Regional Municipality of Waterloo

Administration and Finance Committee

Agenda

Tuesday, April 12, 2016

Approximately 11:30 a.m. (Immediately following Planning and Works Committee)

Regional Council Chamber

150 Frederick Street, Kitchener

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

2. Presentations

2.1 HRC-CIT-16-02, Region of Waterloo Public Engagement Guidelines (Information) - Staff Presentation

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

4.1 COR-TRY-16-36, Electronic Bidding System (Information)

4.2 COR-TRY-16-37, 2016 Province-wide Property Reassessment (Information)
5. Reports

5.1 COR-FSD-16-10, Annual Adequacy of Regional Development Charge Collections Review (Information) – Staff Presentation

5.2 PDL-CAS-16-07, Appointment of an Ombudsman (2016-2018)

Recommendation:
That the Regional Municipality of Waterloo appoint Agree Incorporated as the Ombudsman for the Region of Waterloo for the period June 1, 2016 – May 31, 2018, with an option to renew for two (2) additional two (2) year terms (total of 6 years);

And That the Region Municipality of Waterloo enter into a retainer agreement with Agree Incorporated to provide Ombudsman Services on a fee for service basis for the period June 1, 2016 to May 31, 2018, as described in report PDL-CAS-16-07 dated April 12, 2016.

6. Information/Correspondence

6.1 Council Enquiries and Requests for Information Tracking List

7. Other Business


9. Adjourn
Region of Waterloo
Human Resources and Citizen Service
Citizen Service

To: Chair Sean Strickland and Members of the Administration and Finance Committee
Date: April 12, 2016             File Code: A34-30
Subject: Region of Waterloo Public Engagement Guidelines

Recommendation:
For Information

Summary:
The Region of Waterloo Guidelines for Public Engagement provides staff with the framework to implement a consistent approach to public engagement. The Guidelines are based on an extensive best practices review and were developed collaboratively by a multi-departmental working group of staff who frequently lead public engagement projects.

Report:
Guidelines for Public Engagement
According to the feedback received during the Strategic Planning process (2015-2018), the desire for increased public involvement and awareness of Regional decisions is high. Strategic objective 5.1 is to enhance opportunities for public input and involvement in decision making. The Public Engagement Guidelines presented in Appendix A are to ensure that engagement occurs in a way that enables a consistent approach to citizen involvement.

Public engagement is not new to the Region; various program areas provide opportunities for citizens and stakeholders to be involved in Regional issues (e.g. Taxi by-law revision, Active Transportation Master Plan, Biosolids Master Plan, Waterloo Region Peer Program, Youth Sexual Health Strategy, Family Homelessness Report, and Airport Master Plan). The Guidelines for Public Engagement will help to strengthen the Region’s commitment to engaging citizens and clarify expectations for staff and the public. While no two public engagement initiatives will be the same, implementing these Guidelines with accompanying
training resources will help staff conduct effective engagement processes that are transparent, responsive, and inclusive. Effective public engagement improves decisions by involving multiple perspectives and the people most impacted by an issue.

The Guidelines were developed by a multi-departmental working group on the basis of a best practices review which included the Region of Waterloo Public Health’s iEngage Framework and the Public Participation Spectrum from the International Association for Public Participation (IAP2), which is the industry standard and widely used by public and private sector organizations across North America. Staff also reviewed the practices of other municipalities (e.g. City of Waterloo, City of Kitchener, City of Guelph, and Halton Region).

The Region’s Guidelines for Public Engagement were soft launched by various groups at the Region who engage the public in different contexts and different ways. Employees assessed how guidelines fit with previous and current engagement processes, and their input is reflected in the final guidelines. Public feedback received through the Strategic Planning consultations (reliable phone survey, online forum, focus groups, etc.) was applied to the guidelines to ensure they would be relevant to the needs of the community.

Under the Guidelines, Regional employees are responsible for ensuring public engagement is conducted in accordance with the Regional values of service, integrity, respect, innovation and collaboration. Public engagement processes should be based on the principles of Accountability, Transparency, Respect, Inclusivity and Responsiveness. Regional Council can expect to see the Guidelines referenced by staff in projects and incorporated in various engagement projects.

The Guidelines identify the different levels of engagement. A given public engagement project may have components with different levels of engagement depending on public interest and priorities which could shift over the course of a project. In addition, the Guidelines outline six steps to follow when conducting public engagement: Assess, Select, Plan, Implement, Report and Evaluate. The final decision regarding the level of engagement, methods, and the steps to follow will rest with staff to balance public interest, capacity and legislated requirements, and available budget.

Implementation of the Guidelines

The final version of the Guidelines will be made available to the public from April 2016. Citizen Service is working on a number of actions to support the implementation of the Guidelines which includes launching an e-engagement platform named, Engage Region of Waterloo, to enhance opportunities for the public to provide input on Regional issues online (Strategic Action 5.1.1). The online engagement platform will be used by staff to supplement other existing engagement methods including steering committees, open houses, town halls, and focus groups. The Region is collaborating with the area municipalities on e-engagement and training, both of which will be a focus in 2016.
Staff from Citizen Service will provide a demonstration of the Region’s new online engagement platform to the A&F committee on April 12, 2016.

**Corporate Strategic Plan:**
Strategic Objective 5.1 is to enhance opportunities for public engagement, input and involvement in Regional decision making. The proposed Guidelines will help ensure that this engagement occurs in a way that enables a consistent approach to citizen involvement.

**Financial Implications:**
The cost of specific public engagement activities will be covered within the related project/program area’s budget. Costs for developing and implementing a corporate training program and tools to support the Guidelines will be accommodated within the existing Citizen Service budget.

**Other Department Consultations/Concurrence:**
All Departments have participated in the development of the Guidelines for Public Engagement through a multi-departmental project team. The Soft Launch of the Guidelines included representation from all departments and projects with different levels of public engagement. The Corporate Leadership Team endorsed the Guidelines for Public Engagement on January 11, 2016.

**Attachments:**
Appendix A: Guidelines for Public Engagement

**Prepared By:** Gina Hickman, Service Planning Associate, Citizen Service  
Deb Bergey, Manager, Citizen Service, Citizen Service

**Approved By:** Daun Fletcher, Director, Citizen Service  
Jane Albright, Commissioner, Human Resources and Citizen Service
Appendix A

Guidelines for Public Engagement at the Region of Waterloo

Commitment to Public Engagement

The Regional Municipality of Waterloo is committed to transparent, responsive and inclusive processes to ensure the public is engaged in Regional business. This includes promotion of public engagement and creating an environment that fosters public engagement.

Definitions

1) Public: Any citizen, group, community, business, non-profit, and other stakeholder who may be impacted by or interested in Region of Waterloo issues and decisions
2) Public engagement: Providing opportunities for the public to have an informed say on the issues and decisions that affect their lives through a dialogue of mutual respect between government and the public
3) Inform: To provide the public with balanced and objective information to assist them in understanding issues, decision-making, alternatives, opportunities and solutions
4) Consult: To obtain public input for consideration in issues, analysis, alternatives and decisions
5) Involve: To work directly with the public throughout the process to generate ideas and ensure that public concerns and aspirations are consistently understood and considered.
6) Collaborate: To work with the public in the decision-making process including the development of alternatives and the identification of preferred solutions and to ensure that public concerns are consistently understood and considered.

Guiding Principles

Regional employees are responsible for engaging the public on issues or decisions that may impact them and to keep them informed of Regional issues.
Regional employees and contracted consultants are responsible for ensuring public engagement is conducted in accordance with the Regional values of service, integrity, respect, innovation and collaboration.

