



**Regional Municipality of Waterloo**  
**Administration and Finance Committee**  
**Minutes**

Tuesday, March 24, 2015

11:50 a.m.

Regional Council Chamber

150 Frederick Street, Kitchener

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Present were: Chair S. Strickland, L. Armstrong, D. Craig, S. Foxtan, T. Galloway, H. Jowett\*, D. Jaworsky, K. Kiefer, J. Mitchell, J. Nowak, K. Redman, K. Seiling, S. Shantz, B. Vrbanovic and W. Wettlaufer

Members absent: G. Lorentz

**Motion to Reconvene into Open Session**

Moved by L. Armstrong

Seconded by S. Foxtan

That Committee reconvene into Open Session.

Carried

**Declarations of Pecuniary Interest Under The “Municipal Conflict of Interest Act”**

None declared.

**Delegations**

a) Trudy Beaulne and Malcolm Waisman, Social Planning Council Kitchener-Waterloo, appeared before the Committee regarding HRC-CIT-15-02/COR-TRY-15-27, Management of Community Information Database P2014-59.

M. Waisman gave a [presentation](#) to the Committee; a copy is appended to the original minutes. He expressed concerns that the Region will take over the organization's mandate to provide community information and that the Region will be in direct competition with the organization. He requested that the Request for Proposals (RFP) process be either discontinued or started over and he presented other options for the Committee's consideration. In closing, he asked for a fair and impartial opportunity to compete in the RFP process.

S. Strickland asked that staff respond to the concerns raised about the transparency of the Region's RFP process and why the Social Planning Council Kitchener-Waterloo (SPCKW) was disqualified.

Lisa Buitenhuis, Manager, Procurement, explained to the Committee that all bidders had the same opportunity to receive information and ask staff questions about the bidding process. She stated that the Region's bidding process is such that all requirements must be met for consideration and that the SPCKW was disqualified because its bid didn't meet all the requirements.

The Committee commented that the process was fully transparent and noted that the Region gave the SPCKW a second chance to respond to the mandatory requirements but the requirements were still not satisfied. It was noted that the Community Information Database is being provided to and for the community at large and is not being driven by Regional staff.

### **Reports – Human Resources and Citizen Service**

HRC-CIT-15-02/COR-TRY-15-27, Management of Community Information Database P2014-59

Moved by K. Seiling

Seconded by D. Craig

That the Regional Municipality of Waterloo accept the proposal of the Social Planning Council of Cambridge and North Dumfries for the Management of the Community Information Database at a 3 year cost of \$258,025.69 including all applicable taxes with the option to extend for an additional 2 years. [HRC-CIT-15-02/COR-TRY-15-27]

Carried

S. Strickland stated that the Region is being consistent with its approach to RFPs and that it's regrettable that the compliance factor was not addressed in the delegation's RFP submission.

**Presentations**

a) Corporate Services Departmental Overview was deferred to the next Committee meeting.

**Request to Remove Items from Consent Agenda**

No requests were received to remove items from the Consent Agenda.

**Motion to Approve Items or Receive for Information**

Moved by K. Kiefer

Seconded by J. Mitchell

That the following items be received for information:

- COR-TRY-15-24, Investment Position at December 31, 2014
- COR-FSD-15-06, 2014 Development Charge Transaction Report

Carried

**Regular Agenda Resumes****Reports – Corporate Services**

a) COR-FSD-15-07, Proposed Amendments to the Development Charges Act, 1997 by Bill 73 – Smart Growth for Our Communities Act, 2015

C. Dyer provided introductory comments, noting that the removal of the 10% mandatory deduction of growth-related costs is a significant change in the proposed legislation. He stated that the most significant potential regulation would be the application of a forward looking measure for transit, which the Region and other municipalities have been advocating for in recent years. He added that some services, such as waste diversion, will be eligible for development charges (DCs). He stated that most of the new rules won't be included in the amended Act but will be set out in regulations. Currently no timelines have been offered about when the regulations will be in place. He stated that the proposed amendments have the potential to significantly increase Regional DC revenues.

The Committee discussed the impact of the proposed amendments on the construction stages of the Region's ION and the status of the current by-law. C. Dyer stated that if the Act passes quickly and if the Region could collect DCs for the Light Rail Transit (LRT), a scoped DC study could be undertaken and a new by-law could be brought forward for review before the end of 2015. He noted that a separate by-law would be prepared exclusively for LRT application.

Moved by T. Galloway

Seconded by L. Armstrong

That the Regional Municipality of Waterloo request the Province of Ontario to amend Bill 73 – Smart Growth for Our Communities Act, 2015 to allow for the immediate use of a forward looking service level standard for Rapid Transit projects and to pass the amended Bill at the earliest possible opportunity. [COR-FSD-15-07]

Carried, unanimously

b) COR-TRY-15-25, Region of Waterloo Property Tax Policy

Angela Hinchberger, Director, Treasury Services and Deputy Treasurer, provided a [presentation](#); a copy is appended to the original minutes.

\* H. Jowett left the meeting at 12:15 p.m.

A. Hinchberger provided highlights of the report, including property tax responsibilities, policy requirements, the current Regional policy, and the Area Municipality tax policy requirements. She stated that staff is recommending no changes to the tax ratios from the previous year for the 2015 property tax year.

She summarized the legislative parameters dealing with rebate programs and outlined the Region's policies, as well as the delegation of responsibility for the administration of these policies. She noted that the Region's share for the rebates is approximately \$200,000. She provided details about the various property tax classes and property tax capping.

A. Hinchberger responded to Committee questions regarding rates and exemption for universities, schools and churches. She also responded to questions about the new multi-residential and the multi-residential rates, specifically the options and impacts if the Region considered migrating the new multi-residential rate back to the multi-residential rate. She explained that if the Region eliminated the new multi-residential property class, those properties would be entitled to receiving the 35 year protection feature, resulting in lower tax rates and decreased revenue for the Region.

The Committee commented that the Region has had success on new multi-residential development and there is no longer as great a need to provide an incentive to developers. The Region should consider the best timing to eliminate this property tax to address the current inequities in some neighbourhoods, where there is multi-residential buildings on one side of the street and new multi-residential buildings on the other, with the former paying a significantly higher property tax.

Rob Horne, Commissioner, Planning, Development and Legislative Services, stated that staff will report back to Councillors on this matter.

The Committee noted that when the new multi-residential class was established, the vacancy rates in the Region were at an all-time low.

In response to a Committee question about the property tax rate and assessment for a production operation in one of the rural municipalities, C. Dyer advised that the responsibility for property assessment is the Municipal Property Assessment Corporation (MPAC); MPAC determines what class a property belongs to and if it's determined to be industrial, the Region will be tax at the industrial rate.

In response to a Committee question, A. Hinchberger provided clarification on what types of buildings are included in the multi-residential class.

The report was received for information.

c) COR-TRY-15-26, 2015 Tax Ratios

Moved by T. Galloway

Seconded by W. Wettlaufer

That the Regional Municipality of Waterloo establish the following tax ratios for the 2015 property tax year:

Residential	1.0000
New Multi-residential	1.0000
Multi-residential	1.9500
Commercial	1.9500
Industrial	1.9500
Pipeline	1.1613
Farmland	0.2500
Managed Forest	0.2500

And that the two necessary by-laws to implement the approved 2015 tax ratios and 2015 regional tax rates be prepared for Regional Council approval on April 1, 2015;

And further that the Area Municipalities be notified accordingly. [COR-TRY-15-26]

Carried

### **Reports – Planning, Development and Legislative Services**

e) PDL-CAS-15-04, Bill 31, Transportation Statute Law Amendment Act (Making Ontario's Roads Safer), 2015 and Uncollected Fines

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In response to a Committee question, Kris Fletcher, Director, Council and Administrative Services/Regional Clerk, advised that staff are investigating ways to write off the pre-2000 fines and anticipate that the legislation will assist with collection of current fines.

Moved by D. Craig

Seconded by B. Vrbanovic

That the Regional Municipality of Waterloo request the Province of Ontario to pass Bill 31, the **Transportation Statute Law Amendment Act (Making Ontario's Roads Safer), 2015**, to require defaulted Provincial Offences Act fines to be paid prior to the renewal of vehicle license plates;

And That the Regional Municipality of Waterloo request the Province of Ontario to immediately begin to make the necessary improvements to its database systems and information sharing processes to effectively support the implementation of Bill 31. [PDL-CAS-15-04]

Carried

### **Information/Correspondence**

a) Council Enquiries and Requests for Information Tracking List was received for information.

### **Other Business**

a) Notice of Motion

S. Strickland provided introductory comments about his motion regarding the establishment of an ad-hoc committee to review options for policies on grants to community groups and not-for-profit organizations.

T. Galloway advised that H. Jowett asked that she be considered for membership on this committee. J. Mitchell and K. Redman also volunteered to sit on the ad-hoc committee.

Moved by K. Redman

Seconded by K. Seiling

That the Regional Municipality of Waterloo form an ad-hoc committee to develop a policy(ies) with respect to operating and/or capital grants for community groups and/or not for profit organizations.

Carried

**Next Meeting – April 14, 2015**

**Adjourn**

Moved by K. Redman

Seconded by S. Shantz

That the meeting adjourn at 12:53 p.m.

Carried

**Committee Chair, S. Strickland**

**Committee Clerk, S. Natolochny**



March 24, 2015

Sean Strickland  
Chair of the Admin and Finance Committee  
Regional Municipality of Waterloo  
150 Frederick St., Kitchener

Re: Bid Number P2014-59  
Bid Name: Management of Community Database Information

Councillor Strickland, Chair and Committee Members

We have been disqualified from this RFP process, because we maintain our Waterloo Region Community Information Database to support a range of partners and clients. Our Board must exercise due diligence in this and would be remiss if we did not request an appeal of the decision to disqualify our proposal.

We have not been successful in making it clear to staff that we ARE able to comply with all of the requirements of the RFP. We have twice tried to communicate that we can provide what has been requested in the RFP to no avail. As a result, we do not feel as though we have been fairly considered for a services we have provided for over 40 years.

The annual grant we have received from the Region of Waterloo for over 35 has been used to maintain a central community information database and to make it available to local information centres and others. We have worked to ensure the data can be shared efficiently and reliably tailored to their specific needs and systems of a range of partners.

This includes direct data transfers to populate other database systems as well as customized CIOC 'views', the term used for distinct databases created using CIOC software. I hope you can understand our disappointment to learn that our data sharing role, well known to Region as our annual funder, has led to our being disqualified from this process. Last summer, we were been disappointed to learn that the RFP process was being done, as the \$100,000 procurement threshold was not even met. We felt even more concerned that, although the RFP was intended to meet the Region's needs, how it would support our community information service work.

We are the primary authoritative source for professionally maintained Waterloo region-wide community information and we provide quality service to the community now. The direction being taken by the Region in this RFP process will result in an unnecessary duplication of the data we maintain. This is both more work and more cost and, is contrary to sector standards for cooperative relations and collaboration.

(2)

Regardless of how the Region's process unfolds, our community service role is not changed. We will continue to maintain the Waterloo Region Community Information Database to support our regional and local community information services. We will honour the contractual agreements we have with other parties and will continue to respond to requests to collaborate on making local Waterloo Region information more useful and available to meet community needs.

We are asking that one of the following options be taken.

Option 1: Discontinue the current RFP process and establish an unambiguous and non-competitive foundation for moving ahead that:

- Clearly delineates that the scope of the RFP is to meet the Region's needs for data to be used for staff and to provide data for 211 use and, though information and data can be made available publicly this is not to replace the existing program and services we provide through the Community Information Centre of Waterloo Region
- Explicitly states Regional staff needs for information based on a joint review between our organization and Regional staff to assess Regional staff's needs and how we can help meet those needs.
- If you wish to restart the RFP process, that there be a clear and transparent rationale for not working with us at the Community Information Centre of Waterloo Region as the primary service provider in the Region.

Option 2: That the decision to disqualify us in RFP process be reversed and that our proposal be reviewed objectively and, further, if external people are involved that they be:

- Knowledgeable about the Region's (corporate body and not community) information needs, or
- Experienced in professionally managed database management work (with and without using CIOC tools) and Community Information & Referral sector standards of practice.

We trust that the Region; Council and Staff, will demonstrate respect for our long standing service mandate and opt to build on the direct investment that has been made by the Region through the annual community grant for 38 years.

Sincerely,



Jeffrey Waugh, President

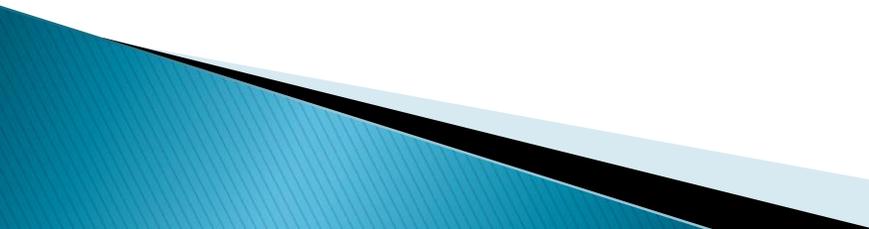
# Community Information Centre of Waterloo Region

Request for Proposals for  
Community Information Database Maintenance  
Presentation to  
Regional Municipality of Waterloo Administrative & Finance Committee  
Tuesday March 24, 2015

# Why a Funding Change?

- To create more stable funding for community information:
  - Uncertainty of annual community grant
  - Bring funds into department budget
- Allow the Region to define the terms for data collection – this has always been the case

# Our Questions re: RFP

- Proposed funds are less than \$100,000/year did not need external RFP – why was an external process needed?
  - Creates a vendor–client relationship not a partnership
  - Meeting Region’s needs for data is not the same as supporting CICWR community information service and does not take into account the other work we do.
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# Disqualified – why?

- ▶ Basis of CICWR proposal is long standing community information service and database management experience.
  - ▶ CICWR Database already exists and is shared for Region's use.
  - ▶ CICWR can quickly and efficiently meet all requirements of the RFP.
  - ▶ Data would be provided to support the Region as a client from CICWR database as is done for a wide range of clients and partners.
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# It seems to us that...

- The problem is how we have provided data to support the Region as a client from our source database in the same way we do for a wide range of clients and partners in the community!
  - Does this imply that we cannot do our community information work and share with other community partners?
- 

# Our Issues with the Process:

- Process has lacked transparency, possibly due to unstated RFP requirements
  - CICWR has not been fairly evaluated
  - CICWR's approach is known by the Region because we have received an annual grants for 38 years to maintain and share region-wide community information
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# The Result

- Lack of transparency in the process
  - Unnecessary duplication of efforts
  - Unnecessary costs
  - Taking over our community mandate to provide information services
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# Wasted Expertise

- The Community Information Centre has provided service to the supported the community for 44 years
- Sector leader for developing industry standards of practice
- Proven skill and technical processes to transfer data to different systems

We already have significant experience:

- Information and referral support to individuals, agencies & groups
  - Publications and tailored resources including training
  - Customized web directories to meet a range of needs
  - Design and provision of training in information literacy, I&R service & collaborative practices
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# Wasted Region Investment

- Annual Region support has been a steadfast and welcome contribution to help develop, maintain, use and share community information to support the Waterloo Region community
- Region's total contribution over 38 years =  
**\$1,968,527**

# Our Request

- Option 1: Discontinue the RFP process & start over
    - Be explicit this is to serve Region staff needs first
    - Jointly determine your needs with us
    - Clear and transparent rationale for not working with us if opening up an RFP process
  - Option 2: Reverse the decision to disqualify and ensure an objective review of our proposal is made
  - Give our organization a fair and impartial opportunity within the RFP process
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# Appreciation

- We are grateful for the support that has been provided to us by the Region
- We trust our continuing service role will be respected

# Property Tax Policy



Region of Waterloo

**Administration and Finance Committee**  
**March 24, 2015**

# Agenda

- Property tax responsibilities
- Budget vs tax policy
- Overview of Region of Waterloo tax policies
- Policy requirements
- Current Regional policy
- Area Municipal tax policy requirements

# Responsibilities

- Province establishes legislation and sets education tax rates
- Municipal Property Assessment Corporation determines property values and property classifications
- Region establishes required property tax policy, including tax ratios, and sets tax rates for Regional purposes
- Area Municipalities set tax rates for their own purposes and bills and collect taxes

# Budget vs Tax Policy

- Budget Process:
  - provides financial and staff resources required to deliver desired service levels
  - establishes user rates and the property tax levy
- Tax Policies:
  - determine the distribution of property taxes between various property classes and between properties within the same class



# Region of Waterloo Tax Policies

- Tax ratios
- Tax rate reductions for prescribed subclasses
- Optional property classes
- Tax rebates for eligible charities
- Tax relief for low income seniors and low income disabled persons
- Graduated commercial and industrial tax rates
- Property tax capping



# Region of Waterloo Tax Policies

- Region of Waterloo tax policies apply to the AM's
- Some policies mandatory; some optional and there is some latitude or flexibility
- Policies developed in consultation with Area Municipal Treasurers
- Policies currently in place have served the Region well
- Policies remain in effect unless changed by Council
- Two exceptions – tax ratios and property tax capping established annually

# Tax Ratios

- Determine municipal tax burden for various property classes
- Residential class has tax ratio of 1.00
- All other property class ratios are relative to the residential ratio
- Ratios may only move towards (or within) the fairness ranges (See COR-TRY-15-26 )
- Tax ratios apply to Area Municipalities
- Tax Ratios set annually even if there is no change



# Tax Ratios – Current Position

- Long term tax ratio strategy to achieve tax equity for business classes completed in 2010
- Common ratio of 1.95 for commercial, industrial and multi-residential classes
- Strategy also simplified assessment classification, provided relief to the industrial sector and simplicity for non-res property owners
- Tax ratios have remained unchanged since 2010
- Staff recommend same tax ratios for 2015 (COR-TRY-15-026)



# Tax Rate Reductions for Prescribed Subclasses

- Legislation / regulations establish property subclasses which receive discounted tax rates
- Farmland Awaiting Development (FAD)
- Vacant land in commercial and industrial property classes
- Excess land in commercial and industrial property classes



# Tax Rate Reductions for Farmland Awaiting Development

- 2 subclasses for FAD
- One subclass for land used for farming with registered plan of subdivision for non-farm use
- Tax rate may be 25% to 75% of residential rate
- Second subclass for land used for farming with registered plan and building permit for non-farm structure(s)
- Tax rate may be 25-100% of zoned use



# Tax Rate Reductions for FAD

## Current Position

- Tax rate for first subclass of FAD set at 35% of residential tax rate in 1998
- Tax rate for second subclass of FAD set at 100% of zoned rate in 1998
- Highest possible rates at that time
- Tax rate for first subclass may be adjusted annually by 10% to maximum of 75%
- Subsequent review in 1999 maintained the rates at 35% for first subclass and 100% for second subclass
- Tax rate for first subclass of FAD to be reviewed for 2016



# Tax Rate Reductions for Comm. & Ind. Subclasses

- Subclasses for vacant land and excess land in commercial property class
- Subclasses for vacant land and excess land in industrial property class
- Legislation establishes:
  - tax rate of 70% of full rate (30% reduction) for commercial subclasses
  - tax rate of 65% of full rate (35% reduction) for industrial subclasses
  - single tax rate in range of 65% to 70% for both



# Tax Rate Reductions for C & I Subclasses – Current Position

- Region initially established a single tax rate of 65% (35% reduction) for all commercial and industrial subclasses
- During 2013 tax ratio review, Council approved a single tax rate of 70% of full rate (30% reduction) for all commercial and industrial subclasses
- Maximum rate allowed for these subclasses
- Subclass tax rate reductions remain in effect until changed by Regional Council



# Optional Class for New Multi-residential Development

- Optional property class for new MR development encourages development of new MR housing
- New MR property gets a lower tax rate compared to existing MR property
- Lower rate accomplished through a lower tax ratio
- New MR property receives the lower tax rate for 35 years
- 35 year term remains in effect even if property class is discontinued



# Optional Class for New MR - Current Position

- Region adopted the optional class for new MR development in 2001 with a tax ratio of 1.00
- New MR property taxed at the same rate as residential
- MR property developed prior to 2001 is taxed at 1.95 times the residential rate for municipal purposes
- Optional MR property class enables Region to be eligible for senior government funding for affordable housing
- Service Managers required to lower taxes for new MR or provide a grant in lieu to receive funding



# Optional Commercial and Industrial Property Classes

- Three optional commercial property classes: office buildings, shopping centres and parking lots
- One optional industrial class: large industrial
- Municipalities can favour one optional property class over another by adjusting tax ratios
- Some restrictions apply including overall average ratio for broad class may not increase
- A lower overall ratio for broad class will shift taxation to other property classes



# Optional C & I Property Classes - Current Position

- Region did not adopt any of the optional commercial or industrial property classes in 1998 or during subsequent tax policy reviews
- Many municipalities that did adopt the optional classes have collapsed them
- Optional classes complicate tax ratio decisions and capping calculations
- Implementation of optional C & I classes would conflict with Region policy of tax equity for business classes



# Tax Rebates for Eligible Charities and Similar Organizations

- Region must provide tax rebates to eligible charities occupying commercial and industrial property
- Rebate must be a minimum of 40%
- Region may have a rebate program for similar organizations occupying C and I property
- Region may have a rebate program for eligible charities and similar organizations occupying property in other classes
- Region may provide rebates greater than 40% and establish different rebate percentages for different organizations



# Tax Rebates – Current Position

- Region's policy provides tax rebates of 50% for eligible charities and similar organizations occupying commercial and industrial property
- Eligible charities defined per legislation (248 (1) of Income Tax Act with CRA registration number) and similar organizations are specified in the policy
- Region has taken no action other policy parameters
- Region's policy is administered by the AM's
- Region's annual cost in range of \$200,000



# Tax Relief for Low Income Seniors and Disabled Persons

- Region must provide relief for property tax increases for low income seniors and low income disabled persons owning and occupying residential property
- Tax relief can be either a deferral or cancellation of all or part of the tax increase
- No interest can be charged on tax deferrals



# Tax Relief – Current Position

- Region's policy provides tax relief for low income seniors (65 years of age or older receiving an increment under the GIS program) and low income disabled persons (receiving an increment under the ODSP)
- First 3% of tax increase is responsibility of property owner
- Increases greater than 3% can be deferred subject to minimum amount of \$50
- Amounts deferred until property is sold or transferred
- Region's policy is administered by the AM's
- Very little use of this policy



# Graduated Commercial & Industrial Tax Rates

- Region has option of setting graduated or tiered tax rates for commercial and industrial property classes
- Could establish 2 or 3 bands of assessment with different tax rates applying to each band
- Lower rates to lower band and higher rates to higher bands
- Assessment bands and tax rates must be same for all properties within the C and I classes; but may differ between the C and I classes
- Graduated rates shift taxation from lower to higher valued properties within the same class; overall taxes for the class are same before and after setting graduated rates



# Graduated C & I Tax Rates - Current Position

- Region has taken no action on the option of graduated tax rates
- Graduated tax rates apply across an entire property class; there is no ability to selectively use this tool
- Graduated tax rates are contrary to the Region's current position of tax equity for the business classes
- Graduated rates are not designed to operate with the capping program and would likely require significant changes to municipal tax billing systems



# Property Tax Capping

- Provincial legislation requires the Region to protect commercial, industrial and MR properties from tax increases arising from 1998 property tax reform
- Protection is a “cap” or limit on tax increases
- Municipal budget increases are in addition to the cap provided certain conditions are met
- Province provides a number of options for capping
- Capping program set annually or a default program applies



# Property Tax Capping Current Position

- Region establishes its annual capping program to achieve a number of objectives including:
  - fewest properties impacted
  - greatest number of properties at full CVA taxes
  - capping costs funded by limiting tax decreases within the same class
  - no impact on residential or other classes
  - progress towards goal of getting out of capping
- Recommended capping program for 2015 will be brought forward in late spring



# Area Municipal Tax Policies

- AM's are responsible for 2 property tax policies
  - 1) AM's must have a program to provide tax rebates to owners of commercial and industrial properties that have vacant units; certain criteria must be met
  - 2) AM's may have a program to provide tax relief for owners of designated heritage properties (tax refund or reduction between 10% to 40% of property taxes)



# Area Municipal Tax Policies Current Position

- The amount of vacant unit rebates is aligned with tax rate reductions for commercial and industrial subclasses – currently 30%
- Region's cost for vacancy rebates is in the range of \$1.7 million annually
- The City of Kitchener has a tax refund program for heritage property and provides a 40% rebate
- The Region has chosen not to participate in heritage refund / reduction programs



# Region Tax Policies Summary

- Region has the required tax policies in places
- Policies have been developed in consultation with the Area Municipal Treasurers
- Policies serve the Region and AM's well
- For 2015, Council must establish tax ratios and the property tax capping program
- If Council wishes to review the other policies, staff could report back in 2015 for 2016 taxation year