality.
VALUES:

Grounded in Christian faith, we value the following:

- **Peace**: Peace as described by the word Shalom – peace with self, others and with God.
- **Wholeness**: Counselling is a safe place for addressing any dimension of a person’s experience – mental, emotional, physical, sexual, social or spiritual.
- **Compassion**: Empathy and care for all persons.
- **Respect**: Diversity of backgrounds and beliefs within our community is respected. We endeavour to be ethical, welcoming & inclusive in all aspects of our work.
- **Accessibility & Affordability**: All persons should have access to professional counselling services when needed. Cost should not be a deterrent to obtaining professional counselling.
- **Accountability & Excellence**: Ongoing monitoring and implementation of best practices in all aspects of our work.

2. Description of Shalom’s Services

2.1 Counselling Services

Our professional accredited counsellors provide individual, couple, family and group counselling and consultation for a broad range of clinical concerns (See Appendix A). In addition to counselling services, Shalom also provides the following supportive services:

- Consultation to faith leaders or employers who are dealing with a challenging situation
- Leadership coaching
- Employee Assistance Program (EAP) counselling for workplaces
- Critical Incident Stress Debriefing (CISD) following a traumatic event
- Spiritual Direction (trained spiritual director on staff)
- Referral to community resources as needed

2.2 Reasons for Seeking Counselling at Shalom

Counselling is recognized as one of the helpful resources available when people face challenges and struggles in their lives. Although people seek counselling at Shalom for many different reasons, over the past ten years the primary reason has been mental illness, predominantly anxiety or depression. These numbers continue to increase.

The Mood Disorders Society of Canada reports that 20% of all Canadians will experience a diagnosed mental illness in their lifetime (2009). Mental illness affects people of all ages, educational and income levels, and all cultures. In other words everyone is impacted through a personal experience or through supporting a friend, family member, neighbour or colleague experiencing mental illness.
According to the Canadian Mental Health Association, “mental illnesses cost Canadian employers billions of dollars in absenteeism or sick days, “presenteeism” (coming to work, even when the employee can’t work well), disability and other benefits, and lost productivity” (2014). And, according to Psychotherapy Is Worth It: A Comprehensive Review of Its Cost-Effectiveness (Lazar, 2010) it is more cost effective to treat mental illness than to respond to the complications that arise from untreated illness, in terms of medical costs and impact on families, workplaces and communities.

Shalom remains committed to the value of providing affordable and accessible counselling services to those who struggle with mental illness and the other concerns that prompt people to seek counselling. By expanding our service-capacity we will be able to increasingly respond to the need for counselling services in this community.

2.3 Accessibility and Affordability

Services are provided on a sliding fee scale according to family income. We are committed to providing needed counselling services regardless of people’s ability to pay. In 2014, 92% of the people who received counselling at Shalom required a fee subsidy, and 39% of those receiving counselling had family incomes below the poverty line. To provide this level of subsidized service, Shalom received nearly $200,000 for its operations through donations and fundraising activities in 2014. Most importantly, Shalom is dedicated to providing the highest quality of professional counselling services regardless of the client’s ability to pay.

2.4 Staffing

Shalom employs 13 part-time staff people, totalling 6.5 full-time equivalents. Shalom requires that all counsellors are Master’s or Doctoral level trained and accredited. Our counsellors are professionally affiliated with the Ontario College of Social Workers and Social Services Workers (OCSWSSW) or the American Association for Marriage & Family Therapists (AAMFT)/Ontario Association for Marriage and Family Therapists (OAMFT).

2.5 Working in Partnership: Counselling Services in Waterloo Region

Shalom is part of the network of seven community counselling agencies in Waterloo Region:

- KW Counselling in Kitchener.
- Carizon Family and Community Services in Kitchener.
- Lutherwood Counselling in Cambridge
- Family Counselling of Cambridge and North Dumfries, in Cambridge.
- Woolwich Counselling in Elmira.
- New Hamburg Interfaith in New Hamburg.
- Shalom Counselling Services in Waterloo.

These agencies work together collaboratively to respond to the mental health needs of people seeking counselling services. We are diverse in terms of size, geographic location, and niche speciality areas but share in common a commitment to provide comprehensive counselling services in our communities.
To do this, we engage in a number of partnership arrangements. All seven of these agencies are part of the Region of Waterloo Counselling Collaborative, whereby we provide counselling at no cost to people in receipt of Ontario Works or Ontario Disability Support Program. This program is supported by a grant from the Regional Municipality of Waterloo that covers approximately 50% of the cost of this program.