Accountability:

- The Region of Waterloo is responsible for its actions, decisions and policies and may be required to explain them and be answerable for resulting consequences
- Public engagement processes will demonstrate a commitment to being time-sensitive, cost-effective and demonstrate that results and outcomes are consistent with expectations
- Where applicable, the Region of Waterloo will follow decision-making protocols and jurisdictions at the municipal, regional, provincial and federal level
Transparency:
- The Region of Waterloo is open, clear and visible to the citizens it serves when conducting business in order to build trust and confidence in government
- Public engagement processes will demonstrate openness, honesty and clarity of purpose when engaging the public and ensure the same applies when communicating results

Respect:
- Public engagement processes will value and respect citizens.

Inclusivity:
- Public engagement processes will include ways to involve members of the community who are most impacted by a particular issue or decision
- Public engagement processes will identify, prevent and remove barriers to participation, recognizing that certain groups have unique needs and challenges that impact their ability to fully participate in decision-making processes

Responsiveness:
- Public engagement processes will be proactive in addressing public concerns, being flexible in responding to changing needs and conditions

Regional employees acknowledge that public engagement processes built on the principles of accountability, transparency, respect, inclusivity and responsiveness can:

- Include early identification of public issues and concerns
- Increase the involvement of the public in decision-making processes
- Increase civic pride
- Decrease barriers to participation
- Increase understanding about how Regional government works
- Ensure neighbourhood level influence reflects region-wide benefits/interests
- Create better, more informed decisions

Public Engagement Process Steps

The Region of Waterloo follows consistent principles to ensure that public engagement is incorporated into Regional business to maximize customer expectations with policy decisions. The process of public engagement may not always be linear and can be broken into six steps: Assess, Select, Plan, Implement, Report and Evaluate. These steps are defined below.

Step 1 – Assess:

Assess why public engagement should be sought:
  a) Identify the purpose or goals and intended outcome of the public engagement process; determine why you are engaging the public
  b) Identify the benefits and risks of engaging the public in this process
c) Identify what is needed from the public for this process
d) Outline the timelines for the public engagement process
e) Identify additional resources that may be needed

Step 2 – Select Project Scope:

The Region values contributions from the public to support Regional decision-making processes.

a) Determine the level of public engagement using the assessment information from Step 1:

- The Region of Waterloo defines the types of public engagement as inform, consult, involve, and collaborate.
- A given public engagement project may have different types of engagement, but it is reasonable for there to be a primary type that defines the scope of the project. Examples of engagement techniques include fact sheets, open houses, focus groups, surveys, public meetings, citizen advisory committees, consensus-building, and workshops.
- No two public engagement processes will be the same and the decision regarding the level of engagement, methods and the steps to follow will rest with staff to balance the need for engagement, capacity and legislated requirements, and available budget.

Step 3 – Plan the Public Engagement Process:

Develop a plan to engage the public including the following steps:

a) Identify who from the public should be engaged in the process; determine what citizen, group, community, business, non-profit or other stakeholder may have interest or may be impacted
b) Identify information to be shared with or sought from the public
c) Determine the appropriate tools and techniques to be used to foster public engagement (methods of promotion, outreach and communication), including consideration of methods to engage those impacted by the issue or decision
d) Identify potential barriers for members of the public to engage and determine tools to address those barriers
e) Determine how success of the public engagement process will be measured for the purposes of evaluation; develop an evaluation plan, determine what evaluation questions are associated with the goals of the public engagement process and what indicators, metrics or benchmarks will be used to answer them

Step 4 – Implement the Initiative:

a) Implement the public engagement initiative at the level identified in Step 2 and using the appropriate tools and techniques identified in Step 3
b) Ensure the purpose and goals of the initiative identified in Step 1 are connected to the public engagement process so that the intended outcomes can be achieved
c) When communicating with the public, use clear and plain language to help ensure
that the information is understood by a broad audience.

d) When conducting public engagement ensure the Guidelines for Public Engagement at the Region of Waterloo document is readily available to the participants so they will clearly understand the principles behind public engagement at the Region of Waterloo.

Step 5 – Report Back to Stakeholders:

When engaging the public at the consult, involve or collaborator levels it is part of the public engagement process to report back; depending on the level of engagement this can be done using various methods and at more than one time point.

a) Report back to public stakeholders using appropriate methods on:

- content of public engagement discussions
- identified solutions
- areas of agreement and disagreement
- actions taken as a result of consultation process
- the extent of the consultation; how many events or discussions were held and with whom
- any other information specifically relevant to an engagement process

b) Confirm with public stakeholders that the information collected is accurate and understood.

Step 6 – Evaluate Public Engagement:

Measure the effectiveness of the public engagement:

a) Address each of the evaluation questions identified in Step 3
b) Measure the success of the public engagement process using the indicators, metrics or benchmarks identified in Step 3

Note: Evaluation is tied to the process and scope of the public engagement and therefore begins at Step 1 and Step 2 and should continue through the entire public engagement process.

Monitoring and Support:

Citizen Service shall be responsible for providing support to the guidelines and receiving related concerns or complaints.

Relevant Policies and Legislation:

Notice Policy (CL 7-07)
Accountability and Transparency Policy (CL 7-05)
Standards for Accessibility Policy (A 10-03)
Municipal Act, 2001 S.O. 2001, c. 25
Personal Health Information Protection Act, 2004 S.O. 2004 c.3 Sch. A
Planning Act, R.S.O. 1990, c.P.13
Expropriations Act, R.S.O. 1990 c.E.26
Development Charges Act, 1997 Ont. Reg. 82/98
Environmental Assessment Act, S.C. 1992, c.37
Accessibility for Ontarians with Disabilities Act, 2005 S.O. 2005 c.11
Accessibility Standards for Customer Service Regulation Ont. Reg 429/07
Integrated Accessibility Standards Regulation Ont. Reg 191/11
Region of Waterloo
Corporate Services
Treasury Services (Procurement)

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

Date: April 12, 2016

File Code: F18-30

Subject: Electronic Bidding System

Recommendation:
For Information

Summary: Nil

Report:

In September 2014, Procurement staff successfully implemented e-Solutions' on-line bid opportunity site. Interested proponents could register as a bidder, download bid documents, and receive addenda directly from the Region's web-site.

An extension of this system is a module that allows proponents to submit bids electronically. The Region of York, Town of Newmarket, County of Wellington and Township of Wilmot are just a few of the over 40 public agencies that have implemented e-Solutions' electronic bid submission (eBidding) system.

The benefits of the eBidding system include:

- Streamlined fully online process to submit bids
- Built in bid compliancy checker to ensure greater compliant bids
- Digital/electronic bonding (which has been approved by the Surety Association of Canada)
• Online addendum notices and acknowledgement
• Virtual public openings/instant access to unofficial bid results
• No more late bids, or bids being delivered to the wrong location
• No calculation errors as all calculations are done automatically
• Reduction in the time to analyze bid results
• Reduces the amount of effort required by bidders
• Allows bidders to preview the bid documents prior to registering
• Provides bidders with the flexibility to modify and withdraw bids in advance of the closing date
• System is hosted by e-Solutions

The eBidding system was demonstrated to staff from Procurement, Design and Construction, Waste Management, Water Services and Facilities Project and Property Management. Feedback from all was very positive. Staff from Legal Services and Information Technology Services have also been consulted and are supportive of the move to electronic bidding.

In addition to the internal consultation process, staff also discussed eBidding with the Conestoga Heavy Construction Association (CHCA) and the Ontario General Contractors Association (OGCA). Both construction associations are very supportive of the Region moving to electronic bidding.

Procurement staff also consulted with other agencies who have successfully implemented eBidding to gain their knowledge and lessons learned. The Region’s goal is to have all bids submitted electronically. However, staff will start with uncomplicated projects, and gradually move towards all tenders, Request for Proposals and Consultant selections to also be submitted electronically.

There is no cost to the Region to implement this system, and the current annual license fee ($8,000) with e-Solutions will become obsolete. The Region will receive access to all current components of the system such as vendor performance and will have access to future components such as proposal evaluations.

