



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

Tuesday, February 2, 2016

10:45 a.m.

Regional Council Chamber

150 Frederick Street, Kitchener

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Present were: Chair S. Strickland, L. Armstrong, E. Clarke, S. Foxton, T. Galloway, H. Jowett, K. Kiefer, G. Lorentz, J. Mitchell, J. Nowak, K. Redman, K. Seiling and S. Shantz

Members absent: D. Craig, D. Jaworsky and B. Vrbanovic

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

None declared.

**Request to Remove Items from Consent Agenda**

There were no requests to remove items from the Consent Agenda.

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

Moved by G. Lorentz

Seconded by K. Redman

That the following items be approved:

- That the Regional Municipality of Waterloo write-off accounts receivable in the amount of \$142,046.96 for the year ended December 31, 2015, as outlined in Report COR-TRY-16-09.

- That the Regional Municipality of Waterloo authorize the Chief Financial Officer, by By-law, to borrow funds as required on a temporary basis to meet current and capital expenditures in 2016 to a maximum of \$112.0 million for current expenditures and \$66.0 million for capital expenditures, as outlined in report COR-TRY-16-11, dated February 2, 2016.

And That the following item be received for information:

- COR-TRY-16-10, Quarterly Summary of Tenders/Quotes, Requests for Proposals and Consultant Selections Approved by the Chief Administrative Officer

Carried

## **Regular Agenda Resumes**

### **Reports**

#### **COR-FSD-16-04, Long-term Financial Sustainability Initiatives**

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer, provided opening remarks.

Cathy Deschamps, Director, Financial Services and Development Financing gave a [presentation to the Committee](#); a copy is appended to the original minutes. She summarized the purpose of the initiatives, the progress to date, the various initiatives, including Regional Development Charges (RDC) background studies for transit and waste diversion. She noted that one-third of the Region's 2016-2025 capital program will be financed from debentures and that capital financing principles are also being developed.

She highlighted the importance and impact of Master Plans on the next full RDC Background Study. She provided an overview of the Reserves and Reserve Funds and stated that the balances should be higher than they are given the projects undertaken by the Region. She referenced the importance of Asset Management Policy principles, as outlined in the report that was approved at today's Planning and Works Committee, as well as the Optimization of Water Services Capital Program Delivery.

The Committee commented on the need to review revenue for capital needs that are directly related and the Region's prudent practices in terms of debt, with a caution about connecting debt levels to reserve levels. The Committee also commented on the financial impact on municipalities as a result of provincial actions and the need for municipalities to be given the tools to become financially sustainable.

Received for information

2062605

**Information/Correspondence**

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

**Next Meeting – February 23, 2016**

**Adjourn**

Moved by K. Kiefer

Seconded by S. Foxton

That the meeting adjourn at 11:04 a.m.

Carried

**Committee Chair, S. Strickland**

**Committee Clerk, S. Natolochny**



Region of Waterloo

# Long-term Financial Sustainability Initiatives

COR-FSD-16-04

Administration & Finance Committee

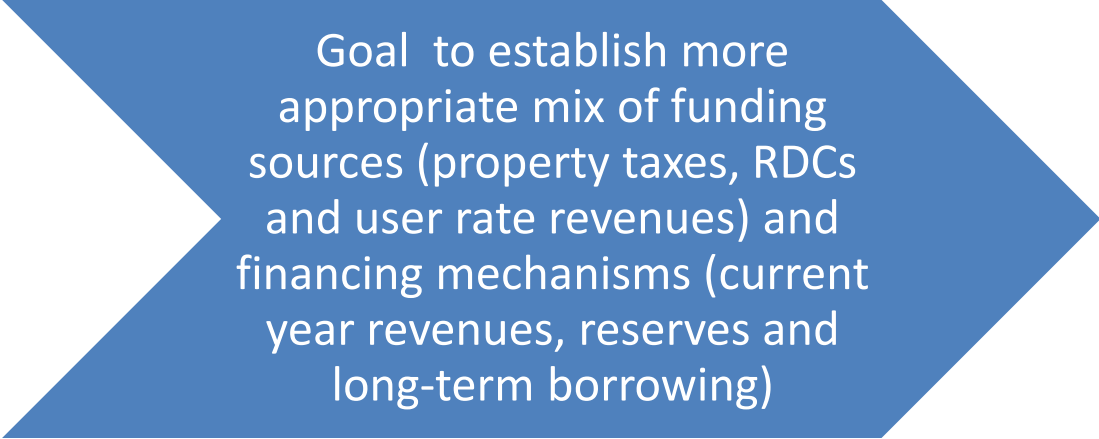
February 2, 2016

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# Purpose



To advance funding strategies to enhance the Region's long-term financial sustainability

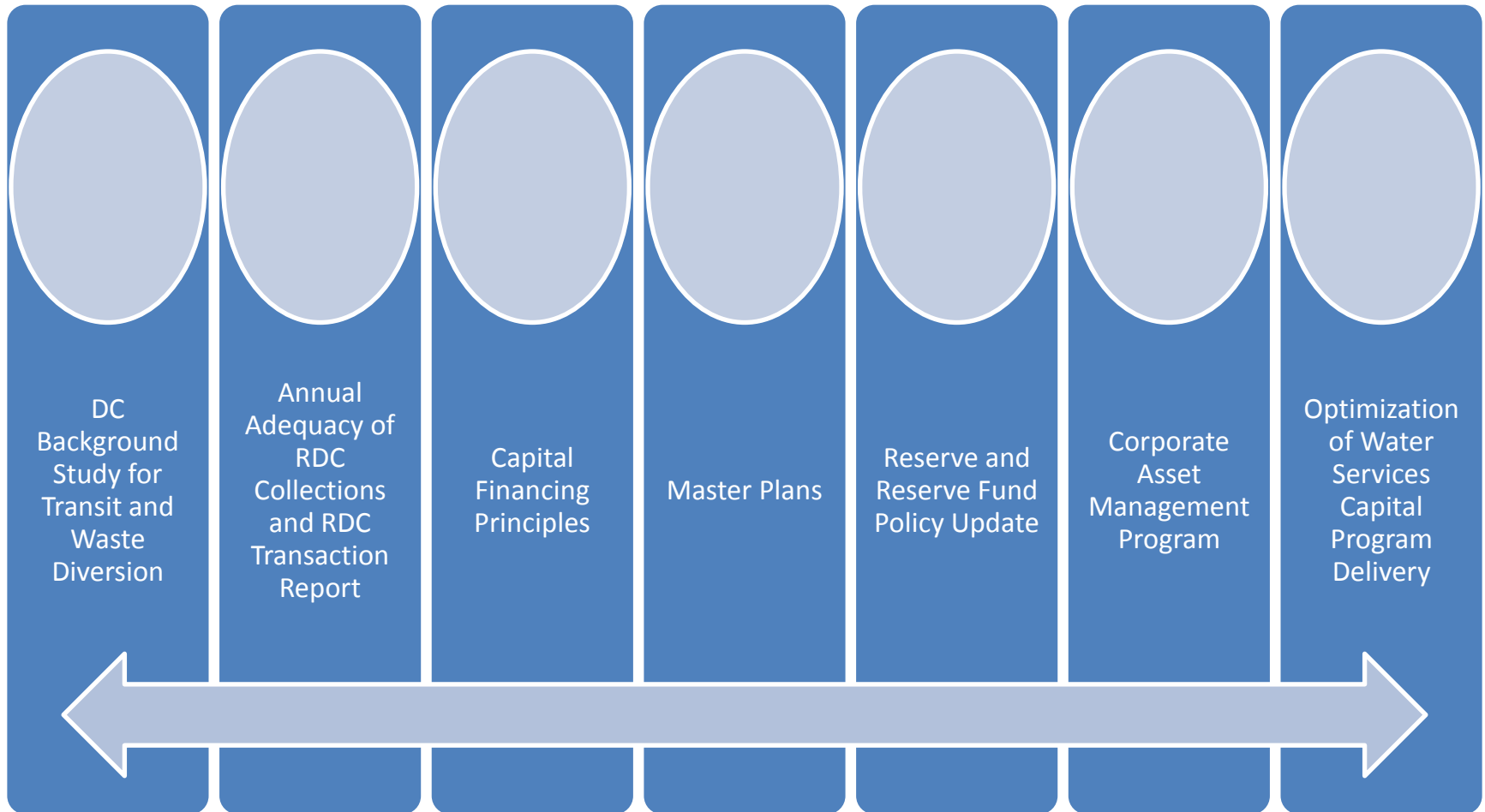


Goal to establish more appropriate mix of funding sources (property taxes, RDCs and user rate revenues) and financing mechanisms (current year revenues, reserves and long-term borrowing)

# Progress to Date

- Implemented capital plan principles
- Detailed review of funding sources by project annually
- Increased transfers to CLRF to reduce reliance on debt
- Repurpose debt charge savings as transfers to reserve
- Funding provision for building lifecycle works
- Detailed review of RDC funding availability

# Initiatives

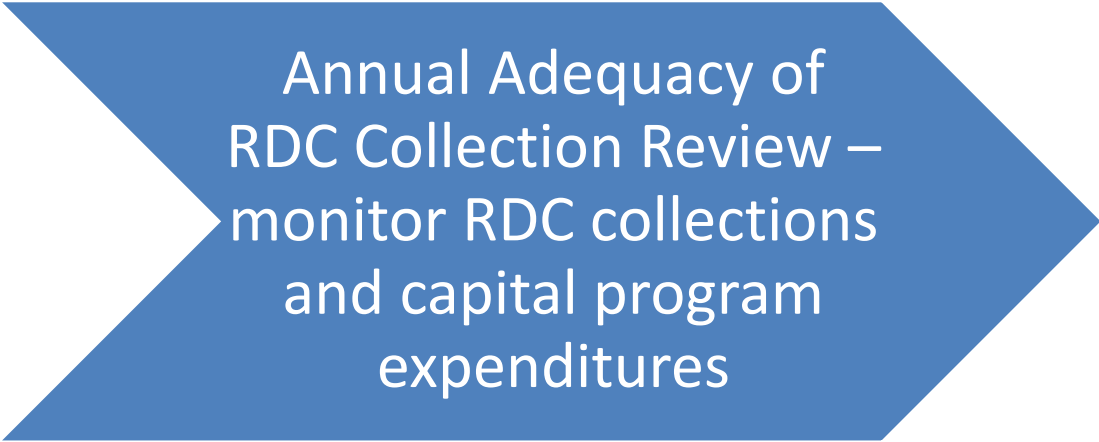


# RDC Background Study for Transit and Waste Diversion

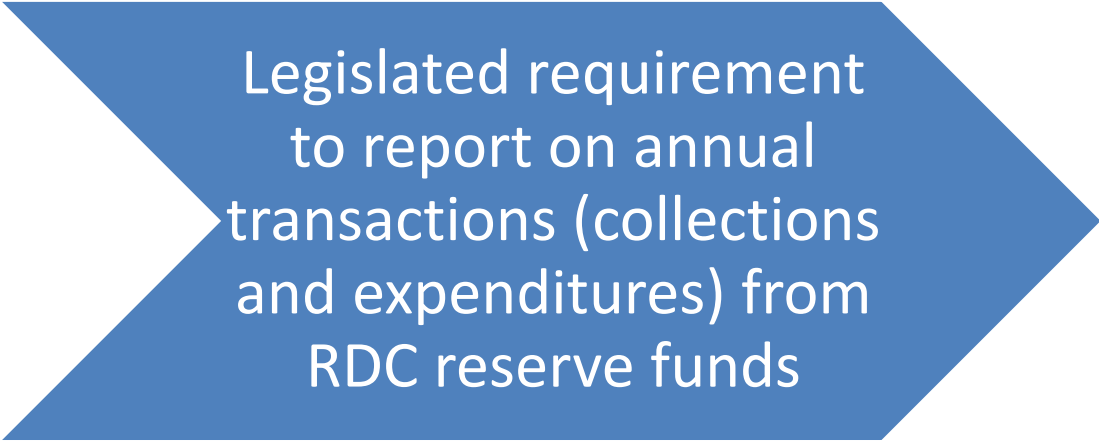




# RDC Reports



Annual Adequacy of  
RDC Collection Review –  
monitor RDC collections  
and capital program  
expenditures



Legislated requirement  
to report on annual  
transactions (collections  
and expenditures) from  
RDC reserve funds

# Capital Financing Principles

Staff working group formed to develop strategies to finance growth-related portion of capital projects

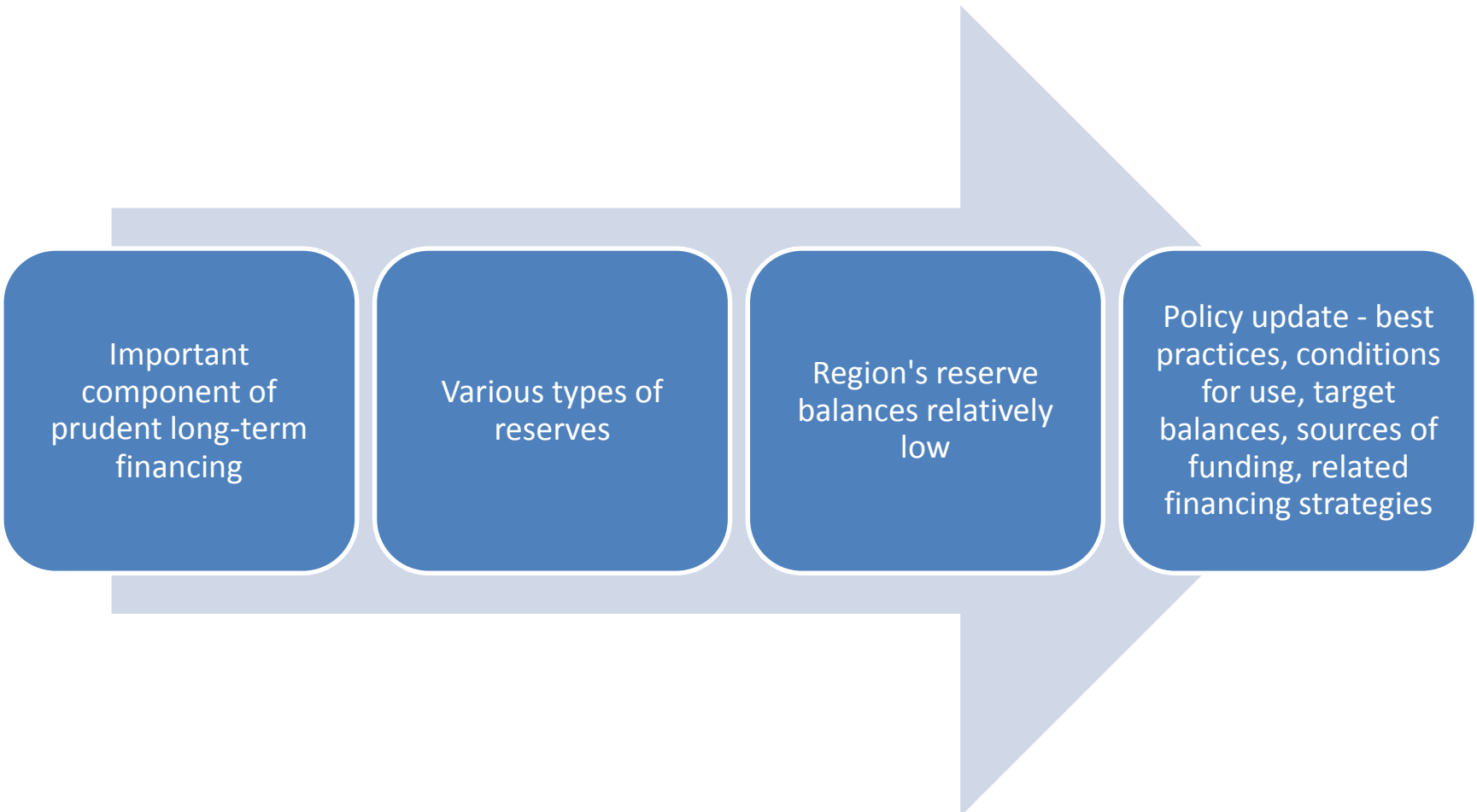
2016 capital budget included adjustments to project timing, interim financing, long-term borrowing to maintain adequate RDC reserve fund balances

Recommendations and strategies will be put forward to Council in advance of 2017 capital budget development

# Master Plans

Program Area	Expected Completion Date
Water Master Plan	Was completed in 2014
Grand River Transit Business Plan	June 2016
Paramedic Services Master Plan	Fall 2016
Airport Business Plan	Late 2016
Wastewater Master Plan	Fall 2017
Regional Transportation Master Plan	December 2017
Regional Accommodation Master Plan	Mid 2018
Development Charges Background Study	Before August 2019
Biosolids Master Plan	Winter 2019

# Reserve and Reserve Fund Policy Update



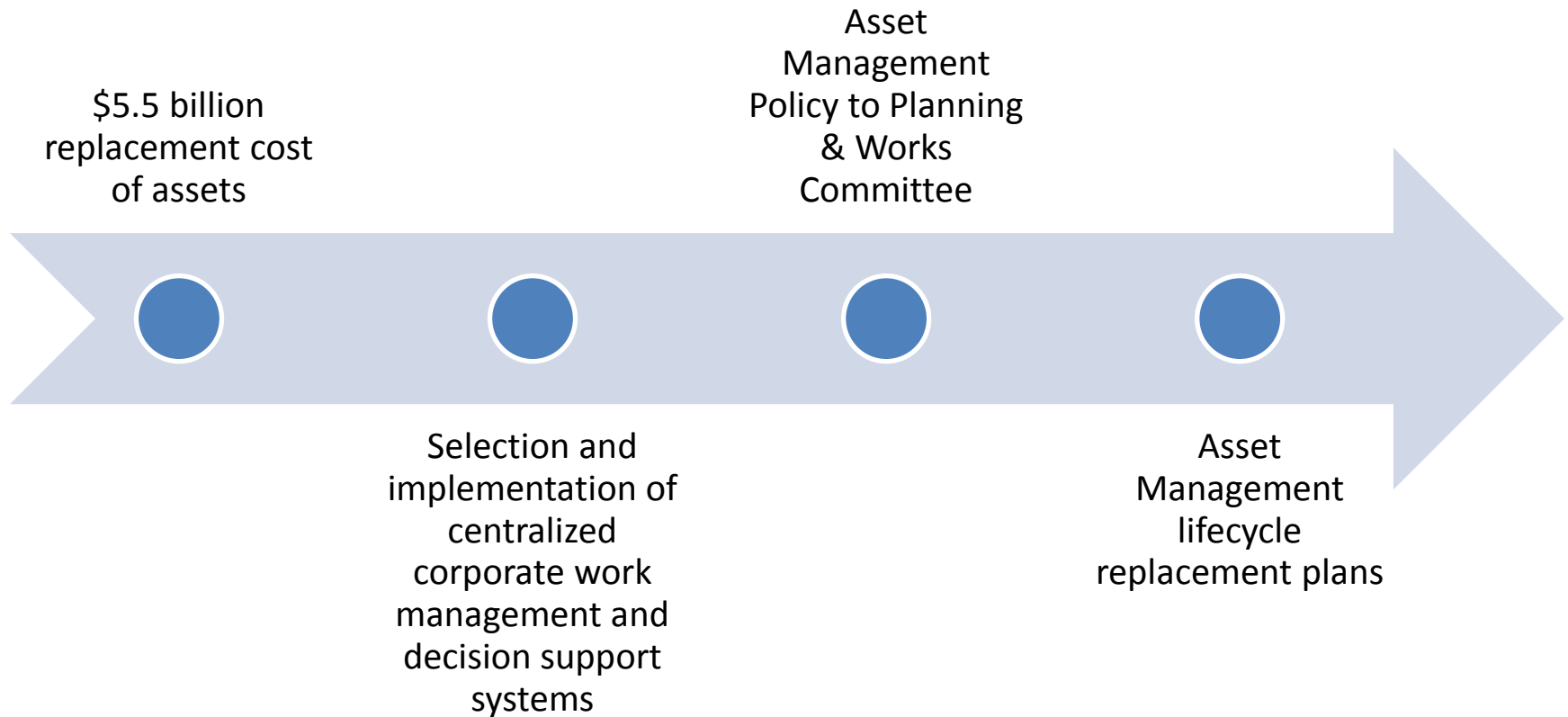
Important component of prudent long-term financing

Various types of reserves

Region's reserve balances relatively low

Policy update - best practices, conditions for use, target balances, sources of funding, related financing strategies

# Corporate Asset Management Program



# Optimization of Water Services Capital Program Delivery

Project to increase accuracy and accountability of capital program delivery

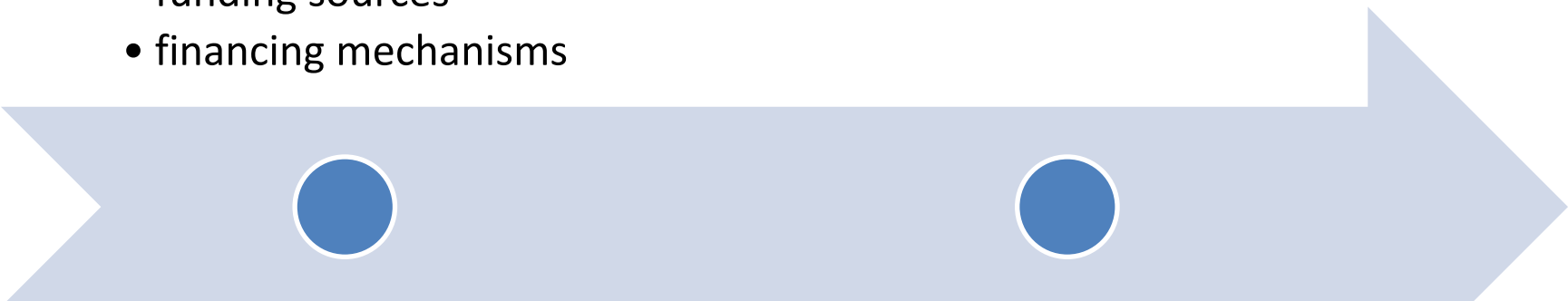
Recommend project management methodologies to improve effectiveness

Benefits expected beginning with development of 2017 capital program

# Conclusion

Developing more appropriate mix of:

- funding sources
- financing mechanisms



Enhance long-term sustainability of capital program and provide increased financial flexibility