Six of these agencies (including all of the above with the exception of Carizon Family and Community Services) have partnered since 2002 in the Health-Connect Counselling Program, whereby counselling services are provided to the patients of Health Service Organization (HSO) physicians.

In these joint initiatives, the counselling agencies have agreed to utilize shared data collection tools (General Health Questionnaire 12, Counsellor assessment, and Goal Attainment Scores) that allow us to measure the collective impact of Therapeutic Counselling in Waterloo Region.

2.6 Shalom’s Community Education

Shalom is also committed to providing education regarding mental health and well-being and undertaking initiatives that will decrease the stigma of mental illness and encourage people to seek needed help. Shalom staff serve as resource persons in workplaces, community groups and faith communities on topics related to mental health and well-being. Shalom also invites guest speakers to the community to address the topic of mental illness and help to reduce the stigma associated with it. Examples of guest speakers hosted by Shalom include:

2011 -- Honourable James Bartleman, former Lieutenant Governor of Ontario and Mental Health Advocate, who spoke about his experience with mental illness in his address entitled, “Mental Illness and What I Did about It.”

2011 -- Brice Balmer, educator and clergy, who addressed the topic of addictions in his address entitled, “Addictions are among us. What can we do?”

2012 -- Honourable Michael Wilson, former Finance Minister and Mental Health Advocate who addressed the topic, “The Cost of Doing Nothing.”

2015 -- Orlando Da Silva, President of the Ontario Bar Association, who will reflect on his experience with Mental Illness in his address entitled, “A Successful Depression.”
2.7 Shalom’s Funding Sources for Programs and Services

The annual operating cost of Shalom Counselling Services Inc. is $492,997 (2013/14). Shalom’s annual operating funds come from the following sources:

- Operating Donations (Individuals, Foundations and Churches) = 36%
- Fee Income = 35%
- Government Funding = 21%
- Grants (United Way) = 5%
- Event Fundraising, Interest and Other Income = 3%

3. “A Growing Home for Shalom” Capital Project

In a Visioning/Strategic planning process in the fall of 2012, it was determined that Shalom has outgrown our current facility. Demand for our services is growing (with an increase of 29% in the past three years) and we are now facing limitations in the ability to fulfill our mission due to insufficient counselling offices, lack of an accessible washroom and limited waiting room space.

In 2013 a Building Committee was formed to oversee the planning for this capital project. The details of this project continue to evolve. We are currently in the process of finalizing the engineering and other plans for regulatory approval in order to obtain our building permit. We remain on target to tender the project, with a spring 2015 start to construction.
3.1 Shalom’s Current Space

Shalom has been located on the premises of Erb St. Mennonite Church since the Waterloo office opened in 1983. Our counselling services have been located in the renovated church house since 2002. There are currently 8 counsellors occupying 6 counselling offices and a small group counselling room, within 2100 square feet. Shalom runs a Suicide Bereavement group, and four clergy groups which far exceed the space available in the existing group room. Currently the waiting room contains space for three chairs, which frequently results in clients standing as they wait for their appointments. The current space also lacks an accessible client washroom.

3.2 Shalom’s Expanded Space

Based on Shalom’s continued growth it was determined that in order to meet the current and future demands for service, Shalom should renovate its existing location by adding an additional 2000 square feet to the rear and side of the Shalom office. This will provide an enlarged waiting room/reception area (from 3 to 16 chairs), 5 additional counselling offices, an accessible washroom on the main floor, and an enlarged group/meeting room to accommodate larger groups. Additionally, the project includes costs related to relocation of the Shalom offices for the period of construction, an estimated six month period, a construction contingency in case of unexpected cost overruns during renovations, and needed furnishings and equipment (see Appendix D for architectural drawings of renovations).