There is a cost to proponents, which is $165.00 for an annual unlimited subscription or $45.00 per bid that is paid directly to e-Solutions. Proponents who register for the annual subscription have unlimited access to register for all bid opportunities for all registered municipalities.
It is Procurement’s intent to move forward with the implementation of eBidding in the second quarter of 2016.

**Corporate Strategic Plan:**

This report supports and meets the Corporate Strategic Plan objective to ensure Regional programs and services are efficient, effective and provide value for money under Strategic Focus Area 5, Responsive and Engaging Government Services.

**Financial Implications:**

The reduction of the annual license fee of approximately $8,000 will be reflected in the 2017 operating budget.

**Other Department Consultations/Concurrence:**

Staff from Design and Construction, Waste Management, Water Services, Facilities Project and Property Management, Legal Services and Information Technology Services was consulted prior to the implementation of the eBidding system.

**Attachments:** Nil

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

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

To: Chair Sean Strickland and Members of the Administration and Finance Committee
Date: April 12, 2016  File Code: F22-00
Subject: 2016 Province-wide Property Reassessment

Recommendation:
For Information

Summary:
A province-wide reassessment is currently underway to update property values to reflect January 1, 2016 market conditions. This report provides some information on changes that the Municipal Property Assessment Corporation (MPAC) is implementing with the 2016 reassessment.

Report:
Province-wide property reassessments began in 1998 and have occurred at various intervals over the past number of years. The last province-wide reassessment was conducted during 2012 for the 2013 taxation year with a continuation of the four (4) year phase-in program for all property classes. Property assessments were based on market conditions as of January 1, 2012 (previous valuation was January 1, 2008). Assessment increases were phased-in over four years (2013-2016) while assessment decreases were effective immediately in 2013. The 2016 tax year is the final year of that four year phase-in.

The Municipal Property Assessment Corporation (MPAC) has been working on a reassessment to update property values to reflect January 1, 2016 market conditions. Once again, assessment increases will be phased-in over four years (2017-2020) while assessment decreases will be effective in the first year (2017). Additionally, the 2016 reassessment introduces some additional reforms to Ontario’s property assessment.
system including redesigned Property Assessment Notices, a staggered Notice mailing schedule, legislative changes to Request for Reconsideration timelines and better service for property owners through online self-service tools.

**2016 Property Assessment Notices**

MPAC has redesigned the Property Assessment Notice (PAN) to include clear language, integrate the statutory requirements for property assessment information, and include details about how MPAC’s values are used. Information on PANS and a sample of the revised PAN is shown in Attachment 1. Along with the redesign, MPAC will issue the PANs for residential properties several months earlier than previous reassessments with delivery dates staggered across the province. The 21 week Notice schedule begins on April 4th for properties in the residential property class and continues through October 2016. This timing will provide early disclosure of assessed values and enable a more timely resolution of assessment issues. The issue date for Notices for residential properties in the Region of Waterloo is Monday July 25th. Notices for residential properties that have a seniors or disabled exemption or a commercial or industrial portion and Notices for the remaining property classes (farm, multi-residential, commercial and industrial) will be mailed October 11, 2016. MPAC is continuing to engage in pre-roll consultations on a number of property types including large and special purpose properties, farm and multi-residential properties.

**Request for Reconsideration Process**

Improvements to the Request for Reconsideration (RfR) process were implemented in December 2015 through Bill 44, Budget Measures Act, 2015. Starting with the 2016 province-wide reassessment, the deadline for a property owner to file an RfR with MPAC will be 120 days from the issue date of their PAN. The historical March 31st RfR deadline will no longer apply. The issue date and applicable RfR deadline will be included on the PAN. MPAC will have up to 180 days to complete its review and respond to the RfR request. A 60 day extension is possible provided MPAC notifies the property owner that an extension is necessary.

**Online Self Service Tool**

MPAC has rebranded and simplified its online self-service tool “AboutMyProperty.” According to MPAC, property owners can learn more about how their property was assessed, view information that MPAC has and compare their property to other properties in their neighbourhood. Availability of the updated “AboutMyProperty” tool will be aligned with Property Assessment Notice delivery.

A copy of the Assessment Notice delivery schedule can be found in Attachment 2 while a copy of the letter from MPAC announcing the changes to the assessment system is shown in Attachment 3.
Reassessment Impacts

As noted above, a province-wide reassessment will be conducted during 2016 for the 2017 taxation year with properties valued as of January 1, 2016. Staff will provide reports on the 2016 reassessment and general impacts as information becomes available. Preliminary information should be available for September 2016 with final impacts known in early 2017.

Corporate Strategic Plan:

The information in this report does not directly align with the Corporate Strategic Plan.

Financial Implications:

While reassessments and assessment phase-ins result in a redistribution of taxes within and between property classes, reassessments and assessment phase-ins do not increase the amount of property taxes collected.

Other Department Consultations/Concurrence: Nil

Attachments:

Attachment 1 – Property Assessment Notice Information
Attachment 2 – 2016 Notice Mailing Schedule and Request for Reconsideration Deadlines
Attachment 3 – MPAC Letter - Important Changes for the 2016 Assessment Update

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

Approved By: Craig Dyer, Commissioner, Corporate Services, Chief Financial Officer
Understanding your Property Assessment Notice

MPAC mails a Property Assessment Notice to property owners in Ontario every four years. The Notice you received in 2016 is MPAC’s assessed value of your property as of January 1, 2016. The last province-wide Assessment Update took place in 2012.

We continue to update property information during non-Assessment Update years. New homes are built, owners renovate, structures are removed or demolished and properties change use. MPAC is legislatively responsible for updating this information, even when a province-wide Assessment Update is not taking place. Notices are mailed each fall to reflect these types of changes.

MPAC’s 2012 assessed value of your property is also included on your Notice. Your 2012 value, as shown on your 2016 Notice, may not necessarily be the same value that appeared on your 2012 Notice, if your property underwent a change that affected its value.

Property Assessment Notice

For the 2017 to 2020 property taxation years

The Municipal Property Assessment Corporation (MPAC) is responsible for assessing more than five million properties in Ontario in compliance with the Assessment Act and regulations set by the Government of Ontario.

MPAC’s 2016 assessed value of your property is $228,000

Account Information:

Roll Number 1234567890
AboutMyProperty™ Access Key ABCD EFGH IJKL
Your property’s location and description 9200 Stains Rd.
Municipality PLAN169 RLK 1 PF LOT4
School support Ottawa City

THIS IS NOT A TAX BILL.
Assessment overview:

- MPAC's assessed value of your property as of January 1, 2016: $228,000
- MPAC's assessed value of your property as of January 1, 2012: $162,000
- Between 2012 and 2016, your property's assessed value changed by: $66,000

If you disagree with MPAC's assessment or classification, you can file a request for reconsideration and MPAC will review your assessment.

In the reassessment process under the province's Assessment Act, an increase in assessed value is introduced gradually. A decrease in assessed value will be introduced immediately. The assessed value and classification of your property is used as the basis for calculating your property taxes.

Property
Classification: Residential
Tax Year  | Assessed Value | Request for Reconsideration Deadline
----------|----------------|----------------------------------
2016      | $162,000       |                                  
2017      | $178,500       | August 1, 2016                   
2018      | $195,000       | March 31, 2018                   
2019      | $211,500       | March 31, 2019                   
2020      | $228,000       | March 31, 2020                   

To learn more about how your property was assessed, see the information on page two of this Notice. For more information on the request for reconsideration process, market trends in your area, property assessment and taxation, visit www.aboutmyproperty.ca.

How does MPAC assess my property?

Roll Number: 12 34 567 899 12345 1234

Property summary:
- Property type: Single Family Dwelling
- Building information:
  - Story: 1
  - Total square footage: 1,053 square feet
  - Year of construction: 1974

For residential properties, there are five major factors that generally account for 85% of your property value:

- Location
- Age of the property, adjusted for any major renovations or additions
- Lot dimensions
- Quality of construction
- Living area

To establish your property's assessed value, MPAC analyzes property sales in your area. This method, called Current Value Assessment, is used by most assessment jurisdictions in North America. MPAC's assessments and data are also used by banks, insurance companies and the real estate industry.
Have questions about your assessment?

Log on to AboutMyProperty.ca to learn more...
Visit www.aboutmyproperty.ca to learn more about how your property was assessed, see the information we have on file, as well as compare it to others in your neighbourhood. Still not sure about your property's assessed value? You have the option to file a Request for Reconsideration. Your deadline to file a Request for Reconsideration is on page one of this Notice.

Log on to www.aboutmyproperty.ca with your Roll Number and Access Key. These are found on page one of this Notice.

Still have questions?
We're here to help. Contact us and one of our property assessment experts will help guide you through your Notice. Have a question about your property taxes? Contact your municipality for assistance.

Ontario's property assessment system

The Municipal Property Assessment Corporation determines Current Value Assessments and classifications for all properties in Ontario.

The Provincial Government passes legislation, sets assessment policies and determines education tax rates. The Province also operates an independent assessment appeal tribunal – the Assessment Review Board (ARB).

Municipalities determine revenue requirements, set municipal tax rates and collect property taxes to pay for your municipal services. These services may include:

- Police and fire protection
- Roads, sidewalks and public transit
- Waste management
- Parks and leisure facilities
## Attachment 2 - 2016 Notice Mailing Schedule and Request for Reconsideration Deadlines

<table>
<thead>
<tr>
<th>Issue Date</th>
<th>Geographic Areas</th>
<th>Rfr Deadline</th>
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<tbody>
<tr>
<td>Monday, April 4</td>
<td>Simcoe County, Cities of Barrie &amp; Orillia</td>
<td>Tuesday, August 2</td>
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<tr>
<td>Monday, April 11</td>
<td>Counties of Prescott &amp; Russell, Stormont Dundas &amp; Glengarry, City of Cornwall</td>
<td>Tuesday, August 9</td>
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<td>County of Lanark, United Counties of Leeds &amp; Grenville, City of Brockville</td>
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<td>Towns of Prescott, Gananoque &amp; Smiths Falls</td>
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<tr>
<td>Monday, April 18</td>
<td>Counties of Elgin, Middlesex &amp; Oxford, Cities of London &amp; St. Thomas</td>
<td>Tuesday, August 16</td>
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<td>Municipality of Chatham-Kent, County of Lambton</td>
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<td>Monday, April 25</td>
<td>Territorial Districts of Nipissing, Sudbury &amp; Manitoulin and all single-tier municipalities in geographic area</td>
<td>Tuesday, August 23</td>
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<tr>
<td>Monday, May 2</td>
<td>Territorial Districts of Kenora, Rainy River &amp; Thunder Bay and all single-tier municipalities in geographic area</td>
<td>Tuesday, August 30</td>
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<td>Monday, May 9</td>
<td>Counties of Frontenac, Lennox &amp; Addington, City of Kingston</td>
<td>Tuesday, September 6</td>
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<td>Counties of Hastings, Northumberland and Prince Edward, Cities of Belleville and Quinte West</td>
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<td></td>
<td>Territorial Districts of Cochrane and Timiskaming and all single-tier municipalities in geographic area</td>
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<td>Monday, May 16</td>
<td>City of Mississauga</td>
<td>Tuesday, September 13</td>
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<td>Wednesday, May 18</td>
<td>City of Brampton and Town of Caledon</td>
<td>Thursday, September 15</td>
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<td>Tuesday, May 24</td>
<td>County of Renfrew, City of Pembroke</td>
<td>Wednesday, September 21</td>
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<td>Counties of Huron &amp; Perth, City of Stratford &amp; Town of St. Mary's</td>
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<td>Counties of Grey and Bruce</td>
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<td>Territorial District of Algoma and all single-tier municipalities in geographic area</td>
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<td>Friday, May 27</td>
<td>City of Toronto (former C/M 1901)</td>
<td>Monday, September 26</td>
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<td>Wednesday, June 1</td>
<td>City of Toronto (former C/M 1904)</td>
<td>Thursday, September 29</td>
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<td>Monday, June 6</td>
<td>City of Toronto (former C/Ms: 1906, 1908, 1914, 1919)</td>
<td>Tuesday, October 4</td>
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<td>Monday, June 13</td>
<td>Regional Municipality of York</td>
<td>Tuesday, October 11</td>
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<td>Monday, June 20</td>
<td>Regional Municipality of Durham</td>
<td>Tuesday, October 18</td>
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<td>Monday, June 27</td>
<td>Regional Municipality of Halton</td>
<td>Tuesday, October 25</td>
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<tr>
<td>Monday, July 4</td>
<td>City of Hamilton, City of Brantford</td>
<td>Tuesday, November 1</td>
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<td>Counties of Brant, Haldimand and Norfolk, City of Brantford</td>
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<tr>
<td>Monday, July 11</td>
<td>Counties of Peterborough, Haliburton, Cities of Peterborough &amp; Kawartha Lakes</td>
<td>Tuesday, November 8</td>
</tr>
<tr>
<td></td>
<td>Districts of Muskoka &amp; Parry Sound</td>
<td></td>
</tr>
<tr>
<td>Monday, July 18</td>
<td>City of Ottawa</td>
<td>Tuesday, November 15</td>
</tr>
<tr>
<td>Monday, July 25</td>
<td>Regional Municipality of Waterloo</td>
<td>Tuesday, November 22</td>
</tr>
<tr>
<td>Tuesday, August 2</td>
<td>Regional Municipality of Niagara</td>
<td>Wednesday, November 30</td>
</tr>
<tr>
<td>Monday, August 8</td>
<td>County of Essex, City of Windsor &amp; Township of Pelee</td>
<td>Tuesday, December 6</td>
</tr>
<tr>
<td>Tuesday, October 11</td>
<td>Province-wide mailing of Conservation, Farm, Managed Forest properties</td>
<td>Wednesday, February 8, 2017</td>
</tr>
<tr>
<td>Tuesday, October 18</td>
<td>Province-wide mailing of Business properties</td>
<td>Wednesday, February 15, 2017</td>
</tr>
<tr>
<td>Monday, October 24</td>
<td>Province-wide mailing of Remaining Residential Properties</td>
<td>Tuesday, February 21, 2017</td>
</tr>
</tbody>
</table>

**AMENDED NOTICES / YEAR-END - One extract for all properties**

| Monday, Nov. 28 | Province-wide All Properties                                                                         | Tuesday, March 28, 2017 |
Attachment 3 - MPAC Letter - Important Changes for the 2016 Assessment Update

February 16, 2016

To: Municipal Heads of Council, Finance Officers and Clerks, Treasurers and Tax Collectors

From: Carla Nell, Vice-President, Municipal and Stakeholder Relations

Subject: Important changes for the 2016 Assessment Update

The 2016 Assessment Update introduces some of the most significant reforms to Ontario’s property assessment system since 1998. These changes share a common goal – increased transparency, shared understanding of property assessments, and stability and predictability in the municipal tax base. With these laudable objectives in mind, a myriad of opportunities exist as we work cooperatively to implement improvements to Ontario’s property tax regime. To that end, I am pleased to share some important highlights with you.

2016 Property Assessment Notices

MPAC has put a great deal of effort into redesigning the 2016 Property Assessment Notice (PAN). The new design uses clear language and design principles, and integrates all of the statutory requirements surrounding property assessment information. The new PAN also includes details about how municipalities use MPAC’s values and other relevant information about Ontario’s assessment system.

