



# REGIONAL MUNICIPALITY OF WATERLOO ADMINISTRATION AND FINANCE COMMITTEE AGENDA

Tuesday, March 20, 2012  
10:15 a.m.

(Time is approximate; meeting follows Community Services Committee)  
Regional Council Chamber  
150 Frederick Street, Kitchener, Ontario

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1. **DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT**
2. **DELEGATIONS**
3. **REPORTS – Chief Administrative Officer**
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- REPORTS – Finance**
  - b) [F-12-022](#), 2012 Average Residential Property Value 13
  - c) [F-12-021](#), 2012 Tax Ratios 15
- REPORTS – Corporate Resources**
  - d) [CR-FM-12-007](#), Consultant Selection - Facilities Management & Fleet Services Asset Management Implementation Project 21
- INTERDEPARTMENTAL REPORTS**
  - e) [CR-FM-12-006/P-12-034](#), 2012 Community Environmental Fund Allocation – Sustainability Grant Stream 24
4. **REPORT FROM THE AUDIT COMMITTEE**
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5. **INFORMATION/CORRESPONDENCE**
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7. **NEXT MEETING – April 17, 2012**
8. **ADJOURN**



**REGION OF WATERLOO**

**OFFICE OF THE CHIEF ADMINISTRATOR**

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**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** March 20, 2012 **FILE CODE:** A26-50

**SUBJECT: DEVELOPING AN INCLUSION AND DIVERSITY STRATEGY FOR THE REGION OF WATERLOO**

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**RECOMMENDATION:**

For information.

**SUMMARY:**

As part of the 2011-2014 Strategic Planning process the Region committed to developing a Diversity and Inclusion Strategy to improve the accessibility of Regional programs and services to support our diverse community. This report provides an overview of the activities completed to date in order to develop the Diversity and Inclusion Strategy. It is anticipated that the Strategy will be brought forward to Council in June 2012.

**REPORT:**

**1.0 BACKGROUND**

Successfully embracing diverse practices to increase inclusion for immigrants and refugees was identified as a priority in the Region's 2007-2010 Strategic Plan. In order to address this priority, a proposal was submitted by the Region of Waterloo and approved by Citizenship and Immigration Canada (CIC) in 2010 (CA-10-004). Through the 2011-2014 strategic planning process it was recognized that improving access and inclusion to Regional programs and services was larger than one specific community, and therefore the Diversity and Inclusion Strategy will build on and integrate the activities funded by CIC in 2010 to include the many other dimensions of diversity (disabilities, income, gender, age, sexual orientation, etc).

The planning work to develop a Diversity and Inclusion Strategy began in September 2010 and included public and staff consultation which was directly integrated and aligned with the Region's strategic planning process (CA-10-007). The consultation process included the following:

- Paper and on-line surveys with the public and staff
- More than 25 focus groups with diverse public groups
- 6 focus groups with staff
- Outreach meetings with diverse communities
- Statistically reliable, random telephone survey with 1160 residents

Several main themes emerged throughout the public and staff consultation, and while some participants may have placed more emphasis on certain issues or ideas than others, there was noticeable consistency of the themes and general approach among participants and across the various diverse groups (CA-11-003) and (CA-11-006).

## **2.0 WHY DIVERSITY AND IMPROVING INCLUSION MATTERS**

### **2.1 To better serve our Community**

Diverse communities and groups make up Waterloo Region, and statistics show that the population will continue to change over the next 30 years. This is the case for many communities across Ontario due to unprecedented demographic change. With an ever changing population comes different realities and changing needs. The Region must effectively serve the broadest segment of the community possible, and provide relevant and accessible services to all residents in order to provide excellent service.

### **2.2 To have a more diverse workforce**

To provide Waterloo Region residents with excellent programs and services we must attract and retain a skilled, talented and diverse workforce. A more diverse workforce has greater insight into the diverse needs of our community. A workplace that recognizes difference and values the contribution made by all employees is more likely to attract, retain, support and engage talented and diverse employees. Valuing and including employees for their unique talents will increase employee commitment and inspire personal best. Fully leveraging the potential of people is critical to our success.

Over 40 per cent of the Region's workforce is eligible for retirement within the next 5 to 10 years as the baby boom generation retires. In order to meet the demand for new talent, the Region must become an inclusive workplace that attracts and retains the best talent globally. The successful match of skills and employment from diverse populations allows the Region to recruit staff from the widest labour pool possible and to be considered an employer of choice for all.

### **2.3 Consistent with our Region of Waterloo Values**

The Region aspires to create an environment where people are included, valued and treated with respect. By demonstrating the Region of Waterloo values of Service, Respect, Innovation, Collaboration and Integrity in our day-to-work we will build an environment of inclusion. Our commitment to diversity and inclusion will ensure that differences are recognized as strengths and new ideas are embraced. By drawing on the strengths of diversity, the Region will create an environment where self awareness and personal accountability are expected, and where our programs and services are as accessible and inclusive as possible.

## **3.0 WHAT IS DIVERSITY AND INCLUSION?**

### **3.1 Diversity**

Diversity is the range of characteristics that make individuals unique. These characteristics include, but are not limited to, dimensions such as national origin, language, race, color, disability, ethnicity, gender, age, religion, sexual orientation, gender identity, socioeconomic status and family structures.

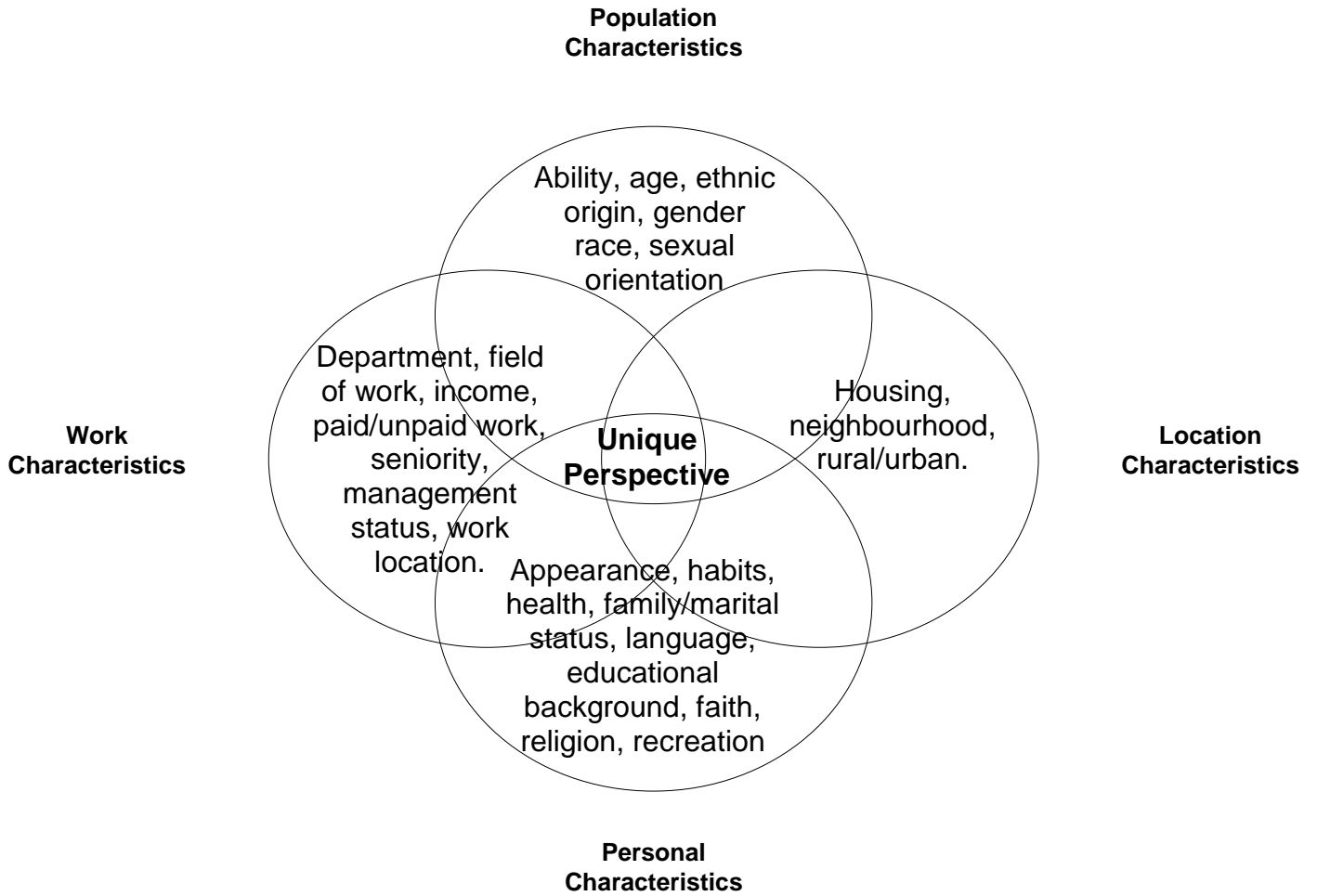
### **3.2 Inclusion**

Inclusion is involving and valuing human differences by creating an atmosphere that promotes a sense of belonging: where everyone feels respected and valued for their uniqueness. In an inclusive environment each person is recognized and developed, and their skills are routinely tapped in to. In an inclusive environment people are valued because of, not in spite of, their differences.

### 3.3 The layers or dimensions of diversity

The layers or dimensions of diversity are represented in diagram 1 which is used to illustrate the scope of the Region’s initiative. These layers illustrate the many ways in which people, including staff differ from one another. Some of these differences are invisible and others are visible for others to see. All of these characteristics form an individual’s unique perspective.

**Diagram 1: Layers of Diversity**



## **4.0 WORK COMPLETED TO DATE**

### **4.1 Established Steering Team**

A Diversity and Inclusion Steering Team, consisting of employees from across the organization, was established in September 2010. The team provides advice and guidance on the steps and processes needed to improve access, fairness and inclusion in all Regional programs and services.

### **4.2 Completed a Profile of our Diverse Community**

The Diversity and Inclusion Initiative crosses several population groups (immigrants, people with disabilities, people with low literacy, people with diverse sexual and gender orientations, etc.), and therefore a succinct and user friendly profile of our community has been developed as a resource and will be updated when the more recent census data becomes available (Attachment 1: Summary Profile of our Diverse Community).