Relocation to a new space was considered, but it was determined that the current location was ideal in terms of its proximity to downtown Waterloo and existing bus routes. It was also determined to be important to retain a Waterloo presence, as Shalom is the only community counselling agency with its primary offices in Waterloo. Additionally the board reflected on the historical relationship with the Erb St. Mennonite Church and the Church’s supportive partnership with Shalom over these past 32 years. Although the Erb St. Church owns the property they will be providing a long-term lease agreement, reflective of the significant leasehold improvements that are projected.
3.3 “A Growing Home for Shalom” Capital Budget 2014-2018

### INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pledges and Donations</td>
<td></td>
</tr>
<tr>
<td>Pledges committed (as of January 2015)</td>
<td>$690,208</td>
</tr>
<tr>
<td>One-time donations received (as of January 2015)</td>
<td>$90,104</td>
</tr>
<tr>
<td><strong>Total Pledges and Donations (as of January 2015)</strong></td>
<td><strong>$780,312</strong></td>
</tr>
<tr>
<td>Funding Required (as of January 2015)</td>
<td></td>
</tr>
<tr>
<td>Grant, Pledges, and Donations</td>
<td>$426,688</td>
</tr>
<tr>
<td><strong>TOTAL INCOME REQUIRED</strong></td>
<td><strong>$1,207,000</strong></td>
</tr>
</tbody>
</table>

### EXPENSES

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Costs</td>
<td>$700,000</td>
</tr>
<tr>
<td>Contingency for Build</td>
<td>$140,000</td>
</tr>
<tr>
<td>Brian L. Shantz Ltd. (Building Consultants &amp; Site Planners)</td>
<td>$142,000</td>
</tr>
<tr>
<td>Permits and development fees</td>
<td>$65,000</td>
</tr>
<tr>
<td>Office Relocation Costs</td>
<td>$20,000</td>
</tr>
<tr>
<td>Office Furnishings</td>
<td>$40,000</td>
</tr>
<tr>
<td>Capital Reserve</td>
<td>$100,000</td>
</tr>
<tr>
<td><strong>TOTAL EXPENSES</strong></td>
<td><strong>$1,207,000</strong></td>
</tr>
</tbody>
</table>

3.4 Funding Request of the Regional Municipality of Waterloo

Shalom respectfully requests that the Regional Municipality of Waterloo contribute $25,000 toward the cost of the capital project.
### 3.5 Progress and Timelines

<table>
<thead>
<tr>
<th>Objective</th>
<th>Date</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Create a “Building Exploration Committee” to identify space needs and scope of project</td>
<td>January to February 2013</td>
<td>Committee formed and recommendation to have building plans drafted approved by the Board.</td>
</tr>
<tr>
<td>Obtain project approval from landlords (Erb St. Mennonite Church)</td>
<td>March 2013</td>
<td>Erb St. approved proceeding with the project.</td>
</tr>
<tr>
<td>Complete preliminary drawings for the renovation</td>
<td>April to August 2013</td>
<td>Preliminary drawings completed.</td>
</tr>
<tr>
<td>Research capacity of supporters to undertake capital project</td>
<td>September to November 2013</td>
<td>Research completed. Level of support considered sufficient to proceed.</td>
</tr>
<tr>
<td>Obtain board approval to continue building process</td>
<td>November 2013</td>
<td>Board approves continuation of the building project.</td>
</tr>
<tr>
<td>Seek approvals and permits</td>
<td>August 2013 to present</td>
<td>In process. When fully in place the building will commence.</td>
</tr>
<tr>
<td>Identify temporary office location for duration of renovations</td>
<td>January 2014</td>
<td>Plans underway to relocate the services to Erb St. Mennonite Church during renovations.</td>
</tr>
<tr>
<td>Select a Project Manager</td>
<td>October 2014</td>
<td>Murray Leis Construction chosen as project manager.</td>
</tr>
<tr>
<td>Tendering process</td>
<td>March/April 2015</td>
<td>In process</td>
</tr>
<tr>
<td>Relocate and renovate the building</td>
<td>April to November 2015</td>
<td>Projected</td>
</tr>
<tr>
<td>Meet and complete all financial obligations</td>
<td>2018</td>
<td>Projected</td>
</tr>
</tbody>
</table>

### 3.6 Sustainability Plans

The “A Growing Home for Shalom” capital project is part of the strategic visioning and planning process at Shalom Counselling Services. This expansion is designed to meet the current and future needs of the organization based on a plan for incremental growth.

This expansion allows room for Shalom to add counsellors without having to expand again. Shalom has historically had the capacity to fund 35%-40% of our budget through donations, and we anticipate maintaining and incrementally increasing this level of donor support in the future.

The project budget provides for capital reserves to maintain the renovated building into the future. This means that Shalom will not be requiring further capital funding in the foreseeable future.
4. Conclusion

An important component of achieving our mission is the presence of a welcoming facility that affords comfort and security as people address their concerns. Our “A Growing Home for Shalom” project will allow us to provide safe and welcoming spaces, with space for our current client base, and room to grow in ways that allows us to fulfill our mission into the future.

Shalom Counselling Services is growing so that we can meet the increasing demand for our services. The reduction in out-patient counselling services delivered by hospitals, and the increased awareness of mental illness in the community has led to a situation where Shalom’s services are needed more than ever. It is our goal to grow in a sustainable way, with our partners, to meet this need. The support and encouragement from the community during the “A Growing Home for Shalom” capital project has been inspiring. Support from the Regional Municipality of Waterloo is important for Shalom in reaching our goal, to increase service-provision and counselling services in Waterloo Region.

Contact Information:
Shalom Counselling Services Inc.
9 Avondale Ave. South

Waterloo, Ontario  N2L 2B5

Phone:  519-886-9690  FAX:  519-886-7832

Executive Director:  Wanda Wagler-Martin, MSW, RSW

Email:  wanda@shalomcounselling.org
Appendices

Appendix A

Primary Reasons for Seeking Counselling

- Mental Health concerns (Depression, Anxiety, etc.) 30%
- Relationship Challenges 22%
- Family & Parenting Concerns 13%
- Stress Management 6%
- Grief & Loss 6%
- Health, Aging & Other 5%
- Personal growth, Spirituality, Self-Esteem & Sexuality 5%
- Abuse & Trauma 5%
- Work & School Challenges 4%
- Anger Management, Communication & Conflict Resolution 2%
- Substance Abuse & Addictions 2%

Males 30%  Females 70%
Appendix B

Board Members

2015 Andrew Roth, Chair (3rd term) 198 Mary St. + one year Waterloo, ON N2J 1S2 (H) 519-888-0714, (W) 519-579-3660 Lawyer, Miller Thomson aroth@millerthomson.com

2015 Fred Loganbill, Treasurer (1st term) 483 Glasgow St. Kitchener, ON N2M 3N3 (H) 519-576-9096 (W) 519-699-9283 x 307 Accountant rflogan@golden.net

2017 Marilyn Leis, Secretary (3rd term) 3785 Nafziger Road Wellesley, ON N0B 2T0 (H) 519-656-3083 Business Owner mleis@bellnet.ca

2017 Lynne Blake-Dickson (3rd term) 210 Stanley Dr. Waterloo, ON N2L 1H4 (H) 519-744-5012 kbd@golden.net

2016 Barry Roth (1st term) 1430 Sawmill Rd. R. R. #1 Waterloo, ON N2J 4G8 (H) 519-664-2303 (W) 519-772-5242 Banking broth@mscu.com

2015 Brenda Leis, Vice Chair (1st term) 7 Shadywood Crt Wellesley, ON N0B 2T0 (H) 519-656-3046 Retired Nurse/Nurse Manager brendaflieis@gmail.com

2016 Kaye Rempel (1st term) 324 Calvington Pl Waterloo, ON N2T 1R1 (H) 519-747-9487 Retired Social Worker rkrempel@sympatico.ca

2017 David Gingerich (2nd term) 455 Eastbridge Blvd. Waterloo, ON N2K 3Y4 (H) 519-747-4011 (W) 519-570-0003 x 4163 Psychologist: Waterloo Region District School Bd. david_gingerich@wrdsb.on.ca

2016 Kara Carter (1st term) 4224 Line 61 RR. #1 Milverton, ON N0K 1M0 (H) 519-595-4392, (W) 519-656-2700 Pastor: Wellesley Mennonite Church kara@wellesleymennonite.ca

Development Advisory Committee

Jim Erb (former Board Member) c/o Erb & Good Funeral Home 171 King St. S. Waterloo, ON N2J 1P7 (W) 519-745-8445 (H) 519-746-6218 jimerb@erbgood.com

Ed Nowak (former Board Member) 198 Marshall St. Waterloo, Ontario N2J 2V1 (H) 519- 746-3349 Roth Nowak Insurance Brokers (W) 519-746-1151 H) 519-746-3607 enowak@rothnowak.com

Laverne Brubacher (former Board Member) 16-29 Water St. P.O. Box 135 St. Jacobs, ON N0B 2N0 Menno S. Martin Contractor Limited 519-664-3419 laverne@mennosmartin.com
Appendix C

SHALOM COUNSELLING SERVICES 2013-2014 STATISTICS

COUNSELLING HOURS AND CASES

<table>
<thead>
<tr>
<th>Total persons receiving services</th>
<th>1600</th>
</tr>
</thead>
</table>

Level of Subsidy

<table>
<thead>
<tr>
<th>Level of Subsidy</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clients paying full fee</td>
<td>8%</td>
</tr>
<tr>
<td>Clients requiring fee subsidy</td>
<td>92%</td>
</tr>
<tr>
<td>Clients with income levels below the poverty line</td>
<td>39%</td>
</tr>
</tbody>
</table>

Average Wait Period

2.6 weeks

RESIDENCE AREA

<table>
<thead>
<tr>
<th>Area</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kitchener</td>
<td>39%</td>
</tr>
<tr>
<td>Waterloo</td>
<td>42%</td>
</tr>
<tr>
<td>Cambridge, N. Dumfries, Wilmot, Wellesley, Woolwich</td>
<td>13%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>

NUMBER OF TIMES CLIENT SEEN

<table>
<thead>
<tr>
<th>Number of Times</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>15%</td>
</tr>
<tr>
<td>2 - 5</td>
<td>42%</td>
</tr>
<tr>
<td>6 - 15</td>
<td>31%</td>
</tr>
<tr>
<td>16 +</td>
<td>12%</td>
</tr>
</tbody>
</table>

Average Number of Times Seen

8.9 times
Appendix D

Draft of Shalom’s Renovated Office
References


Region of Waterloo
Corporate Services
Financial Services & Development Financing
Planning, Development and Legislative Services
Legal Services

To: Chair Sean Strickland and Members of the Administration & Finance Committee
Date: August 11, 2015  File Code: F27-50
Subject: Response to Bill 73 – Smart Growth for Our Communities Act, 2015

Recommendation:

That the Region of Waterloo take the following action with respect to Bill 73 – Smart Growth for our Communities Act, 2015:

a. Indicate its support for the principle that “growth should pay for growth”

b. Endorse the proposed amendments to the Development Charges Act, 1997 that:
   i. Add transit to the list of services that are not subject to a mandatory 10% deduction
   ii. Allow the use of a planned level of service for prescribed services
   iii. Allow development charge recoveries for waste diversion

c. Urge the Province to broaden the application of development charges by amending Bill 73 in order to:
   i. Eliminate the mandatory 10% deduction for all other services
   ii. Delete the list of ineligible municipal services
d. Request the Province to:

   i. Delete Subsection 2(3) of Bill 73 that would allow the Province through regulations to mandate the use of area-specific development charges

   ii. Add Transit to Subsection 5(5) to include public transit in the list of services for which Development Charges may be collected at the time of subdivision agreement

   iii. Delete Subsection 5(c.2) of Bill 73 to remove the requirement to complete an Asset Management Plan in conjunction with the Development Charges Background Study

   iv. Delete Section 8 of Bill 73, which would prevent municipalities from imposing charges on development other than the charges permitted by the Development Charges Act, and provide the Minister with broad powers of investigation into a municipality’s affairs, potentially at the municipality’s cost

   v. Repeal Section 4 of the Development Charges Act to remove mandatory exemptions for industrial expansions

   vi. Repeal Subsection 62(2) of the Development Charges Act to remove the requirement that new Development Charge bylaws must be enacted within 18 months of the changes coming into force

   vii. Circulate draft regulations to the Development Charges Act to stakeholders for public consultation

e. Request the Province commence a review of the role of the Ontario Municipal Board now in order to properly address the full range of issues faced by municipalities in responding to the requirements of a changing Provincial policy environment

f. Request the Province to amend Bill 73 so that conformity updates to official plans approved by the Province be exempt from appeals in their entirety

g. Forward this report to the Minister of Municipal Affairs and Housing, the Municipal Finance Officers’ Association of Ontario and the Association of Municipalities of Ontario.

Summary:

The Development Charges Act (DCA) provides the legislative authority and framework for municipalities to impose development charges upon development of land, based on the principle that “growth pays for growth,” and sets out the associated processes,
procedures and reporting requirements. While the DCA provides municipalities with the authority to recover growth-related infrastructure costs from new development, the exclusion of certain municipal services and the methodology prescribed for calculating the charge constrain the ability to adequately recover the overall cost to support growth.

Regional staff previously reported to Council on Bill 73 and the proposed amendments to the Development Charges Act through Report COR-FSD-15-07 in March 2015. The report recommended that Bill 73 be amended to allow for the immediate use of a forward looking service level standard for Rapid Transit projects and to pass the amended Bill at the earliest possible opportunity.

Through Bill 73, the Province has introduced proposed amendments to the DCA which could increase the amount of development charges (DCs) to be collected to offset the cost of growth related capital works. The Region, together with the City of Ottawa, has been advocating for changes to the DCA since 2010 to allow for the imposition and collection of DC’s for Rapid Transit projects. While some of the proposed legislative amendments are positive in nature, many issues will need to be addressed in the regulations to the Act. The Province has formed several working groups of stakeholders (developers, municipal staff) to review the proposed amendments to the DCA. Region of Waterloo staff are active participants in this process.

Regional staff previously reported to Council on the proposed amendments to the Planning Act set out in Bill 73 through Report No. PDL-LEG-15-45/PDL-CPL-15-33. Generally, Regional staff is supportive of the changes to the Planning Act proposed under Bill 73, although in certain instances the changes do not go far enough to resolve some of the issues relating to the ability of municipalities to bring their official plans into conformity with evolving Provincial policy. Accordingly, it is recommended that conformity updates to official plans approved by the Province be exempt from appeals in their entirety.

Bill 73 is not intended to address Ontario Municipal Board (OMB) reform. Regional staff recommends that the Province commence its review of the role of the OMB now in order to properly address the full range of issues faced by municipalities in responding to the requirements of a changing Provincial policy environment. A formal submission on OMB reform was previously sent to the Province.

Report:

On March 5, 2015, the Minister of Municipal Affairs introduced Bill 73, the Smart Growth for Our Communities Act, 2015, to make reforms to the Development Charges Act and the Planning Act. Bill 73 is in response to the Government’s province-wide consultations in late 2013 and early 2014 regarding the development charges and land use planning and appeal systems. The Region of Waterloo made a submission through Report F-14-004 (Region of Waterloo Response to Provincial Review of Development Charges
System) and Report P-13-122 (Region of Waterloo Response to Provincial Review of Land Use Planning and Appeal System). Through Report F-14-004 Regional Council requested the following changes to the DCA:

- Make all Regional services eligible for development charge funding
- Remove the 10% deduction for all services
- Replace the 10-year average historic service level limits with a service level that is forward looking.

Bill 73 goes part way toward addressing Council’s request as discussed below. According to the Environmental Bill of Rights registry, the amendments proposed by Bill 73 to the DCA, if passed, would:

- Enhance funding for municipal transit systems
- Enhance transparency and accountability regarding payment of development charges (DCs) and additional fees
- Identify any services which are ineligible for collection of development charges through regulation
- Require municipalities to examine the application of varying development charges within different areas of a municipality and
- Enhance the reporting requirements for development charges.

In addition, proposed amendments to the Planning Act (PA), if passed, would:

- Allow for more effective citizen engagement in the planning process
- Provide more stability for municipal planning documents and increase municipal accountability
- Strengthen the protection of provincial interests
- Encourage more up-front planning and
- Provide enhanced tools at the local level.

The Province has established a working group of key stakeholders to provide advice on complex issues needing further consideration prior to the enactment of the bill and the issuance of regulations, which is not likely to occur before the end of the year.

The purpose of this report is to provide an overview of the key changes proposed to the DCA and PA and a Regional response to both aspects of the Bill.
KEY AMENDMENTS PROPOSED TO THE DEVELOPMENT CHARGES ACT

Historical Service Level Cap

Proposed amendment: The Bill proposes to amend the DCA to prescribe services (which will be identified in the regulations) for which the determination of recoverable service expenditures would be linked to the “planned level of service” during a 10-year period immediately following the preparation of the background study; the method of estimating the forward-looking service level and the criteria to be used in doing so may also be prescribed.

Expected impact: Depending on the regulation, this approach could be very helpful to municipalities. A forward-looking service level determination would allow the recovery of growth-related costs based on a planned level of service rather than a historical average service level. This will benefit the Region particularly with respect to service level standards for both conventional and rapid transit. This amendment was previously enacted specifically for the Toronto-York Subway Extension project.

Mandatory 10% Deduction

Proposed amendment: Transit services are proposed to be exempt from the 10% cost deduction.

Expected impact: Removing the mandatory 10% discount for transit (as the Province did for the Toronto-York Subway Extension project) will lead to higher recoveries of transit-related eligible growth-related capital costs. This change also allows for Roads and Transit services to be combined into a single “Transportation” DC service. Staff supports this change and further recommends that there should be no mandated discounts.

Ineligible Services

Proposed amendment: The list of ineligible services will be removed from the DCA and the yet to be identified services will be prescribed through the regulations. Although not explicitly stated in Bill 73 the Provincial news release indicated that waste diversion would become an eligible service.

Expected impact: Making capital costs of waste diversion eligible for recovery through DCs will transfer some of the burden currently borne by existing taxpayers on to growth. The proposal to prescribe ineligible services through regulation creates both an opportunity and risk to delete or add to the list of ineligible services without seeking legislative changes. Staff support the inclusion of waste diversion but further recommend that no services should be deemed ineligible for DC funding hence recommendation c(ii). In addition, the requirement that vehicles have a minimum useful life of seven years and that computer equipment is ineligible should be removed.
Other/Administrative Items

Imposition of Area-Specific Charges and Services

The current DCA allows a municipality to apply development charges to the entire municipality or only a portion of it. Bill 73 proposes to amend the DCA to require municipalities to consider the use of multiple DC by-laws as part of their DC Background Study and could, through regulation, require a municipality to implement a DC by-law for a prescribed service and area. Area-specific charges reduce municipal funding flexibility, create fragmented cost regions and can dramatically increase administrative burden often with little benefit. As well, area-specific charges may make development in certain geographic locations unaffordable. Staff recommend that municipalities should continue to have unfettered flexibility to determine the application of region-wide versus area-specific development policies.

Asset Management Plans

In addition to current DCA requirements to consider and examine long-term capital and operating cost implications for each service included in a development charge by-law, development charge background studies would be required to include asset management plans (AMPs) that reflect full life-cycle costs and are prepared in a prescribed manner. Staff support the need for and benefits from municipalities having AMPs, however, DC background studies focus specifically on growth-related infrastructure that is yet to be constructed. Complete AMPs would address the lifecycle costing for all assets, the majority of which are already constructed, as well as infrastructure arising from the DC background study. These changes could increase the complexity of DC background studies with little benefit.

Additional Levies

Because of the restrictions of the current DCA including the mandatory 10% deduction, the historic service level cap and ineligible services, growth does not fully pay for growth. A substantial financial contribution is required from existing tax and rate payers to fund growth-related capital infrastructure. Bill 73 proposes that the DCA be amended to ensure that municipalities only impose charges that are permitted under the DCA or another Act. Some municipalities collect additional levies (often called “voluntary payments”) from developers to finance the share of growth-related capital costs that must otherwise be funded by property taxes or user rates. Although the Region of Waterloo does not have a policy regarding voluntary payments, staff support such payments in principle to ensure the impact of growth on existing tax and rate payers is minimized. The proposed amendment also gives the Minister broad powers to investigate compliance with the restriction and municipalities may be required to pay for all or part of the cost of such investigation.
Statement of Treasurer

Reporting requirements under the DCA would be amended to impose more detailed reporting which would include identifying all assets whose capital costs were funded under a DC by-law, identifying the manner in which any capital cost not funded under the by-law was or will be funded and including the statement that no “voluntary payments” were received. Further, providing the statement to the Minister shall be “on request” rather than within 60 days of submission to Council. The Region is already meeting the proposed reporting requirements.

Additional Considerations

Statutory Exemption for the Expansion of Industrial Development

Although not addressed in Bill 73, it is recommended that the Province consider further amendments to the DCA including removal of the statutory exemption that exempts DC collection on expansions to industrial buildings by up to 50%. Removal of this exemption will provide municipalities with higher DC collections to finance the cost of growth-related infrastructure.

Transitional Rules

Bill 73 would require municipalities to prepare DC background studies and pass new DC by-laws within 18 months of the date that the amendments to the Act come into force. If a new by-law is not passed within that timeframe the existing by-law is automatically repealed. Given that the maximum duration of a DC by-law is five years, staff recommend allowing existing by-laws to continue to be in force until their expiration date.

KEY AMENDMENTS PROPOSED TO THE PLANNING ACT

Generally Regional staff supports the changes proposed by Province through Bill 73 as going in the right direction but in some cases they do not go far enough to achieve the full benefit that reform of the system could achieve. Some specific areas strongly supported or where additional consideration should be given are as noted below:

1. Comprehensive Reform of the Ontario Municipal Board

As part of the Ministry of Municipal Affairs and Housing’s formal consultation on Land Use Planning and Appeal Review Regional Council made several recommendations to the Province as set out in Report No. P-13-122. Although Bill 73 addresses several of the recommendations and key planning considerations outlined in this report, it does not address Regional Council’s recommendation to review the operations, practices, procedures and reporting requirements of the Ontario Municipal Board (OMB). The Minister of Municipal Affairs and Housing has indicated the government’s intent to undertake this review, however, no further information on this intended review has been
made available. Regional staff recommends that the Province commence a review of the role of the OMB now in order to properly address the full range of issues faced by municipalities in responding to the requirements of a changing Provincial policy environment.

2. Unappealability of Conformity Updates

The proposed amendments that provide increased stability with respect to the appeals process (as outlined in Report No. PDL-LEG-15-28) partially address Regional Council’s recommendation that the Province further clarify and deem key policies and their implementation in municipal planning documents unappealable, particularly with respect to the Provincial Growth Plan, and more broadly preclude the ability for entire municipal planning documents to be appealed and held in abeyance for extended periods of time. The amendments prohibit global appeals of an entire official plan, as well as appeals of official plans in respect of the identification of an area within a vulnerable area as defined in the Clean Water Act, Greenbelt Area or Protected Countryside, or within a specialty crop area (all as defined in the Greenbelt Act, 2005), identification of forecasted population and employment growth as set out in an approved Growth Plan that applies to the Greater Golden Horseshoe Area, or the identification of a settlement boundary in a lower tier municipal official plan that conforms with an approved upper tier municipal official plan. Further, no person or public body can request an amendment to a new official plan, a new comprehensive zoning by-law or a minor variance to the new comprehensive zoning by-law for a two year period following its approval (however a municipality may initiate its own amendment). While the proposed changes move in the right direction, Regional staff continues to recommend that conformity updates to official plans approved by the Province be exempt from appeals in their entirety.

3. Ten Year Review Cycle for Official Plans

Bill 73 proposes mandatory review of a new official plan after 10 years rather than at the current five year intervals. This is a very positive change as changing official plan policy frameworks require more than five years to determine whether they functioning as anticipated. In addition, Bill 73 changes the review period for the Provincial Policy Statement from every five years to every 10 years. Aligning the time period for these reviews makes sense.

Corporate Strategic Plan:

This report supports strategic objectives found in the Corporate Strategic Plan, and particularly Focus Area 2: Growth Management and Prosperity.
Financial Implications:

Potential implications for the Region include the following:

- Increased DC funding for Grand River Transit fleet and facility expansion. The DC Background Study prepared last year sets out $118 million in development related capital costs, with only $24 million or 20% eligible to be funded by DCs. The elimination of the 10% deduction and the application of a forward looking service level could potentially result in $94 million in additional DC eligible costs.

- Under the current DCA, the Region’s Rapid Transit project is ineligible for DCs. Staff completed a DC Background Study for the Rapid Transit project in 2011 and determined that approximately $70 million of the $818 million in capital costs would be DC eligible through the elimination of the 10% deduction and the application of a forward looking service level standard.

- The Region’s recently approved 10 year Waste Management capital program includes $10.2 million in waste diversion related capital costs, some or all of which may become eligible for DC funding.

- Depending on the provisions of the regulation(s), additional DC funding may be available through currently ineligible services becoming eligible, the elimination of the mandatory 10% deduction for additional services and/or the use of a forward looking service level for additional services.

- The requirement for certain services to be area-rated may impact the level of funding required for non-legislated exemptions, such as the downtown core exemption.

In the absence of all final legislative provisions and regulations, it is difficult to predict the potential impact on the Region’s ability to impose development charges and the potential impact on residential and non-residential development charge rates. Upon final approval of the Bill and associated regulations, staff will report back to Committee with further analysis and recommended next steps.

Other Department Consultations/Concurrence:

Input was provided by Planning, Development and Legislative Services staff.

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

**Fiona McCrea**, Solicitor, Property, Planning Development & Legislative Services

**Kevin Eby**, Director, Community Planning, Planning Development & Legislative Services

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

**Rob Horne**, Commissioner, Planning Development & Legislative Services
<table>
<thead>
<tr>
<th>Meeting date</th>
<th>Requestor</th>
<th>Request</th>
<th>Assigned Department(s)</th>
<th>Anticipated Response Date</th>
</tr>
</thead>
</table>