In addition to a new design, Property Assessment Notices for Residential properties will be delivered up to five months earlier than ever before. The redesigned Notice and early mailing dates will help property owners to better understand their assessment and resolve concerns before the final assessment rolls for 2017 taxation are delivered to municipalities in December.

The 21-week Notice mailing schedule, which is staggered across the province, begins on April 4 of this year with Notices being delivered to occupied and vacant land properties that have a single Residential Taxable (RT) property tax class. Residential properties that have a seniors and disabled exemption or a commercial or industrial portion will be mailed in the Fall together with the Notices for farm, managed forest, commercial and industrial properties. The 2016 Notice mailing schedule and corresponding Request for Reconsideration deadlines are attached for your information.

For non-residential properties, we are continuing our pre-roll consultations by engaging municipalities and industry representatives on a variety of property types including large and special purpose business properties, multi-residential and farm properties.

1340 Pickering Parkway, Suite 101, Pickering, ON L1V 0C4
www.mpac.ca
February 16, 2016

Important changes for the 2016 Assessment Update
Page 2 of 2

Sharing 2016 Base Year Valuations

As increased transparency, shared understanding, stability and predictability in the municipal tax base are key objectives for MPAC during the 2016 Assessment Update, we have redesigned Municipal Connect™ to offer municipalities a modern and flexible way to access assessment information, including the preliminary 2016 base year values for the 2017 to 2020 tax years. The preliminary values for residential properties will be available in the new Municipal Connect starting early in the second quarter of this year; preliminary values for other property types will be made available as they are finalized.

Along with the newly designed Municipal Connect application, our Municipal and Stakeholder Relations team will engage with you and your staff early and often to discuss the preliminary values and MPAC’s regular in-year maintenance activities.

Legislative Changes to Request for Reconsideration Deadline

On December 10, 2015, Bill 144, Budget Measures Act, 2015 took effect resulting in significant changes to the Request for Reconsideration (RfR) process.

For the 2017 tax year, property owners will have 120 days from the Issue Date of their 2016 Property Assessment Notice to file a RfR. The historical March 31st RfR deadline does not apply for the 2017 tax year. The Issue Date and the unique RfR deadline will be included on every Property Assessment Notice. In response to each RfR, MPAC has up to 180 days to complete its review and respond to the property owner.

Better Service for Property Owners

We appreciate how significant the 2016 Assessment Update is for property owners and we have developed an extensive outreach and engagement strategy to communicate the changes.

MPAC’s online self-service tool, AboutMyProperty™, has been rebranded and simplified based on taxpayer research — providing property owners with an easy-to-use interface and improved navigation features. Visitors can learn more about how their property was assessed, view information we have on file, as well as compare it to other properties in their neighbourhood — additional information will also be available on-line without requiring those who visit AboutMyProperty to log in to the site. The enhanced tool will be available to property owners in correlation with Property Assessment Notice delivery.

As 2016 unfolds, we look forward to working closely with our stakeholders to implement the significant reforms that are underway. Please contact your Regional Manager or Account Manager, Municipal and Stakeholder Relations, if you would like additional information or to further discuss these changes.

Yours truly,

Carla Nell
Vice-President, Municipal & Stakeholder Relations

1340 Pickering Parkway, Suite 101, Pickering, ON L1V 0C4

www.mpac.ca
Report: COR-FSD-16-10

Region of Waterloo
Corporate Services
Financial Services & Development Financing

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

Date: April 12, 2016 File Code: F27-50

Subject: Annual Adequacy of Regional Development Charge Collections Review

Recommendation:
For Information

Summary:
The Annual Adequacy of Regional Development Charge (RDC) Collections Review presents analysis and commentary relating to the Region’s development charge collections/reserve funds to assist in determining the adequacy of the development charge rates established under the current Development Charge By-law. The Region’s current RDC By-law came into effect on August 1, 2014 and will expire on July 31, 2019 unless repealed earlier. Development charge revenue during the first 17 months under RDC By-law 14-046 has been lower than originally anticipated for a number of reasons including discounted rates, the type and timing of development, and statutory RDC exemptions.

Through the 2016 Budget process, staff have estimated that additional growth-related debt in the amount of $166 million will be required over the next five years in order to finance planned infrastructure investments. This is a strong indication that current development charge collections and rates are not sufficient to fund the anticipated growth related capital investments, particularly with respect to water and wastewater infrastructure.
Through Bill 73, the Province has introduced amendments to the Development Charges Act (DCA). Report COR-FSD-16-02 “Development Charges Act Amendments and Proposed Next Steps” was approved by Council on January 20, 2016 and as a result the Region is in the process of undertaking a scoped Development Charges Background Study for Transit and Waste Management with the goal of having new RDC rates for these services approved by Council in the fall of 2016.

Due to the anticipated completion of several master and business plans and given that a background study is underway for Transit and Waste Management, staff believe that no further action with regards to the Region's existing Development Charge By-law 14-042 is warranted at this time. Staff will continue to monitor growth in the Region, RDC collections, and RDC reserve balances throughout 2016 and will report to Council in the spring of 2017 with regards to the adequacy of the RDC Reserves, and provide Council with a recommendation as to whether the RDC By-law should be opened for all services in 2017/2018 or remain in force until the planned expiry in 2019.

Report:

Background

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

The purpose of the Regional Development Charge (RDC) is to recover, to the greatest extent possible, growth-related capital costs from those segments of the community (namely residential and non-residential development) which give rise to the need for additional growth-related capital works.

The DCA prescribes how the development charges are to be calculated. The RDC rates are established by projecting growth, determining the increase in capital infrastructure necessary to service that growth (taking into account service level standard constraints and existing excess capacity), estimating the costs of that infrastructure, and determining the unit charges which may be recovered from development to provide the necessary revenue to finance growth-related expenditures.
The Region prepares a Development Charges Background Study (DCBS) which incorporates all these principles in order to calculate the maximum allowable RDC rate under the DC Act. There is an opportunity for public input and review of the Background Study and draft By-law. Council then approves the By-law to collect development charges.

The Region’s current RDC By-law came into effect on August 1, 2014 and will expire on July 31, 2019 unless repealed earlier. Appendix A lists the services for which the Region collects development charges and a 5 year history of the RDC reserve fund balances.

Development charges are collected by the area municipalities on behalf of the Region at the time of issuance of a building permit. The funds are remitted to the Region on a monthly basis and are allocated to service-specific reserve funds, which in turn are used to finance approved capital expansion projects in the Regional services areas listed above.

Development Charge Revenue

Development charge revenue is comprised of RDC collections from residential and non-residential development as well as funding from Regional sources to offset discretionary exemptions and discounts. The DCA requires that any shortfall in development charge revenue resulting from development charge exemptions and discounts approved by Council be funded from sources other than higher charges on other development. The following such exemptions are provided in the RDC By-law:

1) Downtown core exemption: provided in any area municipality which enacts a similar exemption. Currently, full downtown core exemptions exist in Kitchener and Cambridge. All Regional downtown core exemptions will expire on February 28, 2019.

2) Remediated Brownfield Site: an RDC exemption is provided in the amount of the eligible remediation costs to a maximum of the RDC payable.

3) Farming and public hospitals.

4) Since August 1, 2014 the Region has discounted the industrial RDC by 50%, in order to encourage new industrial development.

The total cost of development charge exemptions and discounts is financed from user rate reserve funds and property tax reserve funds/levies. The development charge collections and funded exemptions/discounts from January 1, 2015 to December 31, 2015 are shown in the following table:
## Development Charge Collections & Funded Exemptions/Discounts

### January 1, 2015 - December 31, 2015

<table>
<thead>
<tr>
<th>($000's)</th>
<th>Residential</th>
<th>Non-Residential</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>RDCs Collected</td>
<td>$32,662</td>
<td>$9,888</td>
<td>$42,550</td>
</tr>
<tr>
<td>Industrial Discount</td>
<td>-</td>
<td>464</td>
<td>464</td>
</tr>
<tr>
<td>Downtown Core</td>
<td>45</td>
<td>84</td>
<td>129</td>
</tr>
<tr>
<td>Brownfield</td>
<td>1,172</td>
<td>-</td>
<td>1,172</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$33,879</strong></td>
<td><strong>$10,436</strong></td>
<td><strong>$44,315</strong></td>
</tr>
<tr>
<td>% of Total</td>
<td>76%</td>
<td>24%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Development charge collections and funded exemptions during 2015 under RDC By-law 14-046 totaled $44.3 million. Of the total revenue, $34 million was attributable to residential development and $10.4 million was for non-residential development. The $1.8 million of exemptions was funded from the tax levy ($1.2 million) and user rates ($0.6 million). Funded exemptions and discounts for 2009-2015 are detailed in the table below:

## 2009-2015 Funded Exemptions & Discounts

<table>
<thead>
<tr>
<th>($000’s)</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Downtown Core</td>
<td>$12,225</td>
<td>$114</td>
<td>$1,014</td>
<td>$252</td>
<td>$4,879</td>
<td>$129</td>
<td></td>
</tr>
<tr>
<td>Brownfield</td>
<td>619</td>
<td>725</td>
<td>277</td>
<td>579</td>
<td>844</td>
<td>2,066</td>
<td>1,172</td>
</tr>
<tr>
<td>Farming, Public Hospitals</td>
<td>53</td>
<td>138</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Industrial Discount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>381</td>
<td>464</td>
</tr>
<tr>
<td>Rate Implementation Deferral*</td>
<td>10,029</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$22,926</strong></td>
<td><strong>$839</strong></td>
<td><strong>$1,429</strong></td>
<td><strong>$831</strong></td>
<td><strong>$844</strong></td>
<td><strong>$7,326</strong></td>
<td><strong>$1,765</strong></td>
</tr>
</tbody>
</table>

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* Council deferred implementing the RDC Rate increase prescribed by RDC By-law 09-024 from August 1, 2009 to January 1, 2010.

Based on the maximum permissible rate calculated in the 2014 DCBS, RDC revenue in 2015 was estimated to be approximately $76 million. However, in order to reduce the magnitude of the increase in RDC rates, Council approved a 10% reduction in the capital costs related to Roads, Water and Wastewater. Accordingly, the approved RDC rate was 9.7% lower than the maximum permissible rate, resulting in an effective revenue reduction in 2015 of approximately $7.4 million, all other things being equal. The following table shows the development charge collections & funded exemptions/discounts as contemplated in the 2014 DCBS for 2015 both at the maximum permissible rate and at the Council approved rate versus the 2015 actual RDC revenue.

<table>
<thead>
<tr>
<th>Development Charge Collections &amp; Funded Exemptions/Discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2015 - December 31, 2015</td>
</tr>
<tr>
<td>($000's)</td>
</tr>
<tr>
<td>RDC Revenue</td>
</tr>
</tbody>
</table>

Actual RDC revenue in 2015 is lower than contemplated by the 2014 DCBS due to a number of factors including:

- The Region’s current RDC By-law came into effect on August 1, 2014. In anticipation of an RDC rate increase, a significant number of building permit applications were received in the weeks leading up to the expiry of the former RDC by-law on July 31, 2014. The total value of RDC collections and funded exemptions/discounts in July 2014 alone was almost $19 million, where under the previous by-law, typical RDC collections and funded exemptions/discounts in a given month would have averaged approximately $2-4 million.

- The type of development that has proceeded over the last year was different than had been anticipated. In particular, the number of apartment units to be developed in 2015 was lower than originally contemplated in the 2014 DCBS.

- Although development activity remains strong, the rate of population growth has been marginally lower than was expected.
• The DC Act provides statutory exemptions for development related to the creation of additional dwelling units in residential buildings, the enlargement of the gross floor area of existing industrial buildings up to 50% of the existing gross floor area, and development on land owned by municipal, provincial and federal governments and local boards. The Region does not collect RDC’s on these developments nor are these exemptions required to be funded from other sources as the non-statutory exemptions (i.e. Downtown Core and Brownfield) are. These exemptions can fluctuate significantly year over year and have averaged roughly $5-$6 million annually over the past 5 years.

**Building Permit Activity and Development Charge Collections**

Development charges, where applicable, are collected upon the issuance of building permits. It should be noted that there are several situations where the issuance of a building permit does not result in the collection of a development charge due to statutory exemptions, redevelopment allowances and the type of building permit issued (i.e. RDC’s are only collected on the first permit issued). Also, in some cases, there can be a time lag between building permit application and issuance which can result in the development charge collections and building permit activity being reported in different periods. Consequently, increases in building permit activity in a given period, does not necessarily translate into increased development charge revenue over the same period.

**Development Charges Background Study for Transit and Waste Management**

Report COR-FSD-16-02 “Development Charges Act Amendments and Proposed Next Steps” was approved by Council on January 20, 2016, and as a result the Region is in the process of undertaking a scoped Development Charges Background Study for Transit and Waste Management in 2016. Staff is currently developing the background study with Hemson Consulting. It is anticipated that the background study will be available for public review and comment over the summer of 2016, with the goal of having new development charges for Transit and Waste Management approved by Council in the fall of 2016.

**Financing of Growth-Related Capital Projects**

A working group comprised of the CAO, Commissioners, Directors and Managers from Transportation and Environmental Services, Corporate Services, and Planning, Development and Legislative Services has met on several occasions to discuss the financing of growth related infrastructure in the Region of Waterloo. The group’s discussions to this point have focused on the following:

• Mitigating potential shortfalls in development collections should RDC collections be lower than anticipated as discussed above
• Proper alignment of the timing of the capital plan with anticipated growth
• Ensuring that the Regional DC reserves maintain adequate balances
• Approach to debt financing major infrastructure projects

The group developed and incorporated strategies for financing certain major infrastructure projects into the 2016-2025 Capital Plan. A combination of spending adjustments, interim financing and long term borrowing was implemented. This group will continue to meet throughout 2016 to develop recommendations and proposed strategies relating to the 2017-2026 and future capital programs.

Master Plans

There are a number of program-specific master plans and business plans currently underway, as set out below.

<table>
<thead>
<tr>
<th>Program Area</th>
<th>Expected Completion Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste Management Master Plan</td>
<td>Completed 2013</td>
</tr>
<tr>
<td>Water Master Plan</td>
<td>Completed 2014</td>
</tr>
<tr>
<td>Grand River Transit Business Plan</td>
<td>June 2016</td>
</tr>
<tr>
<td>Paramedic Services Master Plan</td>
<td>Fall 2016</td>
</tr>
<tr>
<td>DCBS Transit and Waste Diversion</td>
<td>Fall 2016</td>
</tr>
<tr>
<td>Airport Business Plan</td>
<td>Late 2016</td>
</tr>
<tr>
<td>Wastewater Master Plan</td>
<td>Fall 2017</td>
</tr>
<tr>
<td>ION Phase 2 EA</td>
<td>2017</td>
</tr>
<tr>
<td>Regional Transportation Master Plan</td>
<td>December 2017</td>
</tr>
<tr>
<td>Regional Accommodation Master Plan</td>
<td>Mid 2018</td>
</tr>
<tr>
<td>Biosolids Master Plan</td>
<td>Spring 2018</td>
</tr>
</tbody>
</table>

These master plans, which form the basis of future capital programs and future development charge background studies, will include financial implications and projections of future capital investments, operating costs, long term borrowing requirements, reserve and reserve fund forecasts, and potential development charge implications.

RDC Collection and Rate Sufficiency

The Region’s current RDC By-law will expire on July 31, 2019 unless repealed earlier. Due to the anticipated completion of several master and business plans (as indicated in the table above), and given that a background study for Transit and Waste Management is currently underway, staff believe that no further action with regards to the Region’s existing Development Charge By-law 14-042 is warranted at this time. That being said, staff have estimated that additional growth-related debt in the amount of $166 million will be required over the next five years in order to finance planned infrastructure investments. This is a strong indication that current development charge collections and rates are not sufficient to fund the anticipated growth
related capital investments, particularly with respect to water and wastewater infrastructure.

Funding for wastewater infrastructure is particularly problematic given that the additional capacity must be available well in advance of the issuance of building permits and corresponding collection of RDCs. As well, because wastewater plant expansions are large in scope and cost, the benefit to future growth usually exceeds the time horizon of the RDC by-law. Accordingly, RDCs related to wastewater plant expansions may be collected over 20 or 30 years, depending on the timing of growth.

RDC balances for other services are manageable and the funding available will continue to be considered in developing the Region’s 2017 – 2026 Capital Program. RDC collections in the first quarter of 2016 are $11.2 million, exceeding 2015 first quarter collections of $6.9 million by 62%. Staff will continue to monitor growth in the Region, RDC collections, and RDC reserve balances throughout 2016 and will report to Council in the spring of 2017 with regards to the adequacy of the RDC Reserves and recommend whether the RDC By-law should be opened for all services in 2017/2018 or remain in force until the planned expiry in 2019.

**Corporate Strategic Plan:**

This report supports strategic objectives found in the Corporate Strategic Plan, and particularly Focus Area 1.2 - Plan for and provide the infrastructure and services necessary to create the foundation for economic success.

**Financial Implications:**

The Regional Development Charge is a significant component of financing the Region’s capital program. Over the period of the By-law from 2014-2018, it is anticipated that approximately $0.5 billion of RDC funding is required to fund the projected growth-related capital costs for that period. Despite the amount available in reserves at the end of 2015, the timing of certain growth related water, wastewater and roads projects relative to expected development charge collections will necessitate the issuance of additional growth-related debt estimated at $166 million over the next five years. The chart below shows the anticipated growth-related debt outstanding from 2012-2021:
The need for additional growth-related debt exposes the Region to development charge revenue risk, in that the Region will need to meet the contractual obligation to pay debt servicing costs from an uncertain, and potentially inadequate, development charge revenue stream. Staff will continue to monitor this risk and report back to Council through the budget process and future RDC collection reviews.

**Other Department Consultations/Concurrence:**

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

**Attachments:**

Appendix A - Development Charge Reserve Funds Closing Balances 2011-2015

**Prepared By:** Shane Fedy, Manager, Infrastructure Financing

**Approved By:** Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer
### Appendix A

**Development Charge Reserve Funds - Closing Balances 2011-2015**

<table>
<thead>
<tr>
<th>($000's)</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transportation</td>
<td>58,852</td>
<td>42,086</td>
<td>37,521</td>
<td>38,088</td>
<td>21,910</td>
</tr>
<tr>
<td>Water &amp; Wastewater*</td>
<td>6,148</td>
<td>(18,638)</td>
<td>22,815</td>
<td>30,470</td>
<td>31,350</td>
</tr>
<tr>
<td>Airport</td>
<td>(2,827)</td>
<td>(2,523)</td>
<td>(2,158)</td>
<td>(1,444)</td>
<td>(878)</td>
</tr>
<tr>
<td>Paramedic Services</td>
<td>96</td>
<td>(158)</td>
<td>(205)</td>
<td>81</td>
<td>188</td>
</tr>
<tr>
<td>General Government</td>
<td>425</td>
<td>(302)</td>
<td>(697)</td>
<td>(1,245)</td>
<td>(1,442)</td>
</tr>
<tr>
<td>Library</td>
<td>133</td>
<td>108</td>
<td>75</td>
<td>59</td>
<td>5</td>
</tr>
<tr>
<td>Operations</td>
<td>1,214</td>
<td>1,548</td>
<td>1,901</td>
<td>2,436</td>
<td>2,757</td>
</tr>
<tr>
<td>Police</td>
<td>942</td>
<td>(1,236)</td>
<td>(374)</td>
<td>89</td>
<td>274</td>
</tr>
<tr>
<td>Transit</td>
<td>3,414</td>
<td>777</td>
<td>(2,553)</td>
<td>(2,264)</td>
<td>(1,837)</td>
</tr>
<tr>
<td><strong>Total RDC Reserves</strong></td>
<td><strong>68,396</strong></td>
<td><strong>21,662</strong></td>
<td><strong>56,325</strong></td>
<td><strong>66,269</strong></td>
<td><strong>52,327</strong></td>
</tr>
</tbody>
</table>

* $93 million in debentures have been issued for growth related Wastewater projects. The annual debt servicing costs ($6.7 million in the 2016 Budget) are funded from the Wastewater RDC Reserve Fund.
Region of Waterloo
Planning, Development and Legislative Services
Council and Administrative Services

To: Chair Sean Strickland and Members of the Administration and Finance Committee
Date: April 12, 2016
File Code: L11-50
Subject: Appointment of an Ombudsman (2016-2018)

Recommendation:

That the Regional Municipality of Waterloo appoint Agree Incorporated as the Ombudsman for the Region of Waterloo for the period June 1, 2016 – May 31, 2018, with an option to renew for two (2) additional two (2) year terms (total of 6 years);

And That the Region Municipality of Waterloo enter into a retainer agreement with Agree Incorporated to provide Ombudsman Services on a fee for service basis for the period June 1, 2016 to May 31, 2018, as described in report PDL-CAS-16-07 dated April 12, 2016.

Summary:

Effective January 1, 2016, the Ontario Ombudsman’s jurisdiction will include the municipal sector, including municipal agencies and some municipal boards. In October 2015, Council agreed to pursue the hiring of their own Ombudsman for the Region and the Cities of Cambridge, Waterloo and Guelph, and the Townships of Wellesley, Wilmot and Woolwich. This report provides Council with the outcome of the RFP process and recommends the appointment of Agree Incorporated as the Ombudsman for the Region of Waterloo.

Report:

The Ombudsman Act has been amended to expand the jurisdiction of the Ontario Ombudsman to include municipalities, municipal boards and their agencies. This expanded jurisdiction meant that effective January 1, 2016, the Ontario Ombudsman’s office may conduct investigations into municipal matters based on complaints received directly from the public. The amendments further clarify how the Ontario Ombudsman may exercise its powers.
where a municipality has appointed an Ombudsman.

**Under the Municipal Act, 2001 Council has the authority to appoint an Ombudsman.**

Section 223.13 of the *Municipal Act, 2001* gives municipalities the authority to appoint an ombudsman who reports to council and whose function is to investigate in an independent manner any decision or recommendations made or act done or omitted in the course of the administration of the municipality, its local boards and such municipally-controlled corporations as specified by the municipality.

With the inclusion of the municipal sector under the jurisdiction of the Ontario Ombudsman, the Ontario Ombudsman by default becomes the ombudsman for a municipality that does not have an ombudsman as of January 1, 2016.

**Staff reported to Council in October on the feasibility of appointing an Ombudsman.**

In October 2015, Council received a report outlining the changes to Ontario’s *Ombudsman Act*. This report outlined the feasibility of appointing an ombudsman including an option of appointing jointly with the other municipalities.

Based on consultation with the Clerks of the local municipalities and information collected from other municipalities, staff found that it is feasible to locally appoint an ombudsman who would be better positioned to understand and address complaints within the local context of Waterloo Region. Staff also confirmed that an appointment could be done jointly through a shared model that would provide each of the local municipalities the choice to appoint the same ombudsman with the flexibility that accounts for the unique needs and resources of each municipality.

A request for proposal was issued for Ombudsman Services and staff advised Council that they would report back following the completion of the RFP process.

**Ombudsman is an office of last resort for members of the public to bring forward unresolved complaints.**

The ombudsman is an office of last resort for members of the public to bring forward unresolved complaints when all other complaint processes have been exhausted.

The Ombudsman will:

a) Independently receive, review and investigate complaints that are the result of an act, decision or recommendation done or omitted in the course of the administration of the Region and any municipally controlled corporation that may be under the ombudsman’s jurisdiction;

b) Maintain the confidentiality of complainants and the matters relating to an
investigation unless such matters should be disclosed to establish grounds for the ombudsman’s conclusions and recommendations;

c) Act at arm’s length from the Region and Council but will provide an annual report on its activities and periodic reports that are the result of an investigation.

The ombudsman cannot investigate any decision, recommendation, act or omissions:

a) Where there is a right of appeal or objection, or right to apply for a hearing or review by a tribunal or court until this right has been exercised; and

b) Of any legal adviser or person acting as legal counsel to the public sector body.

This means that municipal services governed by other legislation with established appeal and tribunal processes, (i.e. Ontario Works, applications under the Planning Act or Development Charges Act), would require the complainant to exercise and exhaust all rights established in the complaints process before the ombudsman may be engaged.

**Staff have been preparing and updating complaints processes across the Region which will be shared with the Region’s Ombudsman.**

In advance of the January 1, 2016 deadline, staff undertook an inventory of the existing complaint processes and has developed an administrative policy. This inventory provides a comprehensive overview of the Region’s current complaint processes and covers all regional departments and many specific areas of business. Citizen Service staff is now working to enhance the Region’s website for the handling of complaints and is assisting high priority areas with building awareness and improving their complaints handling.

Sharing this information with an ombudsman will aid in the Region’s efforts to continuously improve customer service and complaints processes for the Region’s customers and residents and will be an opportunity to identify areas that require improvements or can be streamlined and made consistent across common business areas.

**A Joint Request for Proposal (“RFP”) for an Ombudsman was issued by the Region in conjunction with the local municipalities.**

The RFP was issued by the Region in December of 2015 and closed in January of 2016. This was a joint RFP with the municipalities of Guelph, Cambridge, Waterloo, Woolwich, Wellesley, and Wilmot. Kitchener and North Dumfries decided not to participate in this process and have defaulted to the Ontario Ombudsman. Since the conclusion of the RFP process Guelph has withdrawn from the process.

**RFP Process**

The RFP was developed and evaluated by a panel composed of regional staff and a
representative from the participating local municipalities, using a three stage two envelope system.

Proposals were called for Ombudsman Services and were advertised in the Record, on the Ontario Public Buyers Association website, on Municipal World’s website and on the Region’s website. Proposals were opened in the presence of K. Fletcher, T. Lumgair and L. Evans.

Four (4) proposals were received. The proposals were evaluated using pre-determined technical criteria which included Qualifications and Experience, Quality of Submission, and Project Deliverables. Proponents were requested to provide pricing based on a yearly retainer fee, the cost of annual reports and hourly service fees. Following the qualitative evaluation, three (3) proponents were shortlisted and invited to attend an interview. Following the interview two (2) proponents were further shortlisted and their price envelopes opened.

The shortlisted proponents are:
ADR Chambers Inc. Toronto, ON
Agree Incorporated Dundas, ON

The proposal submitted by Agree Incorporated obtained the highest overall score. The retainer fee proposed by the short listed proponents was Identical. Other fees included in the proposal were very similar.

**Agree Incorporated (Agree) is being recommended for appointment as the Ombudsman for the Region.**

Agree has been providing conflict management, mediation, arbitration and investigation services for both the public and private sectors since 1993. Two of the principles have functioned as an Ombudsman for McMaster University. Agree brings with them a team of support staff to assist with both the intake process and to conduct investigations and mediation. Agree has also recommended the development of a Municipal Advisory Committee that would meet with Agree on a regular basis in order for Agree to gain a full understanding of municipal responsibilities and to assist municipalities in building best practices for complaints handling. Agree Incorporated has shown a willingness to be flexible and understanding while providing professional services to the participating municipalities.

**The ombudsman will be appointed for a term of two (2) years with an opportunity to renew for two (2) additional two (2) year terms.**

The initial term of the appointment will be two (2) years commencing June 1, 2016 and ending May 31, 2018. At the discretion of Council the contract may be renewed for two (2) additional two (2) year terms.

Under the RFP, all the participating municipalities will enter into their own contract with
Agree Incorporated. The term and conditions of the contract will be the same for each of the participating municipalities, including price. The municipalities will also enter into a cost sharing agreement for splitting the cost of the retainer fee.

Agree Incorporated is prepared to commence Ombudsman Services within 25 days after the municipalities have agreed. Because of the different municipal approval dates, staff believes the service will be ready for June 1.

**Area Municipal Impact**

The impact on local municipalities will depend on whether all the participating municipalities agree to continue in this process. The area municipalities will need to choose to appoint its own ombudsman or continue to participate by appointing Agree Incorporated.

The total cost of the $12,000 retainer will be split between the participating municipalities based on population. If all parties continue to participate the Region’s portion of the retainer would be approximately $7,700.

Each participating municipality will then pay the service fees of $90.00 per hour for intake and $275.00 per hour for investigation and mediation associated with calls for service from any person wishing to file a complaint.

Each participating municipality will also need to pay an annual reporting fee. The costs of the reports range from $2,000 to $4,250 depending upon the number of complaints handled by the Ombudsman.

**Conclusion**

The amendments to the *Ombudsman Act* came into force on January 1, 2016. This date is not a deadline as the provisions of the *Municipal Act* allow for a municipal council to appoint an Ombudsman at any time.

The appointment of the recommended proponent would ensure the Region has its own ombudsman ready to serve the residents and customers of the Region of Waterloo.

**Corporate Strategic Plan:**

The Region’s Plan includes as a Strategic Focus Area of Responsive and Engaging Government Services. The appointment of a municipal ombudsman will support this focus area. As well, the appointment supports the Region’s values of Service, Integrity and Respect and overall accountability and transparency.

**Financial Implications**

During the initial two year term, the participating municipalities will pay a retainer of $12,000
per year to Agree Incorporated to provide Ombudsman Services to the Region and the participating municipalities. If all the participating municipalities continue in this process then the Region’s share of this cost is $7,659.00.

A fee of $90.00 per hour for intake and $275.00 for investigation and mediation work will be incurred for complaints made to Agree Incorporated. A fee of $2000 - $4,250 (dependent on the number of complaints) for annual reports will be paid for each annual ombudsman report from Agree Incorporated.

The actual costs that would be incurred as a result of complaints made to Agree Incorporated is unknown as the volume of calls cannot be predicted at this time. Costs in 2016 will be accommodated within the approved 2016 Council and Administrative Services operating budget. Estimated costs will be included in the 2017 and future operating budgets.

Other Department Consultations/Concurrence:

The Region’s CAO and area municipal CAOs have been consulted throughout this process.

Attachments

None

Prepared By: Kris Fletcher, Regional Clerk/Director, Council and Administrative Services

Approved By: Rob Horne, Commissioner, Planning, Development and Legislative Services
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<tr>
<th>Meeting date</th>
<th>Requestor</th>
<th>Request</th>
<th>Assigned Department(s)</th>
<th>Anticipated Response Date</th>
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<tr>
<td>17-Nov-15</td>
<td>S. Strickland</td>
<td>Report on options related to collaboration between WRTMC and the local private sector, particularly with respect to a destination marketing fee.</td>
<td>PDLS (Cultural Services)</td>
<td>Apr-2016</td>
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<tr>
<td>13 Jan 2016</td>
<td>D. Craig</td>
<td>Report listing of Regional programs that are provincially mandated with no additional provincial funding.</td>
<td>COR (Finance)</td>
<td>Sep-2016</td>
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