### **4.3 Completed an External Review of Effective Practices**

An external review of effective practices with various municipalities and private sector companies including, but not limited to, the City of Kitchener, City of Edmonton, Region of Peel, City of Ottawa, City of Toronto, Region of Halton, Town of Markham, Ontario Public Service, KPMG and RBC was conducted. This review provided many effective practices that the Region will build upon to shape the development of the Region's Diversity and Inclusion Strategy.

### **4.4 Conducted an Internal Organizational Review**

An internal review of Regional programs and services was conducted in order to gather information on current practices and resources across the organization that we can use or build upon corporately. Through this process there were also many needs and gaps identified by staff and this information will inform the development of priorities in the Draft Diversity and Inclusion Strategy. (Attachment 2: Summary Results from the Internal Organizational Scan).

### **4.5 Staff Awareness Building**

Building staff awareness about inclusion issues was identified as a priority throughout the consultation process. In order to determine what methods would work best to increase staff awareness, pilot training sessions were held for Regional staff regarding sensitivity to diverse groups, and how to effectively work with individuals from diverse communities. Human Resources conducted these sessions in order to understand the best methods to enhance knowledge, skills and attitudes regarding diversity and inclusion. Based on staff feedback the content and format will be revised and the sessions will be offered on an ongoing basis and will integrate activities from the Diversity and Inclusion Strategy.

### **4.6 Diversity! in the Workplace Calendar**

The Region is piloting a Diversity! in the Workplace Calendar this year to help create awareness and celebrate the different aspects of cultures and traditions. The 2012 Diversity! in the Workplace Calendar is a comprehensive calendar reflecting the Canadian workplace, and listing hundreds of multifaith, multicultural and diversity-related holidays, festivals and observances. Each day and each month has a brief explanation of its significance. The calendar is available in electronic format and some print version have been distributed to areas with out computer access.

## **5.0 COMMUNITY INVOLVEMENT**

There are many formal and informal partnerships and services for our diverse community in Waterloo Region. To date there has been significant public and staff input into the development of the Strategy. This work will benefit from ongoing engagement of the various sectors as well as immigrants living in our community, throughout the process.

### **5.1 Dialogues on Diversity with the Community**

In order to develop and implement opportunities to discuss, understand and probe the issues of barriers to inclusion, a series of dialogues on diversity will be hosted. These opportunities for discussion will be designed to be reflective, exploratory and open forum in order to listen, become aware, and understand of some of the aspects of diversity and barriers to inclusion. Topics for the Dialogues will be prioritized based on alignment with other organizational initiatives such as the AODA, other community initiatives such as PRIDE month and available resources.

The first Dialogue on Diversity was held on February 6, 2012 during Black History Month and debuted the acclaimed Canadian documentary *Colour Me*. Three sessions were held in Council Chambers in partnership with several community organizations. All three sessions were positively received by the community and staff.

The Region is working with the Immigration Partnership to host our second Dialogue on Diversity which is focused on the topic of Immigrant Civic Participation on March 22, 2012. It will feature key note speaker Ratna Omidvar, who is the President of the Maytree Foundation. To complement the key note speaker, a panel of community members will share how their organizations have improved civic participation of diverse communities in the areas of governance, leadership, operation and policy making. We are inviting Councillors, policy changers, board of directors, management staff and decision-makers to this session.

Future Dialogue topics include a focus on Lesbian, Gay, Bisexual and Transgendered issues and people living with disabilities.

## **6.0 NEXT STEPS**

### **6.1 Draft Diversity and Inclusion Strategy**

Based on the information gathered from the community, staff and the organization through the Strategic planning process and other methods, a Diversity and Inclusion Strategy is being developed. This strategy will provide the means to integrate diversity and inclusion practices into existing processes, policies and procedures. The Strategy will have an internal organizational focus as well a focus on program and service delivery. It is anticipated that activities will focus on the three main areas:

1. Building awareness: Communicate the value, benefits and commitment to inclusion and diversity;
2. Inclusive workplace: Ensure our work place is inclusive, respectful, fair and equitable so that it attracts, supports and retains a skilled diverse workforce that understands and meets the needs of everyone we serve; and
3. Address barriers in our services and programs. Identify and address barriers to providing and accessing Regional programs and services to ensure inclusivity and accessibility for all citizens in order to respond to the changing needs of the community.

The purpose of creating a Diversity and Inclusion Strategy is to value and communicate the commitment to diversity and inclusion in order to create inclusive programs and services, served by a diverse workforce, that meet the needs of our growing and changing community. Our commitment to diversity and inclusion will ensure that differences are recognized as strengths and new ideas are embraced. It is anticipated that this Strategy will be presented to Council in June 2012.

## **6.2 Evaluation Framework**

In parallel with the development of the strategy an evaluation framework is being developed in order to measure and monitor our progress throughout the implementation.

## **6.3 Upcoming Events**

### **International Day of Pink**

The Region will be participating in the Day of Pink which is an International event to bring the message that bullying, discrimination and homophobia can be stopped by working together. The Day of Pink is more than just a symbol of a shared belief in celebrating diversity, but also a commitment to being open minded, understanding of differences and learning to respect each other. On April 11 we invite everyone to celebrate diversity by wearing a pink shirt, a button or sticker.

### **CORPORATE STRATEGIC PLAN:**

This initiative is very consistent and complementary to the Vision and Values of the Region of Waterloo. The Vision (*Waterloo Region will be an inclusive, thriving and sustainable community committed to maintaining harmony between rural and urban areas and fostering opportunities for current and future generations*) acknowledges the Region's diversity and its desire to be an inclusive community.

Related objectives and actions specific to this initiative in the Region's Strategic Plan include:

### **Focus Area – Service Excellence**

**Strategic Objective 5.1** Improve the accessibility of Regional programs and services to support our diverse community.

#### **Actions**

**5.1.1** Develop and implement an action plan to make the Region's programs, services and workforce more accessible and responsive to our diverse community.

**5.1.3** Implement the standards under the Accessibility for Ontarians with Disabilities Act (AODA) to comply with Provincial regulations.

**Strategic Objective 5.4** Retain, recruit and develop skilled, motivated and citizen-centered employees.

**Actions**

**5.4.1** Develop and implement actions to support the effective recruitment of employees to the Region.

**5.4.2** Implement actions designed to build leadership capacity.

**FINANCIAL IMPLICATIONS:**

A portion of the funding is being provided by the Federal Government of Canada from Citizenship and Immigration in the amount of \$195,742 for a three-year project which began in July 1, 2010 and has a completion date of June 30, 2013. A condition of the funding is that Region of Waterloo contribute staff time which has been planned for and will be integrated into already existing and future processes (e.g., strategic planning process, Accessibility for Ontarians with Disabilities Standards and the Service Improvement Initiative). In the future there may be a need for additional resources, which will become clearer as the process evolves. This would be dealt with through future budget processes as needed.

**OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:**

All Region of Waterloo Departments have been consulted with on this report. Human Resources and Corporate Resources staff support are essential to this initiative and have assisted with the development of the project.

**ATTACHMENTS:**

Attachment A: Profile of our Diverse Community – Summary  
Attachment B: Internal Organizational Scan Summary of Results

**PREPARED BY:** *Lorie Fioze, Manager, Strategic Planning and Strategic Initiatives*  
*Bev Aikenhead, Manager, Organizational Development*  
*Charlotte Gravlev, Manager, Citizen Service*

**APPROVED BY:** *Michael L. Murray, Chief Administrative Officer*  
*Peggy Mellor, Acting Commissioner of Human Resources*  
*Gary Sosnoski, Commissioner of Corporate Resources*



**Attachment A: Profile of our Diverse Community - Summary**

Waterloo Region is a community that has its roots in diversity and continues to become more diverse and ever changing as the community grows in population. Here is a brief statistical overview of our diverse community:

- **Immigrants:** As of 2006, there were 105,000 immigrants living in Waterloo Region – or 22% of the population. This compares to 28% of Ontario's population. Immigrants come to Canada from all over the world. Among all immigrants living in Waterloo Region, the top places of birth are Europe (Southern Europe - 19.8% of all immigrants, Eastern Europe - 13.4% of all immigrants, Northern Europe - 12.9% of all immigrants, Western Europe - 9.1% of all immigrants) and Asia (Southern Asia - 8.2% and Eastern Asia - 6.2% of all immigrants).
- For recent immigrants (2001-2006) the top 5 countries of origin are India, China, Pakistan, Romania, and the Former Yugoslavia. Half of all the Region's immigrants live in Kitchener.
- **Permanent Residents:** People who have been granted permanent resident status in Canada. Permanent residents must live in Canada for at least 730 days (two years) within a five-year period or risk losing their status. Between 2006 and 2010, 15,220 individuals and families received permanent resident status.
- **Refugee Claimants:** Each year between 2001 and 2010 there were 700 refugee claimants living in Waterloo Region. Refugees are individuals who are fleeing persecution in their home country and have either been granted permanent resident status (sponsored by the government or a group in Canada) or who are refugee claimants and are requesting permanent resident status. Refugees who have been granted permanent resident status are considered landed immigrants. Refugees made up approximately 23% of immigrants destined to Waterloo Region between 1996 and 2008.
- **Foreign Students:** The number of students arriving in Waterloo Region on Foreign Student Visas increased from 780 in 2001 to 1,280 in 2010.
- **Foreign Workers:** Between 2001 and 2010, on average of 730 individuals arrived in Waterloo Region each year on Foreign Worker visas.
- **Ethnic Origin:** 381,000 residents indicated their ethnic origin on the last census. The largest geographic areas of origin were: European (182,000), British Isles (165,000), Canadian (87,000), French (34,000), and East and Southeast Asian (15,000). Those who are first-generation Canadians listed European (51,000), British Isles (17,000), East and Southeast Asian (13,500), South Asian (10,000), and Latin, Central, and South American, (4,300).

- Seniors: There are 103,685 older adults (55+) living in Waterloo Region. Forty-three percent (44,500) live in Kitchener, with 25,600 living in Cambridge and 20,000 living in Waterloo. \*Note: because of the small number, the margin of error can be larger than the 0.6% indicated as the rate. By 2028 the proportion of older adults is projected to grow from the current 22% to 31% of the population.
- Family/Marital Status: There are 386,000 residents age 15+. Half are legally married/not separated. Thirty percent are single/never legally married. There were 19,000 lone-parent families. The median income for married-couple families in 2005 was \$81,810 as compared to \$77,243 for Ontario. The median income for lone-parent families was \$41,000, compared to \$38,000 Ontario-wide.
- Education: Of the 381,000 residents age fifteen and older, 92,600 (24%) have no certificate, diploma, or degree. This is slightly higher than the provincial average of 22%. Regarding other levels of education, 28% have a high school certificate or equivalent (Ontario 28%), 8% have an apprenticeship or trades certificate or diploma and 18.5% have a college or other non-university certificate or diploma – both the same as province-wide – and 18% have a university certificate, diploma, or degree, 2% fewer than the province.
- Visible Minorities: Thirteen percent of the population (62,000 individuals) identified as a visible minority in 2006. This is a 40% increase from the 2001 census. Province-wide 23% of the population identifies as visible minority. The five largest visible minority groups in Waterloo Region were South Asians (16,400), Black (9,500), Chinese (9,200), Latin American (6,900), and Southeast Asians (6,200).
- People with Disabilities: The number of residents age 12+ with a participation or activity limitation declined by five percentage points between 2003 and 2007. The 2007 rate of 27% compares favourably to the Ontario rate of 33%. In 2008, 62% of residents rated their health as "very good" or "excellent". The adult obesity rate declined significantly in 2009 after three years of steady increase.
- Women/Men: There are 7,000 more females than males in the Region. The median age of females is two years older than that of males (37.4 vs. 35.5). There are 15,600 female-led lone-parent families and 3,750 male-led. In 2006, the participation rate of females in the labour force was 66%, versus 77% for males. 7.9% of women were experiencing low-income compared to 7.2% for males. The median after-tax income for women was \$20,750; for men it was \$32,958. The median pre-tax earnings for women who worked full-year, full-time was \$36,602 compared to \$50,561 for men.

- Language: English is the mother tongue of 76% of the population and German is second at 4%. The next most common mother tongues are Portuguese, Chinese languages, Spanish, French, and Polish. All other languages are at 1% of the population or less.
- People living in poverty: The incidence of poverty (after tax) has generally declined between 2000 and 2007, with some increase in 2008 for the population as a whole. Our poverty rates have been consistently lower than those of the province. The rate of 8.4% in 2008 represents a population of 44,000 residents in Waterloo Region.
- Residents of Rural Areas: The socio-demographic make-up of the townships differs from the urban area. Compared to the population as a whole (90% of which is urban), the townships are older (with the exception of Wellesley), wealthier, less diverse (with the exception of North Dumfries) and fewer adults have university degrees.
- Aboriginal: On the 2006 census, 4,810 individuals were identified as Aboriginal. It is widely believed, however, that this is a significant under-estimation of the true number of Aboriginal individuals in the community.
- Youth: In 2006 there were 70,000 young people age 15-24 living in Waterloo Region (a large number of post-secondary students are left out of the census count). The low-income rate for youth in 2006 was 15%, compared to 18% for Ontario. In 2009 the unemployment rate for youth was 16%, compared to 17.5% for Ontario. This equates to 11,000 young people unemployed. Research is also showing that young people are remaining unemployed for longer periods of time. This can have serious consequences for their employment potential going forward.
- Gay, lesbian bi-sexual and transgendered (GLBT): In Canada an estimated 346,000 adults self-identified as gay, lesbian or bisexual, together representing 1.9% of Canadians aged 18 to 59 (2.1% of men and 1.7% of women). The breakdown was: 130,000 gay men (1.4% of men aged 18 to 59), 59,000 bisexual men (0.7%), 71,000 lesbians (0.8% of women aged 18 to 59), and 85,000 bisexual women (0.9%). (Source: "Health care use among gay, lesbian and bisexual Canadians", Michael Tjepkema, Statistics Canada, 2008). Applying the 18-59 age group and percentages to the 2006 Waterloo Region Census population results in 2,884 men and 2,356 women self-identifying as gay, lesbian, or bisexual. Because of the continuing stigma attached to this population group, this is likely a significant under-estimation of the true count.

## **Attachment B: Internal Organizational Scan Summary of Results**

Although there is a need to develop efforts to improve inclusion across the organization, there have been work areas that have completed actions to make services more inclusive. The goals of conducting an organizational scan were to better understand what are the current practices used across the organization to improve inclusion to our diverse population and understand our needs so we are able to develop actions to improve our current practices. For the summary report visit the diversity and inclusion tab on the portal or search document no# 1045405.

### **Existing practices**

Some programs have already made efforts to improve accessibility of services. Tools and processes that have been developed will be placed on the portal under the Diversity and Inclusion tab so the information can be shared across the organization. There are many promising practices throughout the Region such as:

- Public Health - Access and Equity Review
- Social Services –LGBTQ shelter intake forms and divisional evaluation surveys pose gender questions which include: Male, female or other.
- Human Resources – One on one coaching with individuals who need assistance to write reports in English or plain language.
- Chief Administrator's Office – Development of Newcomer Portal and Immigration Partnership
- Planning Housing and Community Services - translators brought housing complex
- Transportation and Environmental Services – offer travel training for people with disabilities and for seniors
- Crime Prevention Council - hosted diversity round tables.

### **Identified Needs**

Much was identified to improve inclusion across the organization including the following:

#### Planning for programs and services

The main need identified by staff to incorporate diversity and inclusion in planning for programs and services and policy practices was:

- Profile of our Diverse Community: Ongoing information is needed on the diversity dimensions in order to deliver services appropriately and effectively.

#### Citizen Engagement

The needs identified by staff in order to engage diverse citizen populations included the following:

- Citizen engagement framework and tools: Staff identified the need for corporate-wide guidelines or a framework that had specific directions and actions to improve services and involve diverse populations. This would provide staff with direction and coordination across the organization.
- Resources to engage all groups: Including all groups requires adequate supports and resources to both the programs as well as the participants.
- Outreach and practices - How to involve certain groups: Staff also identified the need for awareness and best practices of how to reach diverse groups. For example, staff identified that they had not been able to connect with the Aboriginal Community.

### Communicate Inclusion

The needs identified by staff in order to communicate to the community and to staff while considering the issues of diversity and inclusion included the following:

- Translation Services: Staff need to know where and how to obtain the external and internal resources in order to provide translation/interpretation, consultation, etc.
- Plain Language: Staff need assistance in learning how to, or where to find resources to create reports and presentations in plain language.
- Language Used: Staff need to use language that does not cause any group to feel excluded. Staff were unsure about the language and felt that direction around this would be very helpful.

### Staff Resources and Supports

Staff identified the following supports and resources needed to improve diversity & inclusion across the organization and within programs and services:

- Staff Awareness/Dialogue: Developing and implementing opportunities for staff to discuss, understand and probe the issues of diversity and barriers to inclusion was identified. These opportunities for discussion need to be informal and designed to be reflective, exploratory and open.
- Staff Training: Ongoing Region-wide diversity training and development for our staff was also identified. This requires recognition that we have staff who work shifts and divisions where training is logistically and financially more of a challenge.
- Resource Centre: A key resource needed was a central knowledge exchange resource centre that would contain policies, practices, tools, internal and external contacts for diverse groups.
- Policy Review and Development: Policies need to be reviewed in order to allow for the diverse needs and practices of our community. Policies need to be reviewed to embrace inclusion and allow for flexibility e.g. religious observance both between and within groups.
- Workforce - More Diverse Organization: Review of organization wide employment practices and policies was identified in order to increase our ability to hire diverse community members – whether the impediment is literacy, language, or experience.

The scan is one of the pieces of information which informs the actions that will be included in the Diversity and Inclusion Strategy.



**REGION OF WATERLOO**  
**FINANCE DEPARTMENT**  
**Treasury Services Division**

**Report: F-12-022**

**TO:** Chair T. Galloway and Members of the Administration and Finance Committee

**DATE:** March 20, 2012 **FILE CODE:** F22-00

**SUBJECT: 2012 AVERAGE RESIDENTIAL PROPERTY VALUE**

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**RECOMMENDATION:**

For Information

**SUMMARY:**

This report updates the average residential property value used for tax impact calculations for 2012.

**REPORT:**

The Region and the Area Municipalities provide tax rate impacts based on an average residential property value or average household. This gives Councillors and residential taxpayers a reference point for budget impacts in a given year and enables taxpayers to estimate impacts for their own properties. The use of the same average residential property value for all components of the property tax bill (Region, Area Municipal and Education) provides the residential taxpayer with consistency and enables meaningful year to year comparisons. When the Ontario Fair Assessment System was implemented in 1998, the average residential property value was calculated at \$138,000. The average value was then increased in years where there was a reassessment (now every four years) or reassessment phase-in (years between reassessments). The increase, which was based on the change in value for the residential property class resulting from the reassessment or phase-in, adjusted for the reassessment impacts or market changes within the residential class. This method was used through 2010.

In the early part of 2011, the Area Treasurers group discussed the value of the average residential property to be used for tax impacts. The methodology of adjusting the average residential property value by reassessment or phase-in impacts has resulted in a difference between the average residential value in the region and the average used in the tax impact calculations. The Area Treasurers considered a number of options to determine the average and have agreed on using the Municipal Property Assessment Corporation (MPAC) total current value assessment and number of units for fully taxable residential assessment. For 2011, that resulted in an average residential property value of \$254,000 for tax impact calculations. Using the same methodology agreed to by the Area Treasurers for 2012 results in an average residential property value of \$269,000.

Committee may recall that a province wide reassessment was conducted during 2008 for the 2009 tax year with properties valued as of January 1, 2008. The preceding reassessment had been based on January 1, 2005 values so assessment increases from 2005 values to 2008 values were phased-in over 4 years (2009-2012). As of January 1, 2012, all properties are at their January 2008 assessed values. The 2012 average assessed value of \$269,000 is essentially equivalent to a 2008 market value. Assuming a 5% increase in values per year, the actual market value of an average residential property in 2012 would be approximately \$327,000.

With the four year reassessment phase-in, the assessment base is revalued each year. The total weighted assessment for the residential property class has increased by 4.73% for 2012 as a result of year four of the phase-in. In order to ensure comparability between the 2011 and 2012 tax impacts for an average residential property valued at \$269,000 for 2012, the 2011 average residential property value will be revalued to \$257,000 (\$269,000 less 4.73%). This adjusts for the reassessment impacts within the residential class (the average market value change). If the 2011 average residential property is not revalued, the 2011 to 2012 comparisons will overstate the 2012 impacts to the taxpayer. This follows the same methodology used for 2011. The 2012 final program budget book will use the updated 2012 and 2011 values noted above.

**CORPORATE STRATEGIC PLAN:**

Providing information on the updated average residential property value used in property tax impact calculations aligns with the strategic objective of ensuring all Regional programs and services are efficient and effective and demonstrate accountability to the public.

**FINANCIAL IMPLICATIONS:**

The use of an average residential property value to present tax rate impacts provides Regional Council and residential taxpayers with a reference point relative to budget impacts and enables relevant year to year comparisons. The cost per household calculations in the final 2012 budget book will be based on an average residential property having a value of \$269,000 for 2012 and \$257,000 for 2011.

**OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:** Nil

**ATTACHMENTS:** Nil

**PREPARED BY:** *A. Hinchberger*, Acting Chief Financial Officer

**APPROVED BY:** *M. Murray*, Chief Administrative Officer



**REGION OF WATERLOO**  
**FINANCE DEPARTMENT**  
**Treasury Services Division**

Report: F-12-021

**TO:** Chair T. Galloway and Members of the Administration and Finance Committee

**DATE:** March 20, 2012 **FILE CODE:** F22-00

**SUBJECT:** 2012 TAX RATIOS

**RECOMMENDATION:**

THAT the Regional Municipality of Waterloo establish the following tax ratios for the 2012 property tax year:

Residential	1.0000
New Multi-residential	1.0000
Multi-residential	1.9500
Commercial	1.9500
Industrial	1.9500
Pipelines	1.1613
Farm	0.2500
Managed Forests	0.2500

AND THAT the necessary tax ratio and tax rate by-laws for 2012 be introduced at the March 28, 2012 Regional Council meeting;

AND FURTHER THAT the Area Municipalities be notified accordingly.

**SUMMARY:**

Under the Municipal Act, the Regional Municipality of Waterloo is required to pass a by-law to establish its tax ratios on an annual basis even if the ratios do not change from year to year. As part of the 2006 tax ratio review, Regional Council approved, in principle, a long term tax ratio strategy to reduce the multi-residential and industrial tax ratios to 1.95, equal to the tax ratio for the commercial class over the years 2006 to 2010 subject to the annual tax ratio and tax capping review. The strategy was completed in 2010. This report recommends that the Region establish its 2012 tax ratios at the same level as those approved for 2010 and 2011. Early passage of the tax ratios assists with the 2012 capping program and final tax billing for the non-capped property classes.

**REPORT:**

Tax Ratios

Tax ratios determine the municipal tax burden for the various property classes relative to that of the residential class. The residential class is the "benchmark" class with an established tax ratio of 1.00 and all other property class ratios are expressed in relation to the residential ratio. The Region's ability to adjust tax ratios and redistribute the tax burden between the property classes is limited by the "fairness ranges" established by the Province. In general, legislation does not allow municipalities to move tax ratios away from the fairness ranges. Tax ratio adjustments can only be made if the ratios move towards the fairness ranges although exceptions have been made for reassessment years. Tax ratios established by the Region also apply to the area municipalities. A history of the Region's tax ratios and the fairness ranges are shown below.



Table 1: History of Region of Waterloo Tax Ratios

Property Class	1998 – 2000	2001-02	2003	2004-05	2006	2007	2008	2009	2010-11	Fairness Ranges
Residential	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	<b>1.0000</b>	--
New Multi-Res	n/a	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	<b>1.0000</b>	--
Multi-Res	3.2146	2.7400	2.5250	2.5800	2.3400	2.2400	2.1500	2.0500	<b>1.9500</b>	1.0 to 1.0
Commercial	2.0148	1.9800	1.8910	1.9500	1.9500	1.9500	1.9500	1.9500	<b>1.9500</b>	0.6 to 1.0
Industrial	3.2175	2.6300	2.5730	2.6100	2.6100	2.4500	2.2800	2.1000	<b>1.9500</b>	0.6 to 1.0
Farm	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	<b>0.2500</b>	--
Mgd. Forest	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	0.2500	<b>0.2500</b>	--
Pipeline	1.1613	1.1613	1.1613	1.1613	1.1613	1.1613	1.1613	1.1613	<b>1.1613</b>	0.6 to 0.7

It is important to note that reductions to any of the ratios for the multi-residential, commercial and industrial and pipeline classes do not increase the ratios for the other classes but such reductions do increase the amount of taxes to be collected from the other classes. **The use of tax ratios to redistribute the taxes among the classes does not change the total amount of taxes collected.**

#### Tax Ratios as a Tax Tool

Tax ratios are used as a “tax tool” to change the distribution of taxes among the property classes. Tax ratio changes can be used to ensure that there are no capping shortfalls, better align the Region’s existing ratios or align with provincial averages, adjust the tax burden for the various property classes or offset reassessment impacts.

Reductions in tax ratios for the capped classes can be used to reduce capping costs and ensure that the capping costs can be funded from within the class. Funding capping shortfalls from within the class is a key element of the annual capping program as capping shortfalls, including the education portion, must be funded by the Region and the Area Municipalities.

Reductions in certain tax ratios can move the Region’s ratios towards provincial averages and can reduce the tax burden for that class. The Region’s tax ratios, particularly the multi-residential (MR) ratio, were among some of the higher ratios in the province after the inception of tax ratios. Reductions in the MR and industrial tax ratios during the years 2006-2010 have moved the Region’s ratios from the higher end towards the average. For 2011, the Region’s MR and industrial ratios were lower than the provincial average while the commercial ratio was above the average. Appendix 1 shows the 2011 tax ratios for various municipalities in Ontario including the Region’s upper tier and single tier comparators.

By changing the tax ratio for a particular class, the Region can change the distribution of taxes among the property classes and offset the impacts of a reassessment. Reductions in tax ratios would be used to offset reassessments where there has been a shift onto a particular class while increases in ratios would be used to counter reassessments where there has been a shift of taxation off of a particular class provided the ratio adjustments are in accordance with provincial legislation as noted above. Year 2012 is the fourth year of a province-wide four year phase-in of assessment increases. Just as the reassessment and phase-in for the first three years (2009, 2010 and 2011) did not require any mitigating tax ratio changes, the fourth year of the phase-in does not require any changes either.

### Reassessment Phase-In Impacts for 2012

A province-wide reassessment was conducted during 2008 for the 2009 taxation year with properties valued as of January 1, 2008. The preceding reassessment had been done in 2005 for the 2006 tax year with properties valued as of January 1, 2005. Reassessments planned for the 2007 and 2008 taxation years were cancelled. Given the extended time between the two reassessments, the Province adopted a four (4) year phase-in program effective 2009 for all property classes. Under this program, assessment increases are being phased-in over 4 years (2009-2012) while assessment decreases were effective immediately in 2009.

Reassessments can impact tax bills in two ways - shifts within a property class (market value changes) and shifts between property classes. The impact to taxpayers for shifts within property classes depends on the change in the assessed value for their property relative to the average for the class. If the assessed value has increased by more than the average, the taxpayer will likely see an increase in taxes. Conversely, if the assessed value has increased by less than the average, the taxpayer is likely to see a decrease in taxes. Shifts between classes will occur if the total assessed value for the various property classes increase or decrease at different rates in a reassessment or phase-in year. Table 2 shows, by property class, the change in assessed value and resultant shift in taxation arising from the fourth year of the assessment phase-in.

Table 2: 2012 Reassessment Phase-in – Shifts Between Classes

Property Class	Assessed Value Change	Shift in Taxation
Residential	4.73%	(0.22%)
New Multi-Res	4.28%	(0.65%)
Multi-Residential	4.14%	(0.78%)
Commercial	5.89%	0.89%
Industrial	5.37%	0.39%
Farm	7.13%	2.07%
Pipelines	3.34%	(1.54%)
Managed Forest	8.13%	3.02%
Total	4.96%	0.0%

The shift between the property classes resulting from the fourth year of the phase-in mirror those for the first and second years. The phase-in results in shifts in taxation from the residential, multi-residential and pipeline classes to the commercial, industrial, farm and managed forest property classes. The impact to the residential class is a reduction of 0.22% for the Regional portion of the tax bill or approximately \$4.00 for the average residential property. The impact of the reassessment phase-in provides some offset to the 2012 tax rate impact.

In 2011, the Area Treasurers group reviewed the value of the average residential property to be used for tax impacts. The methodology of adjusting the average residential property value by reassessment or phase-in impacts has resulted in a difference between the actual average residential value in the region and the average residential value used in tax impact calculations. Consequently, the Area Treasurers agreed on a methodology to update the average residential property value each year based on the returned roll. A report updating the average residential property value for 2012 is included separately in this agenda.

As noted above, 2012 marks the final year of the four year assessment phase-in. The Municipal Property Assessment Corporation is now working on the reassessment for 2012. Property values will be based on January 1, 2012 values and it is expected that similar to the current phase-in, assessment increases will be phased-in over four years (2013-2016) while assessment decreases will be effective in the first year or 2013. Preliminary information on the reassessment should be available this fall.

It is important to note that like tax ratio changes, reassessments and phase-ins do not generate additional taxes or change the amount of taxes collected. Reassessments simply redistribute the tax burden between property classes and between property owners.

### Current Tax Ratios and Tax Ratio Strategy

As part of the 2006 tax ratio review, the Region initiated its long term tax ratio strategy with a reduction in its MR tax ratio. The ratio reduction was required to offset the impacts of the 2006 reassessment and to ensure that there was no capping shortfall for 2006. In addition, the reduction in the MR ratio brought it closer to the provincial average and to that of its comparators. The reduction was also a move towards tax equity for the residential and MR classes as identified by local Municipal Property Assessment Corporation (MPAC) staff. MPAC staff noted that when MR apartment property is converted to residential property, the value generally doubles. This implied that a tax ratio of 2.00 for the MR class was a reasonable level for tax equity. The lower MR tax ratio also reduced the tax ratio gap between MR properties and properties in the class for new multi-residential development which has a tax ratio of 1.00. The Region was required to establish the new MR property class with a tax ratio of 1.00 in order to receive senior level of government funding for new affordable housing.

At that time, Council also recognized the need for a longer term tax ratio strategy based on tax equity. Tax equity for the multi-residential and residential classes appeared to be achieved with a MR tax ratio of 2.00 while tax equity for the commercial and industrial classes would be achieved with a common ratio. Consequently, Council approved in principle a long term tax ratio strategy which resulted in a ratio of 1.95 for the commercial, industrial and multi-residential classes over the following four years from 2007 through 2010.

The difference in the tax ratios for the commercial and industrial classes is generally historical due to higher business occupancy taxes for industry under the previous assessment and taxation system. However, commercial and industrial operations are both businesses and with the 1998 elimination of the business occupancy tax, there is no real rationale to tax these classes differently. Closing the gap between these two ratios resulted in greater equity within the business community and having the same ratio for both classes resolved the issue of how research and development and "high tech" properties are classified and assessed and provided efficiencies for MPAC in dealing with classification issues. During the same time, the Province was taking the same approach by establishing a common education tax rate for both the commercial and industrial classes.

The long term tax ratio strategy was completed in 2010 and the tax ratios for all three business classes (multi-residential, commercial and industrial) are all at 1.95. The common ratios approximates tax equity for the MR and residential classes as noted above and taxes both the commercial and industrial classes at the same rate for municipal purposes. Further, both multi-residential and commercial properties are businesses and both classes are assessed based on income so a tax ratio of 1.95 for the MR class is quite appropriate relative to the ratio for the commercial class. In addition to the tax equity impacts noted above, the strategy simplified the assessment classification process and eliminated the need for industrial properties to appeal for a class change; provided tax relief to the industrial sector; and provided simplicity for non-residential property owners. The strategy was accomplished with a minimal impact to the residential property of approximately 1.0% in each of the 5 years of the strategy for the Regional portion of the tax bill.

Given the successful implementation of the long term tax ratio strategy over the years 2006 to 2010 and current tax ratios that have established tax equity for the MR and residential classes and for the business classes, it is recommended that the 2012 tax ratios be set at the same level as 2011 (and 2010). The recommendation has been addressed with the Area Treasurers and they are in agreement.

### 2012 Capping Program

Capping program recommendations are currently being developed and it is anticipated that the recommended 2012 capping program will be presented to Administration and Finance Committee in late May. The recommended tax ratios for 2012 are not expected to adversely impact capping for 2012.

### Next Steps

Once the 2012 tax ratios are approved, the Region and the Area Municipalities can pass their 2012 tax rate by-laws and Area Municipalities can prepare their final bills for the non-capped classes. The 2012 tax ratios can also be used to model the 2012 capping program.

### **CORPORATE STRATEGIC PLAN:**

The successful implementation of the long term tax ratio strategy and the common tax ratio for the multi-residential, commercial and industrial property classes supports Focus Area 2 of the Corporate Strategic Plan – Growth Management and Prosperity and the strategic objective of supporting a diverse, innovative and globally competitive economy.

### **FINANCIAL IMPLICATIONS:**

Tax ratios determine the distribution of taxes between the property classes not the amount of taxes collected and tax ratio decisions by the Region impact the municipal portion of the tax bill including the area municipal share. Any tax ratio changes currently allowed under legislation would result in a shift of taxation onto the residential class and an increase in municipal taxes paid by the residential taxpayer. The recommended ratios for 2012, which are the same ratios established for 2011 and 2010, do not result in any shifts of taxation between the property classes

### **OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:** Nil

### **ATTACHMENTS:**

Appendix 1 – Comparison of 2011 Tax Ratios

**PREPARED BY:** *A. Hinchberger*, Acting Chief Financial Officer

**APPROVED BY:** *M. Murray*, Chief Administrative Officer

**COMPARISON OF 2011 TAX RATIOS – APPENDIX 1 (F-12-021)**

<b>Municipality</b>	<b>Multi-Residential</b>	<b>Commercial (Residual)</b>	<b>Industrial (Residual)</b>	<b>Industrial (Large)</b>
Barrie	1.0394	1.4331	1.5163	
Belleville	2.5102	1.9191	2.4000	
Brantford	2.1355	1.9360	2.6300	
Brockville	1.7700	1.9580	2.6276	
Central Elgin	2.3458	1.6376	2.2251	2.8318
Chatham-Kent	2.1488	1.9797	2.4349	
Dufferin	2.6802	1.2200	2.1984	
Durham	1.8665	1.4500	2.2598	
Essex	1.9554	1.0820	1.9425	2.6861
Fort Frances	2.5427	2.0506	2.7818	5.0726
Greater Sudbury	2.2667	2.1302	3.0255	3.4293
Grey	1.4412	1.3069	1.8582	
Guelph	2.3094	1.8400	2.6300	
Halton	2.2619	1.4565	2.3599	
Hamilton	2.7400	1.9800	3.2690	3.8333
Kawartha Lakes	1.9797	1.2775	1.2775	
Kenora	1.7173	1.9300	2.0526	2.6698
Kingston	2.4834	1.9800	2.6300	
Lambton	2.4000	1.6311	2.0535	3.0122
London	2.0877	1.9800	2.6300	
Middlesex Centre	1.7697	1.1449	1.7451	
Mississauga	1.7788	1.4098	1.5708	
Muskoka	1.0000	1.1000	1.1000	
Niagara	2.0440	1.7586	2.6300	
North Bay	2.2054	1.8822	1.4000	
Ottawa	1.7000	1.9568	2.6109	2.2421
Oxford	2.7400	1.9018	2.6300	
Peel (Brampton & Caledon)	1.7050	1.2971	1.4700	
Perth	1.7251	1.5463	2.4812	
Peterborough (City)	1.9472	1.7403	2.3232	
Prince Edward County	1.4402	1.1125	1.3895	
Quinte West	2.1300	1.5385	2.4460	2.6147
Sault Ste. Marie	1.2597	1.8609	2.4007	3.4207
Seguin	0.9658	1.0760	2.2903	
Simcoe	1.5385	1.2521	1.5385	
St. Thomas	2.4987	1.9475	2.2281	2.6774
Stratford	2.1539	1.9759	3.0412	
Thunder Bay	2.7400	1.9527	2.4300	2.4650
Timmins	1.6816	1.7501	2.1783	2.7114
Toronto	3.3160	3.1340	3.2365	
Waterloo	1.9500	1.9500	1.9500	
Windsor	2.4681	1.9178	2.3618	3.1086
York	1.0000	1.1431	1.3305	
<b>Average</b>	2.0102	1.6867	2.2229	3.0554
<b>Lowest</b>	0.9658	1.0760	1.1000	2.2421
<b>Highest</b>	3.3160	3.1340	3.2690	5.0726
<b>Provincial Threshold</b>	2.7400	1.9800	2.6300	2.6300

Source: BMA Management Consulting Inc.



**REGION OF WATERLOO**

**CORPORATE RESOURCES  
Facilities Management & Fleet Services**

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**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** March 20, 2012 **FILE CODE:** A19-01 (11-0085)

**SUBJECT: CONSULTANT SELECTION – FACILITIES MANAGEMENT & FLEET SERVICES  
ASSET MANAGEMENT IMPLEMENTATION PROJECT**

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**RECOMMENDATION:**

THAT the Regional Municipality of Waterloo enter into a Consulting Services Agreement with GHD Inc., of Markham, Ontario to provide consulting services for the Asset Management Implementation Project for the Facilities Management & Fleet Services Division at an upset fee limit of \$234,800.00 plus applicable taxes, as described in report CR-FM-12-007, dated March 20, 2012;

AND THAT the Regional Municipality of Waterloo transfer \$240,000 from the Voice Radio System Upgrade project (90095) to the Facilities Asset Management Program (90146).

**SUMMARY:** NIL

**REPORT:**

**Background:**

The results of the Facilities Maintenance and Operations Program Review were approved by Audit Committee on August 25, 2011. One of the key recommendations of this program review was the implementation of an asset management program for Regional buildings. It was anticipated that this work would be initiated in the 3<sup>rd</sup> quarter of 2012 with the majority of the work to occur in 2013 to align with the overall implementation of the program review recommendations.

In the summer of 2011, Council approved that the Region enter into a consulting agreement with GHD Inc. for consulting services for the Asset Management Implementation Project for the Transportation and Environmental Services (TES) Department Asset Management Program (Report E-11-006.1, dated June 21, 2011). From the beginning, it was intended that the Asset Management Vision, Framework and Policies for the TES Asset Management Project could become the standard for other Region of Waterloo asset management programs. Staff from Facilities Management & Fleet Services represent their division on this project team and attended regular project meetings. It soon became apparent to the team that Regional buildings and vehicles were a significant component of the TES program and Facilities & Fleet should advance its own asset management program to ensure that it aligned with the TES program.

Although buildings within the TES portfolio form a large percentage of Regional building assets, they make up only 330 of the Region's 794 buildings (42%) and only 1,417,855 sq.ft. of a total of 5,745,485 sq.ft. (24.7%) of the total gross building area owned and managed by the Region. Buildings represent a significant portion of assets owned by the Region with a current replacement value of \$1.7 billion. In order to ensure consistency in the management of buildings and vehicles throughout the Region, it is critical that the Facilities & Fleet Asset Management Program be developed in parallel with the TES asset management program.

**Asset Management:**

Facilities Management & Fleet Services manage Regional buildings from the initial conceptual discussions, through planning, design, construction, operations and maintenance and eventually to the sale or demolition of the facility. The Division has already made significant investment in developing asset management practices, including the development of databases that track a complete asset inventory, business processes, data collection and management systems and staff competencies. A full asset management program will formalize asset decision making by providing a well documented, consistent and integrated approach to managing buildings and vehicles throughout their lifecycles. The program will also include a performance management framework to help ensure that the processes are working and identify areas for improvement in the future.

The Asset Management Program is intended to improve the following aspects of asset management within the Facilities Management & Fleet Services Division:

Planning	<ul style="list-style-type: none"> <li>Management of the increasing demand for services</li> <li>Clear definition of asset ownership between Region stakeholders</li> <li>Identification and management of business risk and high risk assets</li> <li>Understanding of current and future financial constraints</li> <li>Development of Asset Management Plan(s)</li> </ul>
Service Delivery	<ul style="list-style-type: none"> <li>Increased staff accountability for identified roles</li> <li>Clear definition of roles and responsibilities for maintenance tasks</li> <li>Improved preventative maintenance programs</li> <li>Integration of service delivery with other departments</li> </ul>
Performance Management	<ul style="list-style-type: none"> <li>Clear identification of Divisional objectives</li> <li>Definition of customer and technical Levels of Services</li> <li>Definition of performance targets</li> </ul>
Information Management	<ul style="list-style-type: none"> <li>Full or greater implementation of Archibus, the Facilities AM Software</li> <li>Completion of the Division's asset inventory</li> <li>Integration and consistent use of IT with other corporate initiatives</li> </ul>

A situational analysis has been completed to assist in defining the Facilities & Fleet Asset Management Project scope using many of the processes identified earlier throughout the TES project. The project will be undertaken in three phases including the development of an improvement roadmap based on the information obtained through the situational analysis, the development of asset management plans for Regional buildings, building systems and vehicles, and finally the preparation of a continuous improvement plan with the goal of evaluating and improving the performance of facilities and fleet and evolving from basic to advanced asset management.

**Consulting Services:**

The Region has entered into a consulting agreement with GHD Inc for consulting services for the Asset Management Implementation Project for the Transportation and Environmental Services Department Asset Management Program (Report E-11-006, dated May 3, 2011). In order to ensure appropriate alignment with the corporate Asset Management Policies and Framework developed in the TES Asset Management Implementation Project, Facilities & Fleet staff approached GHD to provide a proposal for the Facilities & Fleet Asset Management Project to advance the division asset program and ensure that it can progress in parallel with the TES implementation project.

Retaining the services of any other consultant would result in higher total consulting costs due to unnecessary duplication and coordination of work. GHD are familiar with the needs of the Region and the current policies and framework developed through the TES project. Working with the TES

Asset Management Consultant for this assignment will also result in alignment between Asset Management Programmes within the Region. Staff have thoroughly reviewed GHD’s proposal and work plan and believe that it has met the Region’s requirements, that it is appropriate for the scope of this project and that the upset fee is competitive. Based on this proposal, work plan and GHD’s past performance, staff recommend that GHD be awarded this assignment for a total upset fee of \$234,800.00 plus applicable taxes.

The Purchasing Bylaw states that the Chief Purchasing Officer may acquire any services through negotiation where the extension of an existing contract would prove more cost effective or beneficial for the Region and/or where the acquisition is required or beneficial in regard to the standardization of goods and services for the Region. Notwithstanding, the Chief Purchasing Officer shall submit any negotiated acquisition to Council for approval if the value of the acquisition exceeds \$100,000.

Subject to Council’s approval of this consulting assignment, it is anticipated that this phase of the project will be completed by late 2012.

**CORPORATE STRATEGIC PLAN:**

The project supports the Corporate Strategic Plan Growth Management and Prosperity Focus Area 2 as a direct response to Strategic Action 2.2.2: Develop and implement a comprehensive asset management strategy to achieve optimal long-term value from regional infrastructure.

**FINANCIAL IMPLICATIONS:**

Consulting - Fee proposal from GHD	\$ 234,800.00
Plus: HST (13%)	<u>\$ 30,524.00</u>
	Sub-total \$ 264,324.00
Less: Municipal Rebate of 86.46% of HST (11.24%)	<u>-\$ 26,391.52</u>
	<u>Net Total \$ 238,932.48</u>

The approved 2012 Facilities Capital Program includes \$497,000 for the Regional Voice Radio System Upgrade (project 90095) to be funded from debentures. The capital requirements are anticipated to be less than budget and \$240,000 can be transferred to the Facilities Asset Management Program (project 90146) to be utilized for consulting costs for the Facilities and Fleet Management Asset Management Implementation project to be funded from debentures.

**OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:**

Staff from Transportation and Environmental Services and Finance have reviewed this report and their comments have been incorporated as appropriate.

**ATTACHMENTS:** NIL

**PREPARED BY:** *Charles Allen*, Manager, Facilities Engineering

**APPROVED BY:** *Gary Sosnoski*, Commissioner, Corporate Resources





## REGION OF WATERLOO

**CORPORATE RESOURCES  
Facilities Management and Fleet Services  
PLANNING, HOUSING AND COMMUNITY SERVICES  
Community Planning**

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**TO:** Chair Tom Galloway and Members of the Administration and Finance Committee

**DATE:** March 20, 2012 **FILE CODE:** D06-80, D03-80/ESF

**SUBJECT:** **2012 COMMUNITY ENVIRONMENTAL FUND ALLOCATION – SUSTAINABILITY GRANT STREAM**

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**RECOMMENDATION:**

THAT the Regional Municipality of Waterloo approve funding allocations of \$99,651 from the Sustainability Grant stream of the Community Environmental Fund to the ten projects listed below and as further described in Appendix A of Report CR-FM-12-006/P-12-034, dated March 20, 2012:

- 2012-01 rare Charitable Research Reserve - solar modular home: \$15,000**
- 2012-17/20 University of Waterloo Institute for Sustainable Energy – Analysis and promotion of sustainable vehicle technology: \$15,000**
- 2012-21 Woolwich Healthy Communities - Green Living and Technology Fair: \$5,000**
- 2012-22 Sustainable Waterloo Region – Energy/GHG reduction competition: \$15,000**
- 2012-24 REEP Green Solutions - Solar Thermal Demonstration Project: \$15,000**
- 2012-25 CREW - Kids and Community Power Saving Project: \$5,000**
- 2012-30 Foodlink Waterloo Region – Buy Local Buy Fresh mapping application for mobile devices: \$5,000**
- 2012-32 St. Benedict Catholic Secondary School – waste diversion: \$7,676**
- 2012-36 Canadian Organic Growers Perth-Waterloo-Wellington – organic gardening workshops: \$1,975**
- 2012-44 Grand River Carshare – Purchase of an electric vehicle: \$15,000**

**SUMMARY:**

The *Community Environmental Fund* was established by Regional Council on October 26, 2011 (CR-FM-11-022/P-11-085). It consists of a Stewardship Grant stream (formerly the Environmental Stewardship Fund which operated in 2010-11) and a new Sustainability Grant stream. The integrated Community Environmental Fund is collaboratively administered by the Community Planning and Facilities Management Divisions to take advantage of the respective

expertise of division staff. This report contains the inaugural Sustainability Grant recommendations and follows report CR-FM-12-005/P-12-032 dated February 28, 2012 containing the Stewardship Grant stream recommendations. The grant streams were submitted separately in order to avoid undue delay to Stewardship Grant applicants planning spring planting projects.

The Community Environmental Fund was publicly advertised in November 2011, and the application package made available on the Regional website. By the January 16, 2012 deadline, 44 diverse proposals were received in total from a wide variety of local applicants. Of this total, 25 were to the Sustainability Grant stream. Staff has reviewed the applications based on the approved Community Environmental Fund Terms of Reference, and are recommending that the ten projects listed in Appendix A be funded at this time. It is recommended that \$99,651 of the \$100,000 in available funding for 2012 be allocated to ten projects which leverage an additional investment of \$257,745 from applicants, or \$2.59 for every dollar recommended from the Sustainability Grant stream. Coupled with the previous Stewardship grant allocations, the total 2012 Community Environmental Fund allocations amount to \$269,731 for projects having a total value of \$873,335. In other words, they have leveraged contributions in cash or in-kind of over \$600,000 from the applicants recommended to receive the grants or an additional \$2.24 from proponents for every dollar provided by the Region.

The projects recommended for funding cover a range of activities that lead to protection and enhancement of our environment and are anticipated to involve many community stakeholders. These projects encompass renewable energy installations, assessment of electric vehicles in the Region, environmental research and education, and energy conservation. Measurable benefits are expected to include a reduction in energy/fuel consumption and greenhouse gas (GHG) emissions, increased waste diversion, promotion of local food, and events encouraging a community culture of sustainability.

## **REPORT:**

### **Background**

The *Community Environmental Fund* was established by Regional Council on October 26, 2011 (CR-FM-11-022/P-11-085). The fund consists of a Stewardship Grant stream (formerly the Environmental Stewardship Fund which operated in 2010-11) and the new Sustainability Grant stream. The integrated Community Environmental Fund is collaboratively administered by the Community Planning Division and the Facilities Management Division to take advantage of the respective expertise of division staff.

The Community Environmental Fund has a total of eight categories:

- Stewardship Grant categories:
  1. Enhancement and restoration of natural areas
  2. Naturalization projects
  3. Acquisition of ecologically significant natural areas
  4. Public education and awareness initiatives on some aspect of environmental stewardship
  5. Research related to stewardship of natural areas
- Sustainability Grant categories:
  6. Demonstration projects focused on reduction of GHG and air emissions, energy conservation and waste reduction/diversion

7. Public education/awareness initiatives which promote long term behavioural change on aspects of environmental sustainability (e.g. reducing GHG)
8. Environmental sustainability-based research (focused on GHG and air emissions, energy conservation or waste reduction/diversion)

The Community Environmental Fund was advertised in November 2011 and the application package was made available on the Regional website. By the January 16, 2012 deadline, 44 diverse proposals were received in total from a wide variety of local applicants. Twenty-five of this total applied to the Sustainability Grant stream and 19 to the Stewardship Grant stream. Staff has reviewed the applications submitted based on the approved Terms of Reference of the Fund, followed up with applicants to clarify that project components are consistent with the established criteria and are recommending that the ten projects listed in Appendix A be funded at this time.

This report includes the second part of staff recommendations for the 2012 allocation under the Region's integrated Community Environmental Fund program. The first report (CR-FM-12-005/P-12-032) was approved by Regional Council for the Stewardship Grant stream in order to avoid undue delay to Stewardship Grant applicants planning spring planting projects. This report addresses applications to the Sustainability Grant stream, and provides cumulative statistics for the entire 2012 Community Environmental Fund allocations.

### Funding Allocation

The recommended projects cover a range of environmental activities and involve a variety of community stakeholders such as local schools from elementary to university level, charitable and non-profit organisations, as well as other grassroots organizations. The projects will address a variety of environmental themes such as renewable energy installations, assessment of electric vehicles in the region, environmental research and education, and energy conservation (see summary in Table 1). Measurable benefits are expected to include a reduction in energy/fuel consumption and greenhouse gas (GHG) emissions, increased waste diversion as well as qualitative results regarding promotion of local food, and events encouraging a community culture of sustainability.

**Table 1. Environmental Themes of Sustainability Grants Recommended for Approval**

Theme	Total Projects
Renewable Energy demonstration	2
Transportation related (fuel/emissions reduction)	2
Organization-wide GHG reduction	1
Waste Reduction	1
Support of Local/Organic Food Production	2
Education on Energy Conservation	1
Sustainability event	1

The recommended Community Environmental Fund grants will be leveraged by financial and/or in-kind contributions from the applicants. Staff has calculated that for every dollar of the recommended grants, \$2.24 will be invested in the projects by the proponents. Therefore the recommended grants from the Region's Community Environmental Fund will yield an additional investment of over \$600,000. This is summarised in Table 2.

**Table 2. Leveraged Contribution of Recommended Environmental Projects**

	Recommended Projects	Applicant Contributions	Recommended Grants	Total Value of Projects	Leveraging Ratio
Sustainability Stream	10	\$257,745	\$99,651	\$357,396	2.59
Stewardship Stream*	18	\$345,859	\$170,080	\$515,939	2.03
<b>Total - Community Environmental Fund</b>	<b>28</b>	<b>\$603,604</b>	<b>\$269,731</b>	<b>\$873,335</b>	<b>2.24</b>

\* Previously approved at Regional Council's Administration and Finance Committee, February 28, 2012

In reviewing the applications, staff followed up with applicants to further clarify details of their proposals and ensure that component items in proposed project budgets are appropriate and comply with the guidelines. Staff is now recommending that the 10 projects be funded at this time from the Sustainability grant stream. A brief summary of individual projects and the respective grant allocations recommended for approval is included within Appendix A. It is recommended that \$99,651 of the \$100,000 in available funding for 2012 be allocated to the top 10 projects in the Sustainability stream for initiatives which leverage an additional investment of \$257,745 from applicants. The recommended funding amounts range from \$1,900 to \$15,000, the upper limit available only for demonstration projects. Education and research projects within the Sustainability Grant stream are limited to a \$5,000 maximum.

The total value of funding requests to the Sustainability Grant stream was \$246,583, far in excess of the \$100,000 available in the 2012 budget. Accordingly, staff has sought to prioritize the applications so as to recommend meaningful grants for the projects that best fulfill the criteria for funding. Unfortunately, this has meant that several other reasonably good applications cannot at this time be recommended for funding through the Sustainability Grant stream. Other project proposals are not recommended due to lack of sufficient detail, there has been difficulty contacting the applicant, or because they fall outside the approved grant categories and their respective criteria. The 15 applications not recommended for funding at this time are listed in Appendix B.

As with the previous Stewardship Grants, successful applicants of the Community Environmental Fund will receive formal letters from the Region specifying the total amount of the grant and the items for which it may be used. The letter will be accompanied by an agreement, prepared with the assistance of Legal Services staff, by which the recipients commit to abide by the terms and conditions of the grant such as mandatory reporting of project results. Before payments are authorised, staff will continue to verify that the agreed upon work has been accomplished by reviewing brief reports completed by the recipients, conducting a site inspection where necessary, or receiving copies of studies or research. Applicants will be required to publicly acknowledge the support of the Region's Community Environmental Fund as their project is carried out. Results of the funded projects will be reported to Council following their completion.

#### **CORPORATE STRATEGIC PLAN:**

Focus Area 1 - Environmental Sustainability Action: Develop and implement an integrated funding program to support community-based environmental initiatives.

**FINANCIAL IMPLICATIONS:**

An amount of \$100,000 is available in the year 2012 for the Sustainability Grant stream portion of this funding program.

**OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:**

This report has been prepared jointly by Corporate Resources and Planning, Housing and Community Services staff and has been reviewed by the Environmental Leadership Committee and Finance. Legal Services and Finance will be involved in the administration of the Fund.

**ATTACHMENTS:**

Attachment A - Summary of Community Sustainability Projects Recommended for Approval  
Attachment B - Summary of Projects Not Recommended for Approval

**PREPARED BY:** *David Roewade*, Sustainability Planner, Corporate Resources  
*Chris Gosselin*, Manager, Environmental Planning

**APPROVED BY:** *Gary Sosnoski*, Commissioner, Corporate Resources  
*Rob Horne*, Commissioner of Planning Housing and Community Services

## APPENDIX A

### Summary of Sustainability Grants Recommended for Approval – March 20, 2012

**Project Number** (\* indicates recommended conditions on funding approval)

**2012-01 *rare* Charitable Research Reserve - solar modular home (Category 6): \$15,000**

*rare* proposes to construct an award-winning solar-powered modular home design on their reserve at Blair Road to showcase, research, and educate on energy conservation and sustainability. The home is designed by the School of Architecture at the University of Waterloo who will assist in the assembly along with significant leveraged support from a variety of stakeholders including Cambridge North Dumfries Hydro. This demonstration project will highlight innovative building design that can provide energy and GHG reductions and will have high profile given the large number of visitors who frequent the *rare* grounds each year. The total cost of the project is \$214,700. It is recommended that \$15,000 be allocated to assist with the construction costs.

**2012-17 University of Waterloo, Professor Roydon Fraser and Waterloo Institute  
2012-20.\* for Sustainable Energy (WISE) – Analysis and promotion of sustainable vehicle technology (Category 6): \$15,000**

This project aims to collect and analyze data on local driving behaviours and patterns to inform consumer decision-making on the increasing number of emerging technologies such as new hybrid and electric vehicles becoming available on the market. This will be done by installing data logging equipment on the local fleet of Grandriver Carshare to support the efforts of reducing emissions from automobile travel. A UW Professor will analyze and share the results to illustrate where alternative powered vehicles are suitable replacements to traditional gasoline powered vehicles. WISE will build on this publicly by working with local car dealerships to encourage consumers to allow installation of this equipment on purchases of new electric vehicles to compare emissions with traditional gas combustion engines. Results are expected to demonstrate how air/GHG emissions from local transportation can be reduced in a cost effective manner. The total cost of this project is approximately \$21,000 of which \$15,000 is recommended for approval towards drive cycle data units and communication materials. \*Staff recommend that these two separate applications be integrated as one project in order to optimize the potential results. This project will also provide analytical support to project # 44 from Grandriver Carshare which is recommended for approval below.

**2012-21 Woolwich Healthy Communities (WHC) – Green Living and Technology Fair (Category 7): \$5,000**

WHC seeks support to broaden their annual Green Living and Tech Fair to reach more Waterloo Region residents and organizations. The Objectives of the Healthy Communities Month series of events (primarily within the month of April) are as follows:

- To engage local citizens to carry out environmentally beneficial actions
- To promote local sustainability initiatives and local sustainable businesses (growing the local green economy)
- To increase the availability of environmental information, products, and services to citizens of Waterloo Region

This event is tailored to people preparing to make a decision regarding positive environmental changes in their lifestyles, which is supported by local organizations that can help inform this decision and enable the change. The Township of Woolwich also supports this annual event which last year cost \$10,400. It is recommended that a Sustainability Grant be allocated for \$5,000 to assist with the costs of running the event and to help attract attendance from other locations within Waterloo Region.

**2012-22 Sustainable Waterloo Region – Energy/GHG reduction competition (Category 6): \$15,000\***

Sustainable Waterloo Region (SWR) launched the Regional Carbon Initiative a few years ago to encourage and enable local organizations to reduce their GHG emissions. This proposal establishes a one-time incentive program for 5 new organizations to conduct an audit on their operations in order to identify and implement energy reduction opportunities and compete with other members for an award based on the greatest energy/GHG reduction. Participation also requires establishing a public commitment to achieving a GHG reduction target. The incentive would be a fixed amount to partially cover the cost of the energy audit. A grant of \$15,000 is recommended to cover the full costs of this program as SWR is largely volunteer driven and significant in-kind costs will support its administration. \*Regional staff also recommend conditions on this project to require that the incentive program be structured to prioritize participation from not-for-profit organizations and that the competitive award be in the form of a donation to the Grand River Conservation Foundation to plant trees (within the region) on behalf of the winner for the organization reducing the most GHG emissions.

**2012-24 REEP Green Solutions - Solar Thermal Demonstration Project (Category 6): \$15,000**

The purpose of the REEP House Solar Thermal Project is to demonstrate and encourage uptake of solar thermal technology for water heating in Waterloo Region. In 2011, approximately a thousand local residents visited the REEP House educational building located on Mill Street in Kitchener. This makes it an ideal in-person learning opportunity for regional residents to gain technical information through a series of workshops, lectures and seminars. This will also include a hands-on teaching event which will engage community volunteers in assembling a solar thermal panel, so that they can experience and understand the simple way it works. The final event will be the professional installation of the panel on the REEP House, which will act as an ongoing tangible demonstration. Monitoring of the indoor and outdoor components of solar thermal technology will become part of the educational programming at the REEP House, acting as a catalyst to promote the adoption of this alternative energy technology in the Region for years to come. In the long-term, this is hoped to encourage local residents, and potentially local home-builders, to consider a similar renewable energy installation on their own homes to help reduce energy consumption and associated emissions. Total project costs are approximately \$28,900, approximately half of which are provided by in-kind contributions. It is recommended that an allocation of \$15,000 be provided to assist with the remainder of the equipment and service costs as well as preparation of the educational display materials for ongoing visitors to the demonstration site.

**2012-25 CREW - Kids and Community Power Saving Project (Category 6): \$5,000\***

Community Renewable Energy in Waterloo (CREW) aims to demonstrate low-cost solutions in energy conservation for residents (primarily through working with children and their families) and to strengthen data collection on effectiveness. This initiative builds on a number of local partnerships and has a strong community engagement project aimed at optimizing participation. The project will educate primary school kids on sustainable electricity use as part of a long-term strategy and encourage the public in the sustainable use of electricity – demonstrate and lead by example. The total cost of the project is \$38,500. Although this project applied for \$15,000 grant as a demonstration project, the tangible Power Saving Network Electricity Self-Audit Toolkits are largely already funded by another source. \*Therefore, it is recommend that \$5,000 be allocated to CREW with the condition that the funds are used to support the educational components of the project such as the promotional materials for libraries and community centres and an education video as described in the proposal. However, operating costs for office rental and telephone/internet expense will not be reimbursed.

**2012-30 Foodlink Waterloo Region – Buy Local Buy Fresh mapping application for mobile devices (Category 7): \$5,000**

The purpose of the project is to provide a software application that expands consumer access to the Foodlink's local food database which was provided in previous years in the form of printed hard copy maps. Electronic access to this local food directory will enable users to make wiser, more sustainable choices with regard to their food purchases, thereby potentially decreasing the negative impact on the environment from long-distance food imports. The Foodlink "Buy Local, Buy Fresh" software will be a free download that offers innovative user friendly access to consumers regarding local food sources via a handheld device. Monitoring the use of this application will be included in the final report to the Region. Total costs for the projected are estimated at \$25,000 which is partially supported by the Mennonite Savings and Credit Union as well as the Trillium Foundation. It is recommended that a Sustainability Grant of \$5,000 be provided to help promote use of this application and for the launch event.

**2012-32 St. Benedict Catholic Secondary School – waste diversion (Category 6): \$7,676**

Recently St. Benedict students conducted a waste audit at their school and discovered that up to 75% of waste thrown in their garbage receptacles could have been recycled. Therefore this project aims to provide recycling waste stations for the cafeteria and hallways by purchasing multi-sort bins as well as have metal shop students build another receptacle along with educational signs to support proper waste diversion practices. The project could help St. Benedict's be a Gold certified Ecoschool as they hope to demonstrate a significant reduction in waste going to landfill. It is recommended that a grant of \$7,676 be allocated to pay for the bins and materials needed to construct an additional receptacle and prepare the signage.

**2012-36 Canadian Organic Growers Perth-Waterloo-Wellington – organic gardening workshops (Category 7): \$1,975**

The Organic Backyard project aims to empower citizens of Waterloo Region to reduce their ecological footprint by producing their own sources of local organic food. Canadian Organic Growers Perth-Waterloo-Wellington aims to promote environmental sustainability by demonstrating the "how-to" of organic gardening through the delivery of four workshops during the 2012 growing season. These hands-on and informative workshops will equip participants with the knowledge and guidance to apply organic gardening in their own backyards to supply some of their own demand for fresh healthy fruits and vegetables. The total estimated cost of the project is \$2,785. It is recommended that up to \$1,975 be allocated to Canadian Organic Growers Perth-Waterloo-Wellington for the developing workshop resources and service fees for a qualified workshop facilitator and coordinator.

**2012-44 Grand River Carshare – carsharing with electric vehicle technology (Category 6) \$15,000**

The aim of this project is to add an electric vehicle (EV) into the fleet of the local non-profit, Grand River CarShare, with the aim to further reduce GHG emissions, allow public members to test drive an EV, demonstrate to local residents how the EV technology would work, and to encourage the advancement of developing public charging infrastructure in the Region. Mileage is tracked by Grand River Carshare and therefore a report on the GHG reduction benefit is planned to be a key result of this project. The total estimated cost of the project is \$38,137.50 which will include a provincial rebate on the vehicle purchase and contributions from the Grand River Carshare capital fund. It is recommended that up to \$15,000 be allocated to Grand River CarShare to assist with their purchase of an electric vehicle, the I-MiEV from Mitsubishi, which will be obtained and serviced locally. This project will be further supported and monitored by the University of Waterloo as part of a broader comparative analysis with other non-electric vehicles in their fleet and the local community(see project # 17 and 20).



## APPENDIX B

### Summary of Sustainability Grants Not Recommended for Approval – March 20, 2012

#### **2012-02 Trinity Village/Lutheran Homes K-W - rainwater harvesting:**

The goal of this project is to construct a rainwater harvesting system as a source of water for the community garden at Trinity Village in Kitchener. This initiative will help to reduce reliance on municipal water while fulfilling the growing garden's irrigation needs. By leveraging a recent grant from the Trillium Foundation, additional plots are being added to the garden which provides food for residents at the St. Matthew's Lutheran Church Care centre as well as through the Out of the Cold program. The total cost for this project is estimated at \$84,700 and no other funding sources have been secured at this time. The amount requested for this project exceeds available funds and therefore it is not recommended to receive a Sustainability Grant at this time. The applicant will be encouraged to look into the Region's Water Efficiency Technology program for some support.

#### **2012-03 House of Friendship - solar hot water system:**

The aim of this initiative is to install a solar hot water system on a multi-residential building in Kitchener. House of Friendship aims to construct this roof-top system on a 22 unit apartment building on Charles Street to reduce natural gas and GHG emissions. The estimated cost of this project is \$19,800. Although staff applaud the use of this technology, there is little community engagement or public communication associated with this project and therefore it is recommended that this project does not receive funding at this time as it exceeds available funds within the Sustainability Grant stream this year.

#### **2012-09 Highland Stirling Community Group - neighbourhood food markets:**

This grassroots initiative is focussed on enhancing two neighbourhood markets in Kitchener to help support local farms and to improve access to harvested food for the diverse population in the area. These inner city markets are operated out of locations such as Mill-Courtland and Chicopee Community Centres as a means to improve outreach and education on eating healthy local produce. The grant request of \$12,130 for this project was to assist with market supplies, a hand washing station and to hire a temporary coordinator who also will provide workshops, recipes and a strong social interaction component focussed on community building. It is recommended that this project does not receive a Sustainability Grant at this time as the amount requested for this project exceeds available funds.

#### **2012-11 All Our Relations – reThink Waterloo Region:**

reThink 2012 is planned to be a local conference with the aim to open up a dialogue between businesses about integration of sustainable practices within their daily operations. Businesses already showing environmental leadership will provide practical advice and guidance on how to achieve this along with additional participation from The Natural Step organization regarding their world renowned strategic framework. The total estimated costs of the project are \$26,400 of which \$5,000 was requested from the Region's environmental fund to assist with event expenses such as advertising and the keynote speaker. This project is not recommended to receive support from the Region's Community Environmental Fund as it exceeds available funds. Staff also noted that the planned event did not occur in 2011 due to lack of financial support and that their 2012 budget is heavily dependent on pending ticket sales and premium event sponsorship.

**2012-13 The Working Centre - Recycle Cycles Expansion:**

Recycle Cycles has grown from recycling and selling 300 bicycles in 2005 to recycling/selling over 700 bikes in 2011. This volunteer run organization also provides repair workshops and last year repaired over 3000 bikes. Demand has outstripped the capacity of the non-profit organization to fulfill the increasing need for this community service. The Working Centre wants to expand their operation to serve more residents. The total project cost is \$25,000. Although staff recognizes the value that this initiative provides to the community, the application is essentially for construction of a bigger space which will likely proceed without the financial support of the Region. Therefore it is recommended that this grant request is not approved at this time in part due to limited availability of funds in the Sustainability Grant stream.

**2012-23 Conestoga Students Inc. - College Green Acres:**

The student association at Conestoga College is proposing to establish a food garden on their Doon Valley campus. Harvested vegetables are to be utilized by the College's culinary program, students and for donations to appropriate local charitable organizations. This project aims to use the demonstration garden to get the college to commit to a long-term plot on site for use each year. Some materials for the garden will be built by the students (e.g. picnic tables) and others such as soil, seeds etc. are to be donated by local retailers. The total estimated cost for the project is \$6,500 the majority of which appears to be available from other sources. Therefore it is recommended that this grant request is not approved at this time.

**2012-28 Alternatives Journal –Environmental Studies Association Event:**

Alternatives Journal, based at the University of Waterloo, will be hosting the annual general meeting of the Environmental Studies Association of Canada's (attendance of 12,000+ Canadian environmental leaders). The three-day conference helps to create a dialogue amongst a wide variety of disciplines regarding challenging environmental issues of our generation. As hosts, Alternatives is seeking additional financial support for this event with an estimated total cost of \$10,800. Approximately \$5,800 is leveraged from other sponsors and registration revenues could adequately allow the event to proceed without support from the Region's Community Environmental Fund. Therefore it is recommended that this grant request is not approved at this time.

**2012-26 Wilfrid Laurier University - Fariba Amiri**

The focus of this proposal is to increase students' understanding of water quality in the Region. This is to involve an educational tour of the Mannheim Water Treatment Plant and sharing student research projects on campus via poster presentations during the current University term. The environmental focus of the proposal is not a direct fit with the primary Sustainability Grant program themes and overall goals. Therefore, staff recommends that this project does not receive funding at this time.

**2012-31 Trillium Energy Inc. – Waterloo Region Energy Co-operative**

The purpose of this proposed project is to demonstrate a local electricity generation social enterprise business model by establishing a cooperative organization focused on exploiting renewable energy options. Although the concept of this project has merit, the local cooperative has not yet been formally established and there is no local Board of Directors. The proposal is focused on encouraging a membership drive which appears premature until the organization has been formally established. This is critical as there needs to be the local presence of individuals committed to this venture. Moreover, the applicant is based outside Waterloo Region, and therefore, staff recommend that this application does not receive funding at this time. Trillium Energy will also be encouraged to work with the existing Local Initiative for Future Energy Co-operative which already exists within the region (see project 2012-34 below).

**2012-33 St. Paul's University College – retrofit to an LED light system**

The aim of this project is to install LED lighting technology in the St. Paul's University College residence to significantly reduce electricity use. The College will monitor electricity consumption and will install a permanent educational display to explain this technology. The estimated total project cost is \$25,283.75 with project costs leveraged by support from the University College. Regional staff view this as a standard task for facilities management at the College and therefore this grant is not recommended.

**2012-34 Local Initiative for Future Energy Co-operative – educational workshops:**

The purpose of this initiative is to educate regional residents on the existence of renewable energy opportunities available locally and to enable people to directly participate in the development of renewable energy projects. The workshop series strives to build awareness to increase support for local environmental initiatives and co-operative enterprises, and shift attitudes towards supporting renewable energy projects as valuable and ethical investments. The estimated total project cost is \$4,791. It is recommended that this project does not receive a Sustainability Grant at this time as it exceeds available funds.

**2012-35 Eastbridge Neighbourhood Association – community vegetable garden**

By creating this community garden, Eastbridge Neighbourhood Association hopes to enhance liveability within the neighbourhood by promoting social inclusion for area residents and create a supportive space for learning how to grow affordable and healthy foods from within walking distance of their homes. The estimated total cost of the project is \$2,034 to assist Eastbridge Neighbourhood Association with the purchase of gardening equipment, signage, and materials to build composters and seating space. However, due to limited available funds, staff recommended that this project does not receive a Sustainability Grant at this time.

**2012-39 Rachel Dyck - Scatter Plots Garden**

The Scatter Plots Garden aims to create vegetable gardens on unused lawn space of different Regional residents. Lawns would be rented and vegetables grown will be sold at market. The proposal was missing a number of items, including a budget, but was also described as a for-profit venture and therefore does not fit the intent of the Sustainability Grant in terms of applicant eligibility. Staff recommend that this application does not receive funding at this time.

**2012-41 World Accord – Passport to Sustainability Tour:**

World Accord's Passport to Sustainability Tour encourages the public to visit local champions in the Region. The purpose of the tour is to raise awareness of and support local efforts towards environmental sustainability. Participants obtain a "passport" and receive a stamp by attending the partnering organization's educational open houses. This opportunity facilitates cross-promotion of sustainable businesses and organizations in the Region and initiates conversation surrounding local sustainability. The total estimated cost of the project is \$14,690 with the bulk of the grant request for printing tour passports. Due primarily to limited available funds, staff recommended that this project does not receive a Sustainability Grant at this time.

**2012-42 Wilfrid Laurier University Students' Union – campus bike pods:**

This project is a collaborative effort between the Wilfrid Laurier University Student's Union, the campus Sustainability Office and Parking and Transportation Office. Students propose the installation of a new secure bicycle locking infrastructure to provide greater safety and availability to encourage students' use of bicycles. The total estimated cost of the project is \$28,895, \$20,000 of which is provided by WLU. The applicant indicated that the balance of the funds can be used from funds from the Students' Union to assist with the remainder of the costs. Staff view this project as laudable but fairly straightforward for the University to support with existing resources. Therefore it is recommended that this grant request not be approved.



# REGIONAL MUNICIPALITY OF WATERLOO AUDