Regional Municipality of Waterloo

Administration and Finance Committee

Agenda

Tuesday, October 6, 2015

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

Regional Council Chamber
150 Frederick Street, Kitchener

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

2. Delegations

Consent Agenda Items

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

3. Request to Remove Items from Consent Agenda

4. Motion to Approve Items or Receive for Information

Regular Agenda Resumes

5. Reports


1971243
Recommendation:

That The Regional Municipality of Waterloo support the recommendations outlined in Appendix ‘A’ to report PDL-LEG-15-71/PDL-CAS-15-10/COR-TRY-15-96, dated October 6, 2015; and

That a copy of the report together with the recommendations be forwarded to the Ministry of Municipal Affairs and Housing as the Region’s response to the Municipal Act Review.

Reports – Chief Administrative Office

5.2 CAO-SPL-15-03, The 2015-2018 Strategic Plan

Recommendation:

That the Regional Municipality of Waterloo approve the 2015-2018 Strategic Plan as outlined in report CAO-SPL-15-03.

6. Information/Correspondence

6.1 Council Enquiries and Requests for Information Tracking List

7. Other Business

8. Next Meeting – October 27, 2015

9. Motion to go into Closed Session

That a closed meeting of Planning and Works and Community Services Committees be held on Tuesday, October 6, 2015 immediately following Administration & 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 related to an agreement
b) personal matters about an identifiable individual
c) labour relations and personal matters about identifiable individuals

10. Adjourn
Report: PDL-LEG-15-71
PDL-CAS-15-10
COR-TRY-15-96

Region of Waterloo
Planning Development and Legislative Services
Corporate Services

To: Chair S. Strickland and Members of the Administration and Finance Committee

Date: October 6, 2015 File Code: L11-50

Subject: Municipal Act Review

Recommendation:

That The Regional Municipality of Waterloo support the recommendations outlined in Appendix ‘A’ to report PDL-LEG-15-71/PDL-CAS-15-10/COR-TRY-15-96, dated October 6, 2015; and

That a copy of the report together with the recommendations be forwarded to the Ministry of Municipal Affairs and Housing as the Region’s response to the Municipal Act Review.

Summary:

The Ontario Ministry of Municipal Affairs and Housing (“MMAH”) announced that they were undertaking a review of the Municipal Act (“MA”) and the Municipal Conflict of Interest Act (“MCIA”). Staff has reviewed the legislation and a preliminary submission from Association of Municipalities of Ontario (“AMO”) (attached as Appendix ‘B’). The current legislation provides municipalities with broad powers, spheres of jurisdiction, natural person powers and a range of financial responsibilities. Generally the MA has been working well and there does not appear to be a need for substantive change. The recommendations contained in the report are intended to clarify and strengthen the legislation and provide some additional authority.
Report:

1. Background

1.1. Review background

In June 2015, the MMAH announced that they were undertaking a review of the MA and the MCIA. The Provincial government is required by legislation to review the MA every five years. Based on previous information the Province has received from members of the public, municipalities and other interested groups, there are three main themes that this review will focus on:

   a) Accountability and Transparency;
   b) Municipal Financial Sustainability; and
   c) Responsive and Flexible Municipal Government.


The deadline for submitting comments to the Ministry is October 30.

1.2. AMO’s Principles for a Mature Provincial – Municipal Relationship

AMO established nine key principles to direct the Province in the review of the MA back in 2004. These principles are again being put forward to the Ministry for use during this legislative review. The principles are outlined in Appendix ‘B’. Staff would support the use of these principles in conducting the current MA review.

2. Accountability and Transparency

The MA sets out several provisions dealing with accountability and transparency. Specifically, the Ministry has asked for comments on: council codes of conduct, integrity officers, conflict of interest and open meetings.

2.1 Code of Conduct

The MA allows each municipality to enact its own code of conduct. The development of such a code is not mandatory. This means that municipalities across the Province, including the municipalities in Waterloo Region, could have various codes with differing and conflicting standards. While this lack of a standard allows for regional differences, it can be confusing to citizens particularly in a 2 tier structure. Conversely, legislation such as the Police Services Act has a statutory code of conduct for members of police services board that apply across the province. Consideration should be given for either establishing minimum code requirements or a framework that establishes standardized topic areas to be included in a code of conduct.

**Recommendation 1:** Consider establishing minimum code of conduct requirements or a framework that establishes standardized topic areas to be included in the code.
2.2 Accountability Framework and Integrity Officers

The accountability framework described in the legislation requires that municipalities have accountability/transparency policies. These policies are to cover: the sale/disposal of land, hiring of employees, procurement, notice, transparency/accountability of its actions, and delegation of authority. This is an extensive list, however, there are many other ways that the municipality holds itself accountable that are not captured within section 270 of the MA. The accountability framework of municipalities is hugely diverse. There needs to be recognition that the accountability framework of municipalities includes other pieces of legislation and other sections of the MA e.g. Clean Water Act, Environmental Assessment Act, Planning Act, Health Promotion and Protection Act.

While the MA recognizes municipalities as a mature order of government, other pieces of legislation have not been structured in the same manner. This leaves municipalities to navigate a complex structure of legislation and rules that can be highly prescriptive and not in keeping with AMO's principles for a mature provincial – municipal relationship. Given the complexity of the whole municipal framework, more regulations and/or accountability measures under the MA are not required at this time. Consideration, however, should be given to simplifying and clarifying the complex framework with MMAH and other Ontario Provincial ministries.

2.3 Integrity Officers

The Province established Integrity Officers in order to improve accountability and transparency. The Act currently allows Councils to appoint 5 different integrity officers: Integrity Commissioner, Ombudsman, Lobbyist Registrar, Auditor General and Meeting Investigator. The Integrity Commissioner is the most commonly used officer.

While the regime of Integrity Officers appears to be complete, the actual appointment of such officers is dependent on many external and local factors. Frameworks need to be easily understandable, avoid duplication where possible, and not full of jargon or legalese.

Currently there is concern that a double standard may be developing with the Ontario Ombudsman's new authority. The City of Toronto is exempt from the “final oversight” of the Provincial Ombudsman. Municipalities that chose to appoint their own Ombudsman should also be exempt from this review.

Recommendation 2: Support AMO’s position that municipalities who appoint a municipal ombudsman should be exempt from the “final oversight” of the Ontario Ombudsman.

2.4 Municipal Conflict of Interest Act (MCIA)

The MCIA needs to be structured in a way that allows elected officials to understand their obligations and meet those standards. Staff would recommend supporting AMO’s position on:

- Simplifying and updating the language of the legislation;
• Reviewing the penalty provisions in order to broaden the range of penalties so that the removal from office is reserved for the most egregious conduct; and
• Ensure the legislation establishes a policy with respect to the handling of complaints deemed to be frivolous, vexatious or in bad faith.

Recommendation 3: That MCIA be simplified, and updated to ensure elected officials understand their obligations and that the penalty provisions be reviewed to broaden the range of penalties.

Under the Members’ Integrity Act, 1994, the Provincial Integrity Commissioner provides conflict of interest advice to Ontario’s Members of Provincial Parliament. This allows Members to seek a recommendation from the Integrity Commissioner when the potential conflict arises and it allows the Member to rely on the recommendation thereafter.

Municipalities benefit from the full participation of each member of council without the need to declare unnecessary conflicts of interest. Certainty and consistency benefit councillors and thus benefit public confidence and transparency. For this reason, staff recommends that the Province create a Province wide municipal integrity officer under the MCIA. This review officer could provide advice to Councillors under the provisions of the MCIA that could be legally relied upon and be consistent across the province.

Further consideration should be given about whether this new position under MCIA needs to be separate from the integrity commissioner appointment under the MA. At this time staff supports AMO’s position that personal financial interests should be separated from code of conduct matters. Codes of conduct should focus on council’s behaviour.

Recommendation 4: That the Province create a new integrity officer under the MCIA that would mirror the Province’s Members’ Integrity Act, 1994 and have authority to provide advice that individual councillors can rely on.

2.5 Definition of a Meeting

The definition of a meeting under the MA has been subject to controversy with the introduction of the meeting investigator. The current definition of a meeting has been interpreted by the Ombudsman’s Office as any gathering of Council or Committee members. AMO’s submission to the province recommended that a “common law” definition of a meeting be included in the MA. AMO further explains “that a meeting be defined as when a quorum of elected officials gathers to deal with matters which would ordinarily form the basis of council or a local board or committee’s business and act is such a way as to move them materially along the way”. Staff would recommend that the Region support this proposal.

Recommendation 5: That the definition of a meeting be reviewed and changed to include wording that distinguishes the differences between a meeting and a gathering.

2.6 Open Meetings

The MA states that all meetings shall be open to the public unless the meeting relates to
the following exceptions:

- Security of the property of the municipality;
- Personal matters about an identifiable individual;
- Acquisition or disposition of land by the municipality;
- Labour relations or employee negotiations;
- Litigation / solicitor-client advice; and
- Education / training sessions for council members.

In general, these exceptions recognize that municipal councils need to be able to discuss certain sensitive matters or information in private so as not to prejudice the municipality in ongoing negotiations or litigation. Based on this rationale, however, staff recommends that the exceptions be expanded to include proposed or pending contracts that the municipality will be a party to. Contract negotiations would include private-public partnership (P3s) discussions supported and promoted by the Province. This would allow staff to advise council in closed session of contract negotiations with the ability to seek direction. Like land acquisitions, the final contract would be approved in open session to ensure transparency and accountability for the final agreement.

In addition, there is nothing in the legislation that allows municipalities to meet in closed session with Provincial or Federal government representatives. Given the complexity of funding public projects including P3s, the development of broad based provincial programs, the need to exchange information and ideas before legislation is invoked and the different government structures, it is important to allow for candid discussion between all the parties involved.

**Recommendation 6**: That closed meeting provisions be changed to explicitly recognize contract negotiations and intergovernmental discussions with Federal and Provincial authorities as acceptable exceptions.

### 2.7 Accountability and Transparency Training

There is no standardized training for councillors on accountability and transparency. Staff would support AMO’s recommendation:

**Recommendation 7**: That standardized training be developed and that newly elected officials be required to take this training within 90 days of taking office.

### 3 Municipal Financial Sustainability

The Province has indicated that they want to ensure local governments remain strong and financially sustainable while continuing to be accountable, flexible and responsive to the people they serve. The following issues would assist municipalities in obtaining these goals.

#### 3.1 Property Tax Capping Program

Province wide reassessments, current value assessment and the elimination of the Business Occupancy Tax, which were introduced for 1998, resulted in significant changes in property values in many municipalities in Ontario. To protect Ontario
businesses from large property tax increases arising from the property tax reform, a property tax capping program was implemented Province-wide in 1999 (retro to 1998). The program was initially intended to be a 3 year program. Some municipalities (such as the Region of Waterloo) had been updating assessed values on a regular basis and as such, did not experience the dramatic changes in assessed value that occurred in municipalities such as Toronto and Hamilton. However, all upper tier and single tier municipalities had to comply with the legislation even if the municipality did not have a significant problem. The 3 year program was extended indefinitely in 2001 and has now been in place for 18 years.

Since that time, the Province also introduced four year assessment phase-ins which protect properties from tax increases resulting from significant increases in assessed value. The assessment phase-in is in addition to the capping program and municipalities across Ontario do not need two mitigation strategies. Many municipalities such as the Region of Waterloo are required to have a capping program which benefits an extremely small number of business properties. When capping began in 1998, the Region’s capping costs were $12.5 million and 4,391 of 7,575 properties in the business classes (58%) had a capping benefit. For the 2015 taxation year, capping costs are $0.486 million with only 123 of 8,353 properties in the capped classes (1.47%) having a capping benefit. The following table summarizes the 2015 capping program impacts. The time has come to develop an exit strategy for the capping program.

<table>
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<th>Multi-res</th>
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<tr>
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<td>1.08%</td>
<td>3.21%</td>
<td>1.47%</td>
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While the Province implemented property tax capping across the Province for all municipalities under a “blanket” or one size fits all approach, it is recognized that this type of approach will not work for an exit strategy as some municipalities still have numerous properties benefitting from capping. Just as the Province has given municipalities options for their annual capping program, the Province could provide options for municipalities to exit the capping program. Options could be based on a number of factors including:

- Increasing thresholds (current level is $250)
- Increasing “caps” currently at 10% of capped taxes or 5% of CVA taxes
• % of properties capped
• cost of capping as % of taxes for the property class
• Amount of protection given on a dollar or percentage basis
• Combinations of options such as increased caps and thresholds where less than 5% of properties in a class are capped.

While the annual capping program is an upper-tier responsibility, the area municipalities, which are responsible for tax billing, bear the brunt of the administrative impact. Tax bills and billing systems must be able to handle the capping calculations and disclosure requirements and staff must spend numerous hours explaining capping to property owners and processing post-billing adjustments. An exit strategy would benefit the area municipalities as well as the Region.

Recommendation 8: That the Province provide municipalities with options for exiting the property tax capping program.

3.2 Prescribed Rates For Heads and Beds Payments in Lieu of Taxation

Under the Assessment Act, public hospitals, public educational institutions and certain other specified properties, including provincial correctional institutions, are exempt from property taxation. Despite this, section 323 of the MA allows a local municipality to levy an annual payment-in-lieu of taxation (a “PIL”) on some of these properties including universities, colleges and public hospitals. The annual tax is based on a prescribed amount and the number of full time enrolled students for colleges and universities (“heads”) and the number of provincially rated beds for public hospitals (“beds”). These PIL taxes, which are generally referred to as “heads and beds” taxes, are shared with upper tier municipalities and school boards in accordance with legislation.

In the Waterloo Region, “heads and beds” taxes are collected from all local campuses of the University of Waterloo, Wilfrid Laurier University and Conestoga College and from Grand River Hospital, St. Mary’s General Hospital and Cambridge Memorial Hospital. The prescribed amount for the purposes of section 323 of the Municipal Act (the “heads and beds” taxes) is $75 per head/bed as specified in Ontario Regulation 384/98. The amount was last adjusted in 1987 and has been unchanged for almost 30 years. Over that time, the cumulative CPI increase in Ontario has been approximately 87%. Clearly, the “heads and beds” rate has not kept pace with inflation as the amount would be approximately $140 if it had been adjusted for inflation. Municipal revenue from heads and beds taxation is clearly not keeping up with the cost of delivering municipal services.

While the Province could change the way such properties are taxed to require the payment-in-lieu amounts to be calculated based on the current value assessment for the property and the applicable tax rates, this action would require amendments to both the Assessment Act and the MA. Increasing the prescribed “heads and beds” rate
would be an easier change for the Province, the affected public institutions, municipalities and the Municipal Property Assessment Corporation.

**Recommendation 9:** That the Province review the MA and applicable regulations on the prescribed rate for heads and beds taxation to increase the prescribed rate to reflect inflation since 1987 and to develop a mechanism to review and update the rate at regular intervals to reflect inflation.

### 3.3 Property Tax Vacancy Rebate Legislation

The MA requires area municipalities to have a program to provide tax rebates to owners of commercial and industrial property that have vacant units within the property. The program is application-based and certain criteria must be met including type of space and the duration of the vacancy. To be eligible for the vacant unit rebate, the commercial or industrial building or portion of the building must have been vacant for at least 90 consecutive days. A portion of a commercial or industrial building may be eligible for a rebate if the portion was not used and was clearly delineated or physically separated from the portion of the building that was being used.

A recent decision by the Assessment Review Board (“ARB”) has allowed for a vacancy tax rebate during a labour disruption. The ARB deemed the activity during the lock-out period to be maintenance which did not constitute “use.” The County impacted by the ARB decision will apply to the Divisional Court for leave to appeal and has passed a resolution requesting the Province to review the vacancy rebate legislation relative to vacancies claimed as a result of a labour disruption. The Region of Waterloo recently supported the County’s resolution.

The ARB decision is precedent setting as it allows tax relief for temporary labour disruptions which in turn forces other taxpayers to subsidize commercial and industrial businesses and their operating decisions. Allowing vacancy rebates during periods of labour disruptions will have impacts for municipalities across Ontario. In addition to the resolution passed by Regional Council, staff recommend that the Province review the MA relative vacancy rebate legislation to ensure that businesses are not eligible for reduced property taxes for a claimed vacancy that results from a labour disruption.

**Recommendation 10:** That the Province review the MA relative to vacancy rebate legislation to ensure that businesses are not eligible for reduced property taxes for a claimed vacancy that results from a labour disruption.

### 3.4 Interest Arbitration

Interest arbitration is the only legal mechanism available to municipalities to settle contract negotiation disputes with essential municipal workers such as police,
firefighters and some paramedics. Many interest arbitration awards are based on precedents set amongst jurisdictions with entitlements being provided in a uniform manner in a similar method as patterned bargaining. Some recent examples include 24 hour scheduling for firefighters and retention pay for police officers. This is done without regard to fiscal impacts on communities and can cause costly issues for resolution at a local level. Many of the entitlements are arrived at through negotiated settlements which have been negotiated with a commensurate offset to balance a fiscal envelope. Interest arbitration tends to replicate a portion of a collective agreement without the commensurate offset which sets a bar that is very high for other jurisdictions.

**Recommendation 11:** That the interest arbitration system include awards that are more reflective of the fiscal envelope and do not add additional benefits without appropriate offsets in an effort to limit cost escalation.

### 3.5 Revenue Tools

The City of Toronto Act (COTA) provides Toronto with a broader range of tools to generate revenue than is available to other municipalities. These additional tools or non-traditional taxes are subject to some limitations or exclusions which are outlined on Page 21 of this report. To help diversify the municipal revenue base, all municipalities should have the authority to impose non-traditional taxes, the ability to enforce the taxes and the powers to address non-compliance. Individual municipal councils could then determine which, if any, of the revenue tools would be implemented. The Province should also consider regulations on how the revenue tools can be utilized in a two-tier structure such to determine who has carriage of what provisions, how these tools could be utilized and the sharing of the revenue by the local and upper tier municipalities. One option for sharing could be based on the upper and lower tiers’ respective shares of the municipal portion of the tax bill.

**Recommendation 12:** That the Province amend the MA to provide all municipalities in Ontario with the ability to impose non-traditional taxes in addition to property taxes, as permitted for the City of Toronto under the COTA. The power to impose non-traditional taxes must also include any ancillary enforcement powers, as well as powers to impose fines and penalties in cases of non-compliance and clarification of how this system will work in a two-tier structure.

### 4 Responsive and Flexible Municipal Government

The Province is interested in understanding if municipalities have the powers and flexibility they need to govern and be creative and responsive in providing services to their community. In particular the Ministry is interested in the following topics; climate change and climate change mitigation, adaptation, the division and transfer of powers between upper and lower tier municipalities, and local representation.
4.1 Climate Change

The Ministry wants to ensure the long-term prosperity and livability of our communities. The Ministry of the Environment and Climate Change (“MOECC”) is leading Ontario’s efforts to fight climate change. MOECC is currently developing a climate change strategy and action plan to be announced later this year. The Ministry is interested in hearing how municipalities can strengthen the MA to help municipalities address climate change across all municipal departments.

Regional Council approved a Corporate and Community Climate Action Plan in 2011 and 2013 respectively. These plans are focussed on green house gas (GHG) mitigation and are in the early stages of implementation. Climate Change considerations in this regard are also being incorporated into some infrastructure master plans such as water, waste, biosolids and transportation. The Region’s draft Corporate Strategic Plan also includes a potential focus on developing a Climate Adaptation Plan.

Staff believes additional tools would assist municipalities in fulfilling the climate change mandate. These tools include: access to data, closing the gaps in supportive provincial policy, financial and staff resources and ensuring on going dialogue between the involved Ministries does not result in overlapping contradictory legislation. These requests are outlined below.

Access to Data - The Province of Ontario could play an important role in enabling the 440+ municipalities in Ontario by compiling the necessary energy consumption and transportation data (e.g. VKT) at disaggregated scales and providing it to local governments to inform their planning, development and implementation of climate and energy plans. Currently, a disproportionate amount of time goes into this type of work when developing municipal climate plans yet often results in collection of inadequate granularity of datasets for advanced analysis and evidence-based decision-making in developing sound action plans.

Changes to the Province’s Building Code - Acceleration of changes to the building code would also help municipalities develop more resilient, healthier and lower carbon communities. For example, mandating new building construction targets in Ontario to be net zero at 5% by 2025, 15% by 2030, 50% by 2040 and 100% by 2050. Other examples include a ban on organic waste in landfills, policy support for municipalities developing energy from waste facilities as an alternative to landfills and requiring biofuel standards in transit vehicles with a phase in of 5% by 2018, 10% by 2023, 25% by 2030 with a transition to electric and fuel cell power thereafter as the technologies advance.

Financial and staff resources - In order to help resource implementation of community-focussed GHG emission reduction and climate adaptation plans, Ontario should accelerate it’s centralized Green Bond fund and funnel monies towards eligible municipal projects. The province’s initial $500 million Green Bond in 2014 was met with
a $2.4 Billion over-subscription to support sustainable transportation. A broader-
focussed and sustained fund, or series of themed bond issues, would make the
difference in translating planned municipal actions into local success stories with strong
optics on a provincial-municipal partnership approach to implementation of climate
plans supported by private capital.

The province could also build on the electrical utilities Embedded Energy Manager
program by funding community climate coordinator (C3) positions for up to two years to
assist in the development and/or implementation of local Climate Action Plans. Some
municipalities in B.C. are doing this with the use of their provincially rebated carbon tax.
Revenue sharing from Ontario’s carbon pricing program could be utilized to support the
C3 positions for eligible municipalities. A municipality that has a Council resolution to
develop a climate plan or approval of an existing action plan could be the key eligibility
criteria for such a program with other more defined targets/deliverables for use of the
resource.

Dialogue between the parties - The dialogue between the MOECC and MMAH must
directly include municipalities. The layering of legislation without full consultation can
lead to overlapping and contradictory results. Municipalities need to be front of mind
and treated as a partner in the development of any legislation. The legislation should
be respectful of the parties involved and not be remedial and/or punitive.

**Recommendation 13:** That the tools and legislation for climate change address; data
access, supportive provincial policy, financial and staff resources and on going dialogue
between the involved Ministries and municipalities.

**4.2 Transfer of powers between upper and lower tier municipalities**

The transfer of services between municipalities is controlled by the triple majority
process. While this requirement can be confusing for citizens, result in delays and is
perceived as overbearing, the results can lead to a better understanding of issues and
collective agreement on the outcomes. Staff is not recommending any changes to the
transfer of powers.

**4.3 Quorum Requirement**

The general provisions of the MA require that a majority of the members of a municipal
council is necessary to form a quorum. Section 237(3) of the MA allows the Region to
establish a different quorum requirement that requires the attendance of more than a
majority of its members. The Region has never used these provisions of the legislation.
Consideration should be given for removing section 237(3).

**Recommendation 14:** That consideration be given to removing Section 237(3) of the
MA, regarding specific additional quorum requirements, from the legislation.
4.4 “Bonusing”

The MA states that a municipality shall not assist directly or indirectly any manufacturing business or other industrial or commercial enterprise through the granting of bonuses for that purpose. Historically, this prohibition was intended to prevent municipalities from giving grants to businesses so that the businesses locate in one municipality over another. Over time, however, the courts have interpreted this prohibition narrowly so that it only applies to grants where there is no corresponding benefit to the municipality. Notwithstanding this narrow interpretation, municipalities, which are competing for business and other development opportunities on an international level, must still go through a prolonged analysis and face the risk and uncertainties of legal challenges based on political or other illegitimate motivations.

As a counter argument, there is a concern that municipalities will compete against each other and provide greater and greater grants with taxpayer monies to prospective manufacturing and other industrial or commercial enterprises in order to create new investments. This is a legitimate concern although municipalities, as mature levels of government, should be able to make informed decisions that are subject to public scrutiny.

As another example, the “bonusing” provisions of the MA may appear inconsistent with other Provincial legislation. Under the Clean Water Act the Region is to establish incentive programs for activities that could affect drinking water sources. There is concern that the incentive programs could appear inconsistent with the “bonusing” provision in the MA because the incentive programs are not specifically exempted from the “bonusing” prohibition in either the Clean Water Act or the MA.

**Recommendation 15:** That the Province review the “bonusing” prohibition in section 106 of the MA with a specific request to provide that incentive programs under the Clean Water Act and other similar statutory programs are specifically exempted whether by legislative amendment or by adding a Regulation-making power pursuant to which the Province may promulgate Regulations that exempt such statutory programs.

4.5 Producing Identification for a By-law Infraction

Questions have arisen in the past, especially during the implementation of the Region’s Smoking By-law, concerning a municipality’s legal authority to require an individual to produce identification as part of the investigation of a by-law infraction. To resolve this issue, staff recommends that the MA be amended to provide a specific provision.

**Recommendation 16:** That a requirement be added to the MA that would require an individual to produce identification as part of a by-law infraction investigation.

4.6 Joint and Several Liability

The joint and several provisions of the Negligence Act indicate, “Where damages have been caused or contributed to by the fault or neglect of two or more persons,…and, where two or more persons are found at fault or negligent, they are jointly and severally liable to the person suffering the loss or damage…”
Also known as the 1% rule, the joint and several provisions may oblige a defendant, which is only 1% at fault, to pay the plaintiff’s entire judgment. For example, if a person is catastrophically injured in a motor vehicle accident which is 90% the fault of the driver of the vehicle and 10% the fault of the municipality for failing to maintain the road, both the driver and the municipality are jointly liable for 100% of the plaintiff’s damages. Accordingly, in the foregoing example, if those damages are assessed at $6 million, and the driver has only $1 million of insurance, then the plaintiff can recover $5 million from the municipality, notwithstanding that it was only 10% at fault. Although the municipality should only have paid $600,000 and has the right to recover the $4.4 million overpayment from the driver, the judgment is worthless if the driver has no assets other than the $1 million insurance policy.

The main benefit is for plaintiffs and provides them with the best opportunity to be fully compensated. Without it, plaintiffs, often innocent victims, might be limited in their ability to recover damages. However, the main problem is fairness for defendants. It is unfair for a defendant whose degree of fault is minor, when compared to that of other defendants, to have to fully compensate a plaintiff should the other defendants be impecunious.

The Region and its local municipalities are most often exposed to the effects of joint and several liability arising from motor vehicle accidents alleging road design problems and/or improper winter maintenance, claims alleging negligent building inspection and claims alleging an improper response by Police, Fire and EMS services. Essentially the Waterloo Region Municipal Insurance Pool is exposed in any litigation where it is a co-defendant and the main target defendant either has no or insufficient insurance coverage or assets to respond to pay the plaintiff’s claim.

Recommendation 17: That a “cap” on the municipality’s contribution in relation to other defendants be established where the municipality is found to be jointly and severally liable in any lawsuit.

4.7 Absolute Privilege

In a recent decision of the Ontario Court of Appeal (Gutowski v. Clayton et al.), the Court confirmed the common law principle that municipal councillors do not enjoy absolute privilege as Members of Parliament and Members of Provincial Parliament do for defamatory statements that they make during municipal council meetings. Instead, municipal councillors have only “qualified privilege” as a defence, meaning that municipal councillors are liable for defamation for statements they make during council meetings if the plaintiff is able to prove that the statements were false and made with malicious intent on the part of the councillor.

The Court noted that Members of Parliament have codes of conduct to govern improper statements with the public benefit that such is resolved internally and not through the litigation process. The Court also noted that the defence of absolute privilege is granted by the legislation governing Parliament and Provincial Parliament but a similar provision is not included in the MA.

The corporate Region and the taxpayers that it serves benefit through open dialogue
and debate at council meetings as part of the democratic process without the risk of litigation against its council members. The MA now has a code of conduct process similar to those of Members of Parliament so that improper statements during council meetings can be dealt with internally. As a mature level of government, municipal councilors should have the same benefits and protections of democratically-elected representatives as Members of Parliament.

**Recommendation: 18:** That the members of municipal council be granted the statutory defence of absolute privilege.

### 4.8 Other Legislation

There are several pieces of legislation that affect municipalities that could be reviewed. Three of these pieces are the Expropriations Act, Fluoridation Act and the Municipal Freedom of Information and Protection of Privacy Act. These pieces of legislation have had limited review since their inception but do have significant impacts on municipal operations. As an example, the notice requirements in the Expropriations Act are very prescriptive, full of legalese and antiquated. This prescribed form of the notice provides no clarity for the parties involved. The Fluoridation Act does not recognize that water distribution systems may cross municipal boundaries. Again the legislation is very prescriptive and the election questions would clearer if developed under the Municipal Elections Act rules. MFIPPA was written in the late 1980s at a time when computers were not available on every desk and email didn’t exist. Updating and the clarification of these pieces of legislation should be required on a regular basis.

**Recommendation 19:** That the Expropriations Act, Fluoridation Act and the Municipal Freedom of Information and Protection of Privacy Act be reviewed.

### Overlapping Legislation

There are well over a hundred pieces of legislation that affect municipalities. While the MMAH recognizes that municipalities are mature orders of government, this opinion may not transfer to all Ministries. In certain circumstances other Ministries do not recognize municipalities as responsible and accountable orders of government and are not aware of the requirements of the MA. Municipalities provide a diverse range services no differently than the Provincial Ministries. Given the size of municipalities, overlapping and competing priorities, it can be difficult to manage all these services especially when various Ministries are introducing, changing or re-evaluating of their legislation and regulatory needs. There is an expectation that the MMAH should know what legislation is being proposed by their provincial counterparts, how it will impact municipalities and be the voice for municipalities when municipalities have not been invited to the table.

The Region of Waterloo has been an active participant in reviewing several pieces of legislation put forward by the Province. Most recently feedback has been made to MMAH with respect to the Municipal Election Act review, the Development Charges Act, and Bill 73, Smart Growth for Our Communities Act.
Corporate Strategic Plan:
The Municipal Act is a foundational piece of legislation for municipalities. While the Corporate Strategic Plan doesn’t focus specifically on this legislative review, this review is important for the Region continued operation and existence.

Financial Implications:
There are no financial impacts in developing or submitting the recommendations. Benefits may be derived from the adoption of the Regional recommendations or changes to the legislation.

Other Department Consultations/Concurrence:
The report is a joint report between Planning, Development and Legislative Services, and Corporate Services. Other departments also provided input in the report development.

Attachments
Appendix ‘A’ – List of Report Recommendations
Appendix ‘B’ – AMO’s Submission to the Minister

Prepared By: Angela Hinchberger, Director of Treasury Services/Deputy Treasurer
Kris Fletcher, Director, Council and Administrative Services
Richard Brookes, Solicitor

Approved By: Craig Dyer, Commissioner, Corporate Services and Chief Financial Officer
Rob Horne, Commissioner, Planning, Development and Legislative Services
Debra Arnold, Regional Solicitor
Appendix ‘A’ – List of Recommendation for the Municipal Act Review

1. Consider establishing minimum code of conduct requirements or a framework that establishes standardized topic areas to be included in the code.

2. Support AMOs position that municipalities who appoint municipal ombudsman should be exempt from the “final oversight” of the Ontario Ombudsman.

3. That MCIA be simplified, and updated to ensure elected official understand their obligations and that the penalty provisions be reviewed to broaden the range of penalties.

4. That the Province create a new integrity officer under the MCIA that would mirror the Province’s Members’ Integrity Act, 1994 and have authority to provide advice that individual Councillors can rely on.

5. That the definition of a meeting be reviewed and changed to include wording that distinguishes the differences between a meeting and a gathering.

6. That closed meeting provisions be changed to explicitly recognize contract negotiations, and intergovernmental discussions with Federal and Provincial authorities, as acceptable exceptions.

7. That standardized training be developed and that newly elected officials be required to take this training within 90 days of taking office.

8. That the Province provide municipalities with options for exiting the property tax capping program.

9. That the Province review the MA and applicable regulations on the prescribed rate for heads and beds taxation to increase the prescribed rate to reflect inflation since 1987 and to develop a mechanism to review and update the rate at regular intervals to reflect inflation.

10. That the Province review the MA relative to vacancy rebate legislation to ensure that businesses are not eligible for reduced property taxes for a claimed vacancy that results from a labour disruption.

11. That the interest arbitration system include awards that are more reflective of the fiscal envelope and do not add additional benefits without appropriate offsets in an effort to limit cost escalation.

12. That the Province amend the MA to provide all municipalities in Ontario with the ability to impose non traditional taxes in addition to property taxes, as permitted for the City of Toronto under the COTA. The power to impose non-traditional taxes must also include any ancillary enforcement powers, as well as powers to impose fines and penalties in cases of non-compliance and clarification of how this system will work in a two-tier structure.
13 That the tools and legislation for climate change address; data access, supportive provincial policy, financial and staff resources and on going dialogue between the involved Ministries and municipalities.

14 That consideration be given to removing Section 237(3) of the MA, regarding specific additional quorum requirements from the legislation.

15 That the Province review the "bonusing" prohibition in section 106 of the MA with a specific request to provide that incentive programs under the Clean Water Act and other similar statutory programs are specifically exempted whether by legislative amendment or by adding a Regulation-making power pursuant to which the Province may promulgate Regulations that exempt such statutory programs.

16 That a requirement be added to MA that would require an individual to produce identification as part of a by-law infraction investigation.

17 That a “cap” on the municipality’s contribution in relation to other defendants be established where the municipality is found to be jointly and severally liable in any lawsuit.

18 That the members of municipal council be granted the statutory defence of absolute privilege.

19 That the Expropriations Act, Fluoridation Act and the Municipal Freedom of Information and Protection of Privacy Act be reviewed.
19.1 Appendix ‘B’ – AMOs Submission to the Minister

AMO Submission to the Minister of Municipal Affairs and Housing concerning the 2015 Municipal Act Five-Year Review and Conflict of Interest Review

September 8, 2015
The Board has had several discussions about the Ministry's Municipal Legislation Review and makes this initial submission which addresses both the Municipal Act and the Conflict of Interest Act.

We recognize that the Ministry is likely to receive input from others outside municipal government in response to the review of the authorities, accountability and transparency elements. We'd be pleased to provide practical, operational commentary to the Ministry on the input of others. At the end of the day, the ability to implement policy is just as important as any policy change itself. New policy needs the lens of operational considerations so that consequences are understood and can be avoided at best or mitigated.

A. Municipal Act Review

Background:

The current framework of the Municipal Act sets out the broad powers of municipal government, spheres of jurisdiction as well as natural person powers, all of which are the outcomes of previous major change to the Act.

These were changes that municipal governments had championed for years. A more modern Act was introduced, ending a legislative framework that for far too long told municipal governments how to do their business in very specified detail, treating all municipal governments in the same manner.

AMO, along with various staff associations\(^1\) worked together and in the fall of 2004 established nine key principles to direct the Province in the review of the Municipal Act, 2001 and any future legislation affecting municipalities in Ontario. Those principles are:

Principles for a Mature Provincial-Municipal Relationship:

1. Municipalities are responsible and accountable governments.
2. New legislation shall enhance existing municipal powers.
3. The Province shall stop micromanaging municipal governments.
4. Where there is a compelling provincial interest the Province shall, when regulating municipal government, define at the outset that interest.
5. Provincial legislation shall be drafted with the expectation of responsible municipal government behaviour and not as a remedial tool.
6. Accountability means mutual respect between municipal government, the Province and other public agencies.

\(^1\)Association of Municipal Clerks and Treasurers of Ontario (AMCTO), the Municipal Finance Officers' Association (MFOA), the Ontario Municipal Administrators' Association (OMAA), the Municipal Law Departments Association of Ontario (MLDAO) and the Ontario Good Roads Association (OGRA),
7. Resources for municipal governments shall be sustainable and commensurate with the level of responsibility.

8. The Municipal Act shall include principles that will protect the Municipal Act and municipal powers from provincial legislation.

9. The Province shall commit to increasing the understanding and awareness of municipal government within all ministries.

The review commenced in 2005 by then Premier, Hon. Dalton McGuinty was done with special attention to ensuring the province was not micro-managing municipalities. On more than one occasion, the Premier said that he was not elected to run municipal government but rather that is what municipal elections served. There was mutual agreement that providing a municipal governing framework that permitted local solutions within the context of local circumstances would be better than a top down, provincially prescribed rules based, one-size fits all approach, which was the historical approach of the Act.

The nine (9) principles above guided that work and AMO made significant recommendations to the government during the pre-consultation phase and in its submission to the Standing Committee on General Government. Many of those recommendations found their way into the 2006 legislation (Bill 130, Municipal Statute Law Act) which took effect January 1, 2007. It required a municipal council and administration to be less reliant as a ‘ward’ of the province and to use its ‘own legs’ – determining the policy and procedures that made sense within the community and to change them when needed.

With the changes to the Act in 2006, the province moved a good distance to end its micromanagement approach and AMO saw it “as yet another milestone in the advancement of a more collaborative and respectful relationship.” Greater local authority and greater choice meant better local responsibility. It certainly helped reduce the number of Bills including private member Bills being introduced in the House to deal with a local matter as one example of the benefit of the new framework.

**Today:**

AMO’s principles used 10 years ago still hold true for this five-year review and the Board has re-confirmed them.

Basically, the Municipal Act’s framework is working well and there is no major overhaul needed, but rather some clarity and some additional authority.
AMO Submission to the Minister of Municipal Affairs and Housing concerning the 2015 Municipal Act Five-Year Review and Conflict of Interest Review

In addition to this submission, we will be looking at some technical amendments being developed by several staff associations, in particular the Municipal Finance Officers Association’s review of the financial areas of the Act and we will provide further comment.

In considering the above, AMO’s recommendations in this initial submission on the Municipal Act are:

1. As a measure to help diversify the municipal revenue base, incorporate into the Act the taxing authority that resides in the City of Toronto Act. In making this recommendation, AMO wishes to make it clear that this additional permissive taxing authority may be helpful to several municipal governments but it will not bring fiscal sustainability across Ontario, even to those that might use some of that authority. We have witnessed the campaigns of special interest groups, e.g., real estate industry against the use of the land transfer tax, which is the vulnerability of such authority.

City of Toronto Act

267. (1) The City may, by by-law, impose a tax in the City if the tax is a direct tax, if the by-law satisfies the criteria described in subsection (3) and if such other conditions as may be prescribed are also satisfied. 2006, c. 11, Sched. A, s. 267 (1).

Exclusions, types of tax

(2) The City is not authorized to impose any of the following taxes:

1. A tax imposed on a person in respect of the person’s income, revenue, profits, receipts or other similar amounts.

2. A tax imposed on a person in respect of the person’s paid up capital, reserves, earned surplus, capital surplus or any other surplus, indebtedness or in respect of similar amounts.

3. A tax imposed on a person in respect of machinery and equipment used in research and development or used in manufacturing and processing and in respect of any assets used to enhance productivity, including computer hardware and software.

4. A tax imposed on a person in respect of remuneration for services, including non-monetary remuneration, that is paid or payable by the person or that is conferred or to be conferred by the person.

5. A sales tax imposed on a person in respect of the acquisition or purchase of any tangible personal property, any service or any intangible property, other than a tax imposed on the person,
   i. for the purchase of admission to a place of amusement as defined in the Retail Sales Tax Act,
   ii. for the purchase of liquor as defined in section 1 of the Liquor Licence Act for use or consumption,
   iii. for the production by the person of beer or wine, as defined in section 1 of the Liquor Licence Act, at a brew on premises facility, as defined in section 1 of that Act, for use or consumption, or
   iv. for the purchase of tobacco as defined in section 1 of the Tobacco Tax Act for use or consumption.

6. A tax imposed on a person in respect of lodging in or the use of the rooms or other facilities of a hotel, motel, hostel, apartment house, lodging house, boarding house, club or other similar type of accommodation, including a tax in respect of services provided by the owner of the accommodation that are related to the lodging or that are related to the use of the rooms or other facilities, but not a tax described in subparagraphs 5 i to iv.

7. A tax imposed on a person in respect of the acquisition of any gas or liquid that may be used for the purpose of generating power by means of internal combustion and in respect of any special product or any substance that may be added to the gas or liquid.

8. A tax imposed on a person in respect of the person’s consumption or use of energy, including electricity.

9. A tax on a person’s wealth, including an inheritance tax and a tax in respect of,
i. the total value of assets or the total value of two or more classes of assets owned by the person, or
ii. any monetary assets or financial instruments owned by the person.
10. A poll tax imposed on an individual by reason only of his or her presence or residence in the City or in part of it.
11. A tax on the generation, exploitation, extraction, harvesting, processing, renewal or transportation of natural resources.
12. A tax on the supply of natural gas or artificial gas.
13. A tax on the use of a highway (as defined in subsection 1 (1) of the Highway Traffic Act) by a person in respect of equipment placed under, on or over the highway for the purpose of supplying a service to the public.” 2006, c. 11, Sched. A, s. 267 (2).

Across Ontario, there is a significant infrastructure gap in municipal core infrastructure (over $60 billion). In addition, there is other capital and operating demands such as the housing stock transferred to municipal governments in the late 1990s, which is not captured in this gap figure, nor are the recreation, park and cultural facilities that contribute to quality of life and vibrancy of community.

The municipal fiscal challenges cannot be met with the nine cents of every household tax dollar that municipal governments in Ontario receive. It can only be tackled in a substantive manner with a more predictable and secure approach. AMO is currently working on a project “What’s Next Ontario?” to develop in concert with its membership a framework for municipal fiscal sustainability and will share with the province the outcomes of this work as it develops. In the meantime, as noted, some municipal governments may be in a position to utilize Toronto’s additional special tax tools authority.

2. The Municipal Act must contain a better definition of a “meeting”. The need for this has become readily apparent as a result of closed meeting investigations conducted under Section 239. The current regime did not anticipate that closed meeting investigators would hold different approaches as to what constitutes a meeting for the purposes of the Act. The broad definition used by the Ontario Ombudsman means that any gathering of members of council or a committee would constitute a meeting. For example, a delegation of council members to meet with a Minister could be captured by the Ombudsman’s definition. This is confusing to not only councils but the people who advise them about the rules for open meetings as well as the public.

As we did with Bill 8, we recommend that the common law definition of meeting be included in the Act to provide clarity and consistency for all participants. We have suggested that a meeting be defined as when a quorum of elected officials gathers to deal with matters which would ordinarily form the basis of council or a local board or committee’s business and acts in such a way as to move them materially along the way.
The definition of meeting should not be as broad as the Ontario Ombudsman’s. The Ombudsman for British Columbia has brought some common sense to this by differentiating between a meeting and a gathering as follows:

<table>
<thead>
<tr>
<th><strong>A gathering is less likely a meeting if:</strong></th>
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<tr>
<td>• there is no quorum of board, council or committee members present</td>
</tr>
<tr>
<td>• the gathering takes place in a location not under the control of the council or board members</td>
</tr>
<tr>
<td>• it is not a regularly scheduled event</td>
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<tr>
<td>• it does not follow formal procedures</td>
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<tr>
<td>• no voting occurs and/or</td>
</tr>
<tr>
<td>• those in attendance are gathered strictly to receive information or to receive or provide training</td>
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<table>
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<tr>
<th><strong>A gathering is more likely a meeting if:</strong></th>
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<tbody>
<tr>
<td>• a quorum of council, board or committee members are present</td>
</tr>
<tr>
<td>• it takes place at the council or board’s normal meeting place or in an area completely under the control of the council or board</td>
</tr>
<tr>
<td>• it is a regularly scheduled event</td>
</tr>
<tr>
<td>• formal procedures are followed</td>
</tr>
<tr>
<td>• the attendees hold a vote and/or</td>
</tr>
<tr>
<td>• the attendees are discussing matters that would normally form the basis of the council’s business and dealing with the matters in a way that moves them toward the possible application of the council’s authority.”</td>
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It is unfortunate that in Ontario we need to legislate what constitutes a meeting, but the current conflicting approaches cannot continue and a reasonable definition, one that has support in jurisprudence should be incorporated in the Act.

3. Apply prudent investment standard to One Investment Program, which would enable this pooled investment authority to provide its participants with greater diversification. It would provide for the management of funds based on return potential and risk rather than the “legal list” approach of the statute. A legal list cannot keep pace with evolving investment markets.

The One Investment Program has a solid track record, with a very active oversight Board and accountability to its participants. It needs to move from the “legal list” to letting professional investment managers manage portfolios according to the market. Prudent investment status would allow the municipal governments to better utilize investments as a source of revenue. Additional revenue would help municipal budgets and related capital financing plans.

AMO and its Local Authority Services subsidiary, and the Municipal Finance Officers Association of Ontario have managed this pooled investment plan with solid rates of return for 15 years. We have provided vast amounts of documented evidence over the years as we have pursued this change. Our current understanding is that the Ministry is contemplating giving the City of Toronto prudent investment status. There is no barrier to the City participating in the One Investment Program. If other large municipalities are designated as such and the One Investment Program does not receive the status, we will not be able to compete and the pooled program will erode, resulting in higher fees with fewer investment options. AMO chooses to believe that the province would not take any action that would undermine the investment program and three important municipal organizations.

4. There are also several changes that would lend clarity and further modernize the Act.

- Develop a provision to clearly provide parental leave for Mayors and Councillors by cross-referencing the parental leave legislation. This should be done in such a manner that parental leave does not require authorization from Council under the Municipal Act, and that it does not constitute an absence from meetings of Section 259 (1).

- Permit a council to establish a policy, if it chooses, on when participation at its meetings, committee and local board meetings, including accessibility advisory committee meetings might be conducted by using telephone or video conferencing. Section 40(7) of the Northern Services Board Act permits meetings by tele-conference, video-conference or other means of distance communication.
Council could include in its policy provisions related to the frequency and method of conferencing, other limitations and when council’s policy should be reviewed. Where a council prepares such a policy, it would form part of the municipal government’s procedures. There can be situations where remote participation supports the representative role of councillors. It is our view that individual members of council would use this authority judiciously. We recognize that this recommendation would not be enabled in parts of Ontario because of technology limitations, but it does reflect the principles articulated above.

Summary:

By and large, the Municipal Act is working well and our review did not reveal any major failings. It provides municipal governments with broad authority so that councils’ policy decisions can reflect local circumstances and local needs as they evolve over time. These initial recommendations on authority are made to add some clarity and modernity and as previously noted, we will be providing further advice based on the technical recommendations of the various staff associations.

B. Transparency and Accountability

Background:

Appendix A provides a summary of the existing accountability framework within the Municipal Act and the Municipal Conflict of Interest Act (MCIA). The latter Act has not had any major review over the years.

Municipal ethics is concerned with ensuring that the standards of behaviour of municipal officials adhere to the core values of the municipality. The public consistently rates municipalities as the most trusted order of government in Canada. If a municipal government does not have the public’s trust, it then holds every reason to earn it. Simply put, good government is best served when municipal governments and their designated bodies meet that goal independently rather than through provincial micromanagement and specific oversight.

The government’s focus on accountability and transparency in this Review is related to integrity situations that have occurred during the last few years that have received a great deal of public attention. The recommendations that follow have benefited from the insight and advice from municipal associations, senior municipal staff and experts on municipal governance and accountability, including lawyers and integrity commissioners.
The AMO Board believes that the following should form the desired outcomes of this review:

✓ Any municipal accountability framework shall recognize that municipal governments are mature, responsible and accountable levels of government. The provincial government has recognized municipalities both generally and specifically as responsible governments and, as such, any changes should not undermine this position.

✓ Any municipal accountability framework should be straightforward and it should be easily understood by elected officials and the public. In other words, it should not be complex or legalistic. Additionally, any changes to the framework must not expose staff and municipal governments to increased liability.

✓ Elected officials should have access to a person who is able to provide them with advice on potential conflicts of interest and they should be able to rely on that advice. Certainty and affordability are key values in any process, including conflicts of interest.

✓ An accountability framework should have safeguards to prevent and to address frivolous and vexatious complaints. Without these safeguards, it could be misused for political and other ends.

Specific Recommendations:

In addition to the above desired outcomes, the following recommendations are being made to the Ministry:

1. The existing municipal accountability framework is confusing and needs to be structured in a way that allows elected officials to understand their obligations and to conduct themselves in a way that complies with those obligations. The MCIA is overly legalistic and it is difficult to understand, particularly by elected officials who bear personal responsibility for complying with the Act.

2. The term “pecuniary interest” is an outdated term. The MCIA should be updated to incorporate modern language and overarching principles of ethics and integrity.

3. The MCIA is rather draconian and the penalties are too severe. It should be amended to provide for a broader range of penalties. Removal from office should be reserved for the most egregious conduct.

4. Elected officials should be able to seek advice from a municipal integrity commissioner for MCIA as well as municipal code of conduct advice and they should be able to rely on the advice received. As with the closed meeting investigation and ombudsman framework, the provincial integrity commissioner could be the default advisor for municipal governments.
5. An appointed municipal integrity commissioner should be able to investigate complaints related to conflict of interest matters under the *Municipal Conflict of Interest Act*, with the authority to impose penalties. A municipal integrity commissioner can be appointed under the *Municipal Act* to deal with codes of conduct complaints. The provincial integrity commissioner could act as a default investigator for those municipalities that do not appoint their own.

6. Where an integrity commissioner has the ability to remove someone from office for an offence under the *MCIA*, there should be a process for judicial review.

7. An accountability framework should give clear authority and set out safeguards to prevent and to address frivolous and vexatious complaints.

8. Some codes of conduct are drafted to include conflicts of interest arising from a member’s financial interest, raising the possibility that a single action could breach both the *MCIA* and a council’s code of conduct. Personal financial interests should be separate from code of conduct matters. Codes of conduct should focus on councils’ behaviour; e.g. use of workplace assets, ‘gifts’, staff/council member interaction, etc. Combining all potential ethical matters in a code of conduct can create confusion.

9. Require that accountability and transparency training is completed within 90 days of taking office. Council members are already required to do mandatory training on their personal liabilities with respect to the *Safe Drinking Water Act*. Human behaviour cannot be legislated, however solid upfront knowledge, the clarity of law, and reliable advice are important inputs to judgement and action for both elected officials and others.

10. One of the outcomes of Bill 8’s amendment process is to exempt the City of Toronto from the ‘final oversight’ of the Ontario Ombudsman. In the Committee’s review process, it did not exempt other municipal governments who appoint their own municipal ombudsman. There is no reasonable rationale for such a dual standard and this should be rectified.
Summary:

The already extensive and complex municipal accountability framework should not be made even more complex and legalistic. There will no doubt be differing perspectives on how to ‘reform’ the accountability framework, including the Municipal Conflict of Interest Act. AMO remains open to discussing with the Ministry ideas for change that may come from others.

At the end of the day, municipal governments are the most accessible and accountable order of government. Any change to the accountability framework needs to complement this rather than detract from it. The desired outcomes articulated above have merit and should be used in evaluating any legislative change. In addition, there needs to be an across-the-board view in making any changes to any part of the framework.

Conclusion:

AMO’s Board submits these comments and recommendations for consideration. As noted, there may be some additional technical amendments from municipal staff associations. As always, AMO is available for government to government discussions on these and any other recommendations the Ministry receives.
Appendix “A”

The Existing Accountability Framework

Ontario does not have a comprehensive statute or regulation that addresses municipal accountability and transparency. Codes of conduct and integrity commissioners are addressed in Part V.1: Accountability and Transparency of the Municipal Act, while open meetings are addressed in Part VI: Practices and Procedures of the Municipal Act. Financial conflicts of interest are dealt with in the Municipal Conflict of Interest Act. Additional sources of municipal accountability and transparency rules include the Criminal Code, judicial inquiries/common law and, as of January 2016, the Ombudsman Act.

The Municipal Act

Codes of Conduct
The Municipal Act permits municipalities to establish local codes of conduct for members of council and local boards. Codes of conduct are bylaws that establish standards for ethical behaviour when members are acting in their official capacity and for compliance with the municipality’s rules, policies and procedures. Common issues addressed in codes of conduct include relations with other members of council, staff and the public, gifts and benefits, confidentiality, use of property and discrimination/harassment. Some codes have gone beyond these areas and touch upon financial interest, which can be confusing.

It is up to a municipality to determine the content of its code of conduct, the complaints process and many of the rules around its enforcement. However, a municipality cannot make it an offence to breach the code of conduct. The only two penalties available for breaching the code of conduct are a reprimand or a suspension of pay for up to 90 days. Responsibility for overseeing the code of conduct is normally assigned to a municipal integrity commissioner appointed by the municipality.

Integrity Officers
The Municipal Act permits municipalities to appoint the following integrity officers to help increase accountability and transparency at the local level:

- Integrity Commissioner
- Municipal Ombudsman
- Auditor General
- Lobbyist Registry

Integrity Commissioner: A municipality may appoint an integrity commissioner who is independent of council to interpret its code of conduct, to provide confidential advice to members on their obligations under the code and other rules, procedures and policies. In carrying out his or her responsibilities, the integrity commissioner may exercise such powers and perform such duties as are lawfully assigned by the municipality. Generally, a municipal integrity commissioner may investigate an alleged code violation and make recommendations to council about penalties. Other processes are in place to do this. If council accepts the integrity commissioner’s recommendation, it may either reprimand the member or suspend the member’s pay for up to 90 days. Councils do
not have the ability to impose other types of penalties or to make a breach of the code of conduct an offence punishable by law. The Integrity Commissioner has no authority for assigning penalties; this is a matter for Council as a body in the public domain.

**Municipal Ombudsman:** A municipality may appoint a municipal ombudsman to investigate complaints or self-identified investigations (i.e. system reviews) of matters that deal with the administration of the municipality and its agencies, boards and commissions. A municipal ombudsman shall conduct all investigations in private and maintain confidentiality. The municipal ombudsman's power is limited to reporting and making recommendations to council. Aside from Toronto, which is required to appoint a municipal ombudsman, no Ontario municipalities have availed themselves of this authority.

**Auditor General:** A municipality may appoint an Auditor General who reports to council and is responsible for assisting the council in holding itself and its administrators accountable for the quality of stewardship over public funds and for achievement of value for money in municipal operations. Most municipalities rely on their internal or external auditor to determine the municipal government's financial picture and financial statements. Aside from Toronto, which is required to have an Auditor General, Ottawa appears to be the only municipality that currently has an Auditor General. The Provincial Auditor General already holds the ability to investigate use of provincial grant funds for a specific purpose or as a systemic review/value for money of a funding program.

**Lobbyist Registry:** A municipality may establish a public registry for lobbyists, establish a code of conduct for lobbyists and prohibit former public office holders from lobbying for a designated period of time. Toronto, Ottawa and Hamilton currently have lobbyist registries.

**Open Meetings**
Meetings of councils and local boards must be held in public, unless they fall into one of the limited closed meeting exemptions in Section 239 of the *Municipal Act*. For example, meetings may be closed for discussion of matters that are before the courts, a pending purchase or sale of land, or personal matters about an identifiable individual.

Municipalities may appoint an independent open meeting investigator to investigate whether a meeting was properly closed to the public. Municipalities have appointed individuals or investigative services or have defaulted to the Ontario Ombudsman as the closed meeting investigator. Open meeting investigations often hinge on determining whether a meeting has in fact occurred.

**Judicial Inquiries**
The *Municipal Act* authorizes a municipality to pass a resolution requesting that a judge conduct an inquiry under the *Public Inquiries Act* to investigate any supposed breach of trust or other misconduct, to inquire into any matter connected with the good government of the municipality or to inquire into the conduct of any part of the public business of the municipality. In conducting an inquiry, a judge has the extensive investigatory powers. However, a judge does not have any enforcement powers; he or she can only make recommendations to the municipal council.
There have been two high profile municipal inquiries in Ontario in recent years. In 2005, Justice Denise Bellamy delivered her report of the Toronto Computer Leasing Inquiry/Toronto External Contracts Inquiry. The inquiry resulted from allegations of conflict of interest, bribery and corruption in the newly amalgamated City of Toronto’s procurement practices. Justice Bellamy found that there were a number of improprieties in the City’s dealings with its external contractors and she made 241 recommendations to Council.

With respect to ethics, Justice Bellamy recommended that council appoint an integrity commissioner to provide advice to councillors and staff, investigate complaints and recommend an appropriate range of sanctions for misconduct. She also recommended an expansion of the existing code of conduct to include broader principles and conflicts of interest and more stringent rules around lobbying, including the creation of a lobbyist registry. Some of Justice Bellamy’s recommendations were adopted in new accountability and transparency sections of the City of Toronto Act and the Municipal Act during the 2006 legislation review.

In 2011, Justice Douglas Cunningham released his final report of the Mississauga Judicial Inquiry, titled “Updating the Ethical Infrastructure”. The second part of the inquiry stemmed from allegations that Mayor Hazel McCallion improperly inserted herself into a land development deal between the City of Mississauga and a private company in which her adult son had a financial interest. Justice Cunningham found that Mayor McCallion had a “real and apparent conflict of interest”, but she did not breach the narrow rules laid out in the MCIA.

Justice Cunningham made 27 recommendations pertaining to municipal accountability. Similar to Justice Bellamy, he recommended expanding the code of conduct and definition of a conflict of interest and appointing an integrity commissioner to provide advice, investigate complaints and make recommendations to Council. He also recommended providing safeguards to preserve the independence of the integrity commissioner such as security of tenure and indemnification.

Justice Cunningham spent a substantial amount of time discussing the MCIA and the need to clarify and coordinate the respective roles of integrity commissioners and judges in regulating conflict of interest. Some of Justice Cunningham’s recommendations would require municipalities and staff to take on some responsibility for conflict of interest compliance such as publishing a list of conflicts and providing comfort letters to parties doing business with a municipality.
The Municipal Conflict of Interest Act

The Municipal Conflict of Interest Act (MCIA) regulates how elected officials are to conduct themselves when they have a pecuniary or financial interest in a matter that is being considered by council or a committee. Conflicts of interest arise where there is a clash between a member’s private financial interest and their public duty. When present at a meeting in which a matter is to be considered, a member who has a direct or indirect financial interest in the matter must declare a conflict of interest, describe the nature of the conflict and recuse himself or herself from voting on the matter. The member is also prohibited from influencing or attempting to influence the vote on a matter in which they have a financial interest. The financial interests of a member’s parent, spouse or child that are known to the member are deemed to be the financial interests of the member for the purposes of the Act.

The Act provides some exceptions to the general rule on conflict of interest, including where the member has a financial interest in common with electors generally or where the interest of the member is so remote or insignificant in its nature that it cannot reasonably be regarded as likely to influence the member.

Within six weeks of becoming aware of the conflict, an “elector” who believes that a member has contravened the MCIA may apply to a court to determine the question. A judge is required to declare the seat of a member vacant where a conflict of interest exists, unless the judge finds that the member contravened the MCIA through inadvertence or an error in judgment. While the MCIA provides for some additional discretionary penalties, the consequences for breaching the Act are severe. Individual members bear personal responsibility for complying with the MCIA and must seek their own independent legal advice about potential conflicts of interest.

As the MCIA is interpreted and enforced by the courts, much of the law on conflict of interest is found in court decisions. Additionally, confusion arises when there is an overlap between codes of conduct and the MCIA. Some codes of conduct address conflicts of interest arising from a member’s financial interest, raising the possibility that a single action could breach both the MCIA and a council’s code of conduct. It is not often clear whether a municipal integrity commissioner may continue to investigate in these circumstances and how a court proceeding will affect a municipal integrity commissioner’s investigation.

The Criminal Code

It is a criminal offence for a municipal official to commit fraud or a breach of trust in connection with their duties of office. It is also a criminal offence to corrupt a municipal official or to use threats, deceit or other unlawful means to influence a municipal official. The maximum penalty for breaching the municipal provisions in the Criminal Code is five years imprisonment.
As of January 1, 2016, the Ontario Ombudsman will have expanded oversight of municipal governments. The following changes will be made to the municipal accountability framework:

- The Ontario Ombudsman will become the default ombudsman for municipal governments that do not appoint a municipal ombudsman, except in the City of Toronto.
- The Ontario Ombudsman will have ‘final oversight’ of individual complaints where a municipal ombudsman has been appointed, except in the City of Toronto.
- The Ontario Ombudsman will have oversight of municipal auditors general and integrity commissioners. The government has not provided clarification on the scope of the Ontario Ombudsman’s powers in these areas.
- The Ontario Ombudsman will be able to conduct ‘systemic’ investigations of all municipal governments, including the City of Toronto.
- The existing closed meeting investigation regime will be maintained and there will be no ability to refer a matter for ‘final oversight’ to the provincial Ombudsman. The Ontario Ombudsman will continue to be the default closed meeting investigator where a municipality has not appointed a closed meeting investigator.
- By regulation, boards of health, library boards, long-term care homes and police services boards are to be excluded from an Ombudsman’s oversight. It is not clear what, if any, role the Ontario Ombudsman will play in enforcing codes of conduct and whether the Ontario Ombudsman’s role will be limited to maladministration. There is also concern that municipal integrity officers will be required to breach their confidentiality requirements under the Municipal Act by turning over confidential documents and information to the Ontario Ombudsman.

It is not clear what, if any, role the Ontario Ombudsman will play in enforcing codes of conduct and whether the Ontario Ombudsman’s role will be limited to maladministration. There is also concern that municipal integrity officers will be required to breach their confidentiality requirements under the Municipal Act by turning over confidential documents and information to the Ontario Ombudsman.
Region of Waterloo
Office of the Chief Administrator
Strategic Planning and Strategic Initiatives

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

Date: October 6, 2015

Subject: The 2015-2018 Strategic Plan

Recommendation:

That the Regional Municipality of Waterloo approve the 2015-2018 Strategic Plan as outlined in report CAO-SPL-15-03.

Summary:

This report outlines the recommended 2015-2018 Strategic Plan for the Region of Waterloo. The Strategic Plan provides a focus for the organization and ensures there is a common direction over the next four years for Council and staff. The Region’s Strategic Plan guides decision-making, helps to focus resources on the most pressing priorities, and informs the annual budget process. The development of the Strategic Plan has been guided by Regional Council, and has been based on significant public and staff consultation throughout the process. The Strategic Plan strives to foster and support five areas of focus - Thriving Economy, Sustainable Transportation, Environment and Sustainable Growth, Healthy, Safe and Inclusive Communities, all delivered by a Responsive and Engaging Government. Twenty-two strategic objectives and sixty-three supporting actions have been identified across the five focus areas.

The Strategic Plan communicates the commitment to advance, measure and report on the progress on the specific actions identified within the plan. Ongoing partnerships and dialogue with citizens and customers of regional services, area municipalities, partner organizations and other levels of government will be key to the success of the Region’s Strategic Plan.
1.0 Background

The Region of Waterloo engages in a strategic planning process for every term of Council to identify priorities for the next four years, and to ensure the Region is prioritizing the most pressing issues and needs of the community. The Plan also provides a focus for the organization and ensures there is a common direction over the next four years for Council and staff. The Region’s Strategic Plan guides decision-making and helps inform the annual budget process. The development of the plan has been guided by Regional Council, and has been based on significant public and staff consultation as summarized in this report and described in detail in report CAO-SPL-15-02.

The Region of Waterloo’s Strategic Plan framework includes the following key components:

- **Vision**: describes the preferred future and the impact the organization hopes to have on the community. The vision defines what we aspire to for our community.

- **Mission**: describes the organization’s purpose and addresses why the organization exists. The mission defines what we do.

- **Values**: the collective commitment to how staff and Council work with citizens, customers, colleagues and community partners. The values define how we work.

- **Focus Areas**: the areas of focus for staff and Council to achieve the vision. The focus areas define our focus for the term of Council.

- **Strategic Objectives**: add clarity and describe the overall intent and direction of the focus area, helping staff align their work to the focus area. The strategic objectives define “what” the Region is trying to accomplish within each area of focus.

- **Actions**: are concrete initiatives or projects that the Region is committed to working on over the term of council. The actions define “how” the Region will make progress towards each of the strategic objectives.

2.0 Strategic Planning Process

The 2015-2018 strategic planning process was approved in December 16, 2014 (CAO-SPL-15-001). The involvement of Regional Councillors and Council’s Strategic Planning Steering Committee was critical to the success of the overall planning process. The
Council Steering Committee provided advice and direction to Regional staff, and acted as a “sounding board” throughout the Strategic Planning process. Steering Committee members included: Regional Chair Ken Seiling, Councillors Helen Jowett, Jane Mitchell, Sean Strickland and Wayne Wettlaufer (during his time on Regional Council). Throughout the strategic planning process Regional Council participated in 4 workshops to consider public insight, to identify broad priorities for the Council term, and to identify increasingly specific goals, objectives and actions to address these priorities.

The following provides a summary of the key activities, and outcomes that occurred throughout the strategic planning process.

2.1 Compiling background information (December 2014 to January 2015)

Statistical trends and future projections were identified to provide context and background information for the planning work. A profile of the community and an analysis of the regional demographics helped inform Council and stakeholders about key trends and issues as well as possible future challenges that could impact the community in the near and long term. This information was provided to Council as background information during Council’s initial strategic planning workshop in April 2015. This information was also presented at two community forums with the public on March 26th and March 27th and is also available on the Region’s website.

2.2 Process to gather public and staff input – (January to August 2015)

To ensure that the Strategic Plan is relevant and meaningful to the community, input was sought from citizens and staff through two main phases of engagement and consultation, branded as “Strat Chat” (See Figure 1). Phase 1 was broad-based and focused on gathering information regarding high level priorities from the public and staff. Phase 2 delved deeper and validated and/or refined the themes generated in Phase 1. Phase 2 also helped to identify specific actions in order to achieve the high level priorities identified in Phase 1.

The consultation process was important for two reasons. First, the consultation process gathered input on priorities and issues such as quality of life in Waterloo Region, government and taxation, experience and satisfaction with Region of Waterloo services and community needs and expectations. Secondly, the consultation process engaged the community in a variety of conversations in order to involve citizens in priority setting and decision-making. It is important to note that the input collected throughout the
The consultation process informed not only the actions and priorities in the Strategic Plan but also provided input for the Service Review, and will inform the development of Department Strategic Plans, other key initiatives such as our Communications Plan and program and services improvements in the near future.

The Region implemented both quantitative and qualitative methods in order to obtain a balance of in-depth as well as quantifiable information. Through these methods over 3,000 members of the public participated in the process and provided detailed information and submissions about key issues facing the community (See Figure 2). Also, over 5,000 people were unique visitors to the online forum which means that they shared or supported the ideas that were submitted on the discussion forum but did not necessarily register as an official participant.

**Figure 2: Public Participation**

![Public Participation Diagram]

Participants were invited to participate in “Strat Chat” conversations through a variety of channels including; Facebook and Weather Channel ads, bookmarks in all township and city libraries, bus advertisements, displays at local events, (See Figure 3), etc.
2.3 Staff engagement in the strategic planning process

Staff offer a unique and informed perspective on issues related to the Region of Waterloo and the relationship to the community. Throughout the input gathering process with the public, Regional staff were also provided opportunities to contribute to the discussion on the identification of issues, trends and priorities through focus groups, integrated planning workshops, a staff forum, summer student survey, as well as through on-line tools, including an on-line discussion forum and on-line survey (See Figure 4). 906 staff participated in the various methods and through this process also helped to identify and coordinate the actions to achieve the objectives identified by Council.
2.3 Establishing focus areas and strategic objectives (April to June 2015)

At Council’s first strategic planning workshop in April 2015, Council had the opportunity to discuss the trends, issues and community statistics as well as the results of the statically reliable telephone survey. Council also had a second strategic planning workshop during May to receive and discuss the preliminary results of the qualitative input gathered to that point.

Based on all the information collected, Council identified initial/draft focus areas and strategic objectives for 2015 to 2018. These draft focus areas and objectives were reviewed by community partners and citizens from a broad range of sectors and demographics in order to obtain feedback on Council’s draft priorities. A third Council workshop was held in June for Council to revise the draft focus areas and objectives based on feedback and endorse the Focus Areas and Objectives so staff could then develop proposed actions to achieve Council’s priorities over the summer months.
2.4 Develop actions to achieve our strategic objectives (July 2015 to September 2015)

Based on the Council identified priorities and objectives, and based on the additional public input, staff formulated potential “actions” over the summer months to help achieve the objectives. The actions specify “how” the Region plans to achieve Council’s objectives. In September 2015 Council reviewed the proposed actions under each of the focus areas and strategic objectives. Based on the process to date, the components described in section 4 of this report, are being recommended for the Region of Waterloo’s 2015-2018 Strategic Plan.

3.0 Public and Staff Engagement in the Strategic Planning Process

As described in the previous section, input from the community and staff was gathered in various ways, at multiple times throughout the process. The primary findings from the input process are described below.

3.1 Results of the public input

A telephone survey was conducted by Environics Research Group with a random sample of 1,211 Waterloo Region residents between January 24 and February 10, 2015. The results of this survey were weighted to ensure a representative sample of Waterloo Region demographics, according to the 2011 Census. Representation from each of the Region’s municipalities were also included in the total sample. The survey had a margin of error of plus or minus 2.8 percentage points, 19 times out of 20.

The survey was designed to collect mostly quantitative results from a random sample of citizens in order to ensure that the results are objective and statistically reliable. In the course of the 20-minute telephone survey, residents were asked to provide insights on the Region’s programs and services, their interactions with staff, their quality of life, communications preferences, and priorities for this term of Council. Highlights of the survey results include:

- Residents would most like to see their government working to build the local economy, while also having a strong preference for protecting the environment, as these are the big picture issues that they feel will have the greatest long-term impact on life in the Region.

- When it comes to spending, most residents are looking to maintain the status quo, but if additional revenue is available, they would like to see those funds directed towards homelessness, public health, seniors and roads.
Satisfaction with life in Waterloo Region also carries over to satisfaction with the regional government; three in four are happy with their government’s performance. A majority of residents also believe that the Region is generally moving in the right direction.

When it comes to balancing tax revenues and services, residents are most likely to prefer that taxes are raised around the rate of inflation in order to maintain services. There is also a slight preference that programs and services are paid for through general revenues, rather than service fees.

Residents who have interacted with Region staff in the past year generally agree that staff are friendly and knowledgeable, and that in the end, they were able to get what they needed.

If the Region of Waterloo is looking to improve resident satisfaction with the government performance in the short-term, then improving customer service and engagement should be an area of focus.

Looking ahead, residents feel that developing the local economy should be the top priority for the regional government, with a focus on retaining and expanding existing businesses.

The environment is another high priority for residents, particularly with regards to protecting the sources of drinking water.

Other top priority areas include community and social services – with an emphasis on reducing poverty and homelessness – and transportation – where residents want to see their government working to reduce traffic congestion and improve road safety.

Conversations with a variety of stakeholder groups were also conducted through various methods including focus groups, an online discussion forum, community forums and on-line/paper surveys. These methods were implemented in order to allow for more in-depth discussion and provided the opportunity to probe on priorities that were identified in the statistically reliable telephone survey. The questions asked of the public varied depending on the stage of the strategic planning process.

Thirty-one focus groups were held with a variety of groups between February 2015 and August 2015. Efforts were made to host sessions and recruit participants from diverse groups in the community especially as they relate to the trends, issues and forecasts for our community. For example, because our population is aging and growing more ethnically diverse, specific efforts to engage seniors and ethnic populations were implemented. Also, in order to ensure that the Region heard from all members of the
community, focus groups were held with people who may not typically participate without targeted outreach. For example, focus groups were held with people who have experienced homelessness, people living with disabilities, people living on a low income and newcomers to Canada. Also, efforts were made to hold focus groups with topic specific groups as they related to the draft focus areas. For example, focus groups were held with environmental groups as this was a priority identified in the telephone survey and phase 1 of the public consultations. Sessions ranged in length from one to two hours depending on the wishes of the group.

Overall the community conversations reinforce, align with and provide specific details on the priorities outlined in the telephone survey results as summarized in this report. Many of the priorities and suggestions identified also reinforce current and ongoing initiatives that the Region is already working on through Master Plans or other programs and services. The main themes of the community conversations included:

- Economic development.
- The transportation network.
- The environment and sustainable growth.
- Healthy, safe and inclusive communities.
- Poverty elimination.
- Responsive and engaging government and services.

A summary report of both the public input quantitative and qualitative results can be found at: http://www.regionofwaterloo.ca/en/regionalgovernment/standingcommittees.asp or on the Region of Waterloo’s website under the “strategic planning” menu.

**4.0 Strategic Planning Framework**

The Region of Waterloo’s Strategic Plan’s framework includes the following key components:

**Vision:** describes the preferred future and the impact the organization hopes to have on the community. The vision defines what we aspire to for our community.

**Mission:** describes the organization’s purpose and addresses why the organization exists. The mission defines what we do.
**Values:** the collective commitment to how staff and Council work with citizens, customers, colleagues and community partners. The values define how we work.

**Focus Areas:** the areas of focus for staff and Council to achieve the vision. The focus areas define our focus for the term of Council.

**Strategic Objectives:** add clarity and describe the overall intent and direction of the focus area, helping staff align their work to the focus area. The strategic objectives define “what” the Region is trying to accomplish within each area of focus.

**Actions:** are concrete initiatives or projects that the Region is committed to working on over the term of council. The actions define “how” the Region will make progress towards each of the strategic objectives.

### 4.1 2015-2018 Vision, Mission and Values

The Region’s Strategic Plan is guided by the organization’s vision, mission and organizational values. Regional Council reviewed the Region’s vision, mission and values and decided to refresh the vision and mission in order to respond to the changing community needs and priorities. Council confirmed that the organizational values are still relevant and valid for this term of Council, and should continue to form the foundation for the Region’s 2015–2018 Strategic Plan. To refresh the vision and mission, both public and staff input was gathered in order to create options for Council’s consideration at their strategic planning workshop. Following Council’s deliberations the following are the recommended vision, mission and values for the 2015-2018 term of Council.

The **vision** describes the preferred future and the impact that the organization hopes to have on the community. The vision is what we aspire to.

   **Waterloo Region:** A community where people matter and ideas grow.

The **mission** describes the organization’s purpose and addresses why the organization exists. The mission is what we do as an organization.

   **We serve:** With caring and responsible government.

   **We engage:** By listening and responding to community needs.

   **We inspire:** With new ideas and creative solutions.
The values are the collective commitment to how staff and Council work with citizens, customers, colleagues and community partners. They guide how we do our work. The values for the 2015-2018 Strategic Plan are:

- Service: Satisfy and build confidence.
- Integrity: Instill Trust.
- Respect: Value and recognize.
- Innovation: Make ideas happen.
- Collaboration: Involve and engage others.

4.2 2015-2018 Focus Areas

In order to achieve the vision of “A community where people matter and ideas grow,” five focus areas have been developed for the 2015–2018 term of Council.

These focus areas are:

**Thriving Economy**

The Region will support the work of the Waterloo Region Economic Development Corporation to achieve a shared vision for our economic prosperity that is locally rooted, internationally competitive and globally recognized. The Region will plan for and provide the infrastructure and services necessary to create the foundation for innovation and economic success.

**Sustainable Transportation**

The Region will offer more travel choices to residents, and strive to ensure that our transportation system is affordable and environmentally sustainable. The transportation network will be integrated and accessible and will contribute positively to urban intensification and economic prosperity. The Region will encourage more active transportation by enhancing facilities that make it more comfortable and convenient to walk and cycle in our community.
Environment and Sustainable Growth

The Region plays a key role in protecting and enhancing the natural environment including clean air, water and land, and protected green spaces and sensitive environmental features. The Region will work in partnership with the community and area municipalities to manage growth in environmentally sustainable ways and create spaces and places that enhance living, working and travelling experiences for the community.

Healthy, Safe and Inclusive Communities

The Region will work with the community to provide quality services and programs that contribute to a healthy, safe and inclusive community. The Region will continue efforts to improve population health, support healthy living, disease and injury prevention as well as enhance community safety and crime prevention. The Region will also increase the range of affordable and supportive housing options and mobilize efforts to reduce poverty.

Responsive and Engaging Government and Services

The Region will strive to inspire public trust by engaging citizens and collaborating with community partners to foster meaningful and open conversations about Regional programs and services. The Region will attract, recruit and retain a skilled, engaged and caring workforce, that delivers excellent citizen-centered services to meet the diverse needs of the community. Organizational processes, facilities and resources will be reliable, cost efficient and effective, and will strive to provide excellent value to the community.

The focus areas are highly interconnected and therefore the success of one focus area will be dependent on the progress of another. The Region’s vision will only be achieved with consideration and integration between the focus areas.
4.3 **Strategic Objectives**

Within the five focus areas, twenty-two strategic objectives have been identified in order to add clarity to the focus areas, describe the overall intent and direction of the focus areas, and help staff align their work to the Focus Areas. The strategic objectives define “what” the Region is trying to accomplish in that area of focus.

4.4 **Actions**

In order to move these strategic objectives forward, sixty-three specific actions have been developed, which identify “how” the Region will achieve the strategic objectives. These actions have been chosen as they will have the most impact on the community while balancing limited fiscal and human resources. It is important to note that some of the actions in the Strategic Plan do not yet have adequate funding approved. The financial implications of these actions will be dealt with through the annual budget process. Therefore the ability to complete some of these actions will depend on the availability of resources and decisions made annually through the budget deliberations.

It is also important to note that the actions identified in the Strategic Plan are not intended to be an inclusive list of everything the Region does in the community. Rather, the actions identify new or ongoing initiatives that the organization needs to focus on in order to ensure it is responding to the priorities identified by Council and the community throughout the strategic planning process. Other actions to help achieve these objectives are also included in Department Strategic Plans, master plans, service plans and program work plans.

See Appendix 1 for the complete list of focus areas, strategic objectives and actions for the 2015-2018 Strategic plan.

5.0 **Next Steps**

5.1 **Department strategic plans**

In parallel with the Corporate Strategic Plan, each Department is developing a Departmental Strategic Plan. The Department Strategic Plans will identify additional priority actions needed to implement the corporate strategic objectives as well as more detailed departmental objectives and actions specific to departmental priorities. The Departmental Strategic Plans will be finalized in late 2015, following Council's approval of the Corporate Strategic Plan.

5.2 **Communication of the Strategic Plan**

The Region’s Strategic Plan will be shared with the community and staff, area municipalities, community partners and other key stakeholders. In order to effectively
communicate the plan to a wide range of audiences a condensed version will be developed and reviewed for plain language. The website will be updated and information will be shared with community stakeholders in a variety of ways. A number of vehicles and methods to involve and inform staff will be implemented to provide a clear connection for staff between their day-to-day work, the vision and mission of the organization and the strategic priorities for this term of Council.

5.3 Measuring, monitoring and reporting on progress of the Strategic Plan

An important element of our strategic planning process will be to measure and report on the progress on our strategic objectives and actions. A framework and process for creating meaningful progress indicators and subsequent monitoring of these indicators is currently being developed. Regular reporting will be an integral part of the strategic planning process in order to demonstrate to Council, the public and staff how the strategic objectives are being achieved across the organization.

Over the next several years it will be important to be conscious of new challenges and emerging issues. The Region will need to be flexible in order to respond to these changing directions and demands. Accordingly, the Plan will be reviewed approximately half-way through the term of Council (early 2017). This will provide the opportunity for Council to refresh the Strategic Plan by refining any of the objectives and/or adding or deleting priority actions in order to respond to any significant changes in future circumstances.

6.0 From Planning to Implementation

In order to continue to make the Strategic Plan meaningful and relevant during this term of Council, the following components will be implemented.

6.1 Orientation and training

The Region of Waterloo Strategic Plan will be a core component of staff training and ongoing development. It will be a core component of the New Employee Orientation Program (NEOP).

6.2 Alignment and linkages with other corporate and department processes and plans

The annual budget process and resource allocation decisions will continue to be aligned with and informed by the Strategic Plan. The Strategic Plan also forms the backbone for planning across all departments and service areas including Departmental Strategic Plans. It also provides direction for other major planning initiatives such as communications and service level planning.
6.3 Partnerships

Ongoing partnerships with area municipalities, community partners and other levels of government will be key to the Region’s success in the implementation of the Strategic Plan. Where possible and appropriate, the Region will build internal and external relationships to achieve common goals and resolve community issues.

6.4 Continued community engagement

The Region of Waterloo’s 2015-2018 Strategic planning process provided a forum where citizens talked about what matters to them, what they like and value about Waterloo Region, what they want to improve, and what their aspirations for the community are as it grows over the next several years.

Conversations have taken place across the region, and continuing community engagement and regular communication of the plan’s progress will ensure that the strategic plan moves from planning to implementation and achievement.

Corporate Strategic Plan:

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

Financial Implications:

The financial implications of many of the priority actions identified in this report are included in currently approved program budgets. Some of the actions in the Plan do not yet have adequate funding approved. The financial implications of these actions will be dealt with through the annual budget process. Staff will continue to ensure that the budget process and priorities identified through the budget process are fully aligned with the Corporate Strategic Plan. Council’s adoption of the Strategic Plan does not represent financial commitment to the actions identified in this report. Rather, it provides a common sense of priorities for the organization to guide the allocation of resources. It provides a useful framework for Council’s annual budget deliberations.

Other Department Consultations/Concurrence:

All Regional departments are involved in developing, implementing and monitoring the progress of the Region’s Corporate Strategic Plan and have been consulted with on this report.
Attachments:

Appendix 1: Focus Areas, Strategic Objectives and Actions for the 2015-2018 Strategic Plan

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

Approved by: Michael L. Murray, Chief Administrative Officer
Appendix A: Focus Areas, Strategic Objectives and Actions

## Thriving Economy

The Region will support the work of the Waterloo Region Economic Development Corporation to achieve a shared vision for our economic prosperity that is locally rooted, internationally competitive and globally recognized. The Region will plan for and provide the infrastructure and services necessary to create the foundation for innovation and economic success.

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<th>Strategic Objectives</th>
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<tr>
<td>1.1 Support existing businesses and attract new employers and investments (to stay,</td>
<td>1.1.1 Support the implementation and ongoing activities of the new Waterloo Region Economic Development Corporation including nurturing a rich entrepreneurial and innovative culture in Waterloo Region.</td>
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<td>grow, thrive and prosper)</td>
<td>1.1.2 Work proactively to streamline Regional processes, and to improve the efficiency and effectiveness of Regional programs related to the attraction and retention of businesses.</td>
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<td></td>
<td>1.1.3 Develop a Master Plan and associated Business Plan that guides the growth and development of the Region of Waterloo International Airport to provide a full-service, customer friendly facility which supports commercial, corporate and general aviation.</td>
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<tr>
<td>1.2 Plan for and provide the infrastructure and services necessary to create the</td>
<td>1.2.1 Advance new east side and other strategic employment lands toward development readiness.</td>
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<td>foundation for economic success.</td>
<td>1.2.2 Continue to implement and improve an asset management plan to optimize the use and availability of existing and new infrastructure.</td>
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<td>1.2.3 Update and implement an Infrastructure Financing Plan to ensure short and long term infrastructure affordability.</td>
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| 1.3 Enhance arts, culture and heritage opportunities to enrich the lives of residents and attract talent and visitors. | **1.3.1** Promote opportunities to support art, cultural and heritage activities at Regional facilities.  
**1.3.2** Develop a Regional Culture Plan that defines and strengthens the Regional cultural mandate and identifies and forges future initiatives and partnerships.  
**1.3.3** Develop a new policy and funding approach for Regional Public Art to help create additional Regional public art projects. |
The Region will offer more travel choices to residents, and strive to ensure that our transportation system is affordable and environmentally sustainable. The transportation network will be integrated and accessible and will contribute positively to urban intensification and economic prosperity. The Region will encourage more active transportation by enhancing facilities that make it more comfortable and convenient to walk and cycle in our community.

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| 2.1 Create a public transportation network that is integrated, accessible, affordable and sustainable. | 2.1.1 Complete and implement the Grand River Transit five year Business Plan.  
2.1.2 Complete construction of ION Stage 1.  
2.1.3 Complete the Environmental Assessment for ION Stage 2 and pursue funding from the Federal and Provincial governments.  
2.1.4 Develop and implement programs to educate and improve awareness of availability and benefits of transportation choices and options. |
| 2.2 Improve inter-city rail transportation services to and from Waterloo Region. | 2.2.1 Advocate for improved passenger rail service to and from Waterloo Region e.g., GO, VIA, high speed rail. |
| 2.3 Build infrastructure for, and increase participation in, active forms of transportation (cycling and walking). | 2.3.1 Update the Regional Transportation Master Plan integrating active transportation principles and facilities such as trails and sidewalks.  
2.3.2 Collaborate with community partners to facilitate actions to encourage active and safe routes to school. |
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<tr>
<td>2.4 Optimize road capacity to safely manage traffic and congestion.</td>
<td><strong>2.4.1</strong> Enhance and implement safety awareness and education programs for drivers, cyclists and pedestrians.</td>
</tr>
<tr>
<td></td>
<td><strong>2.4.2</strong> Implement traffic signals, adaptive signal technology and other technologies to optimize and manage road capacity/congestion.</td>
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The Region plays a key role in protecting and enhancing the natural environment including clean air, water and land, and protected green spaces and sensitive environmental features. The Region will work in partnership with the community and area municipalities to manage growth in environmentally sustainable ways and create spaces and places that enhance living, working and travelling experiences for the community.

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| 3.1 Increase the amount of waste diverted from the landfill. | 3.1.1 Develop and implement the new waste collection contract to commence in March 2017.  
3.1.2 Advocate and lobby Provincial and Federal governments to improve recycling opportunities and cost recovery.  
3.1.3 Evaluate alternative waste (solid waste, biosolids and any other) disposal technologies (energy from waste). |
| 3.2 Protect the quality and quantity of our water resources. | 3.2.1 Implement the provincially approved Source Protection Plan.  
3.2.2 Update the Wastewater and Biosolids Master Plans. |
| 3.3 Enhance efforts to improve air quality. | 3.3.1 Reduce emissions of greenhouse gases (GHGs) from Regional operations, activities and facilities.  
3.3.2 Work with local stakeholders to continue to reduce emissions of greenhouse gases (GHGs) at a community-scale and consider establishing a long-term GHG reduction target.  
3.3.3 Work with local stakeholders to facilitate the development of a Community Energy Investment Strategy. |
<p>| 3.4 Improve the Region of Waterloo’s | 3.4.1 Develop an adaptation strategy to deal with the impact of climate change / severe weather events on the Region’s infrastructure, programs and services. |</p>
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<tr>
<td>resilience to climate change and/or severe weather.</td>
<td>3.4.2 Collaborate with stakeholders to develop a community-wide Climate Adaptation Plan.</td>
</tr>
<tr>
<td>3.5 Preserve, protect and enhance green space, agricultural and environmentally</td>
<td>3.5.1 Work with community partners to conserve the natural and cultural heritage to further realize the recreational and tourism potential of green space along the Grand River and its tributaries.</td>
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<td>sensitive lands, and Regionally owned forests.</td>
<td>3.5.2 Implement Operating and Management plans for all Regionally owned Forests.</td>
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<td></td>
<td>3.5.3 Forge partnerships with diverse community groups to promote appropriate recreation use and enjoyment of our publically accessible green space (e.g. off road cycling groups, naturalists, walking groups).</td>
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<tr>
<td>3.6 Improve environmental sustainability and livability in intensifying urban and</td>
<td>3.6.1 Create additional features in the ION corridor to enhance place making, living, working, and travelling experiences.</td>
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<tr>
<td>rural settlement areas.</td>
<td>3.6.2 Work with Area Municipalities and other key stakeholders to create a linked natural system in the ION transit corridor.</td>
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<td>3.6.3 Explore opportunities with the area municipalities to improve the pedestrian/cyclist environment on Regional Roads (e.g. street furniture, shade, lighting, winter maintenance, etc.).</td>
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</table>
The Region will work with the community to provide quality services and programs to improve access to the supports that contribute to a healthy, safe and inclusive community. The Region will continue efforts to improve population health, support healthy living, disease and injury prevention as well as enhance community safety and crime prevention. The Region will also increase the range of affordable and supportive housing options and mobilize efforts to reduce poverty.

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| 4.1 Support early learning and child development. | 4.1.1 Update the Early Learning and Child Care Multi Year Service Plan in partnership with all licensed ELCC programs across Waterloo Region.  
4.1.2 Through the work of the Children’s Planning Table collaborate with community service providers in the development of a central, virtual access point for families to locate, access and utilize all services for children pre-birth to school exit.  
4.1.3 Ensure that children have a library card, and free access to early literacy resources through a collaboration with regional and area municipal partners. |
| 4.2 Mobilize efforts to reduce poverty and the impacts it has on Waterloo Region residents. | 4.2.1 Collaborate with community partners to create broad based efforts to reduce poverty.  
4.2.2 Explore options to enhance affordability and access to transit.  
4.2.3 Enhance Ontario Works employment outcomes through broad collaboration with economic development, employers, Ontario College of Trades, Employment Ontario providers, Chamber of Commerce and other service partners. |
| 4.3 Increase the supply and range of affordable and | 4.3.1 Implement the Homelessness to Housing Stability Strategy.  
4.3.2 Increase the number of affordable housing units by implementing the Affordable Housing Strategy. |
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<tr>
<td>supportive housing options.</td>
<td>4.3.3 Work with partners to identify new policies and potential incentives to leverage development of new affordable housing, particularly in intensification areas.</td>
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<tr>
<td>4.4 Promote and support healthy living and prevent disease and injury.</td>
<td>4.4.1 Work with area municipalities and other community partners, to implement the provincially funded Healthy Kids Community Challenge to reduce childhood obesity (0-12 years of age).</td>
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<td>4.4.2 Optimize Paramedic Services to improve service standards and response times by developing an updated Paramedic Services Master Plan.</td>
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<td>4.4.3 Work with mental health and addictions service providers in the community to enhance access to these services for clients of Region funded programs.</td>
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<td>4.5 Enhance community safety and crime prevention.</td>
<td>4.5.1 Work with the community to develop and implement actions to engage youth, particularly those who are currently disengaged or hard to reach.</td>
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<td></td>
<td>4.5.2 Stimulate community interventions that decrease the risk factors for crime and victimization with a special focus on inequality, exclusion and stigmatization.</td>
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</table>
The Region will strive to inspire public trust by engaging citizens and collaborating with community partners to foster meaningful and open conversations about Regional programs and services. The Region will attract, recruit and retain a skilled, engaged and caring workforce, that delivers excellent citizen-centered services to meet the diverse needs of the community. Organizational processes, facilities and resources will be reliable, cost efficient and effective, and will strive to provide excellent value to the community.

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<td>5.1 Enhance opportunities for public engagement, input and involvement in Regional decision making.</td>
<td>5.1.1 Evaluate and implement a common e-engagement platform with online discussion forums, surveys, virtual town halls and other interactive features.</td>
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<td>5.1.2 Build staff capacity to plan and conduct effective public engagement processes by providing training and other tools.</td>
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<td>5.1.3 Upgrade the Region of Waterloo website to incorporate up-to-date online technologies that include applications to provide better opportunities for public engagement and accessibility on mobile platforms.</td>
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<td>5.1.4 Develop plain language tools, training and guidelines for employees to ensure that Regional information and materials are accessible and easy to understand.</td>
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<td>5.2 Provide excellent citizen-centered services.</td>
<td>5.2.1 Explore initiatives that will improve access to services for key populations and in community settings such as rural areas and underserviced areas.</td>
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<td>5.2.2 Build local partnerships to deliver Regional staff training that improves access and service satisfaction for our diverse community.</td>
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<td>5.2.3 Enhance consumer protection, safety and security through a streamlined, modernized by-law and fees structure that governs all &quot;vehicles for hire&quot;.</td>
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<td>5.2.4 Continue to collaborate with the Immigration Partnership to improve accessibility and inclusion in regional programs and services.</td>
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<td>5.2.5 Implement the age friendly tool to ensure the Region’s programs and services are providing respectful, age friendly services to older adults.</td>
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<td>5.3.1 Develop a strategy that identifies critical employee positions and long term recruitment strategies to ensure a depth of qualified candidates and good succession management to address demographic changes in the organization.</td>
<td>5.3 Attract, support and retain skilled, engaged and diverse employees.</td>
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<td>5.3.2 Build greater leadership skills within the organization to effectively manage the human resources of the corporation to meet the needs of clients and the community by engaging staff and ensuring quality client experience.</td>
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<td>5.4.1 Develop a customer feedback and complaints management system to ensure that citizens receive the best service possible from Regional programs and services.</td>
<td>5.4 Ensure regional programs and services are efficient, effective and provide value for money.</td>
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<td>5.4.2 Create an office of Corporate Performance to enhance the organization’s focus on performance measurement and performance improvement.</td>
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<td>5.4.3 Look for opportunities to streamline service delivery with area municipalities.</td>
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<td>5.4.4 Strengthen the Region of Waterloo’s capacity to innovate and develop new efficient and effective solutions to the changing needs of the diverse community.</td>
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<td>Meeting date</td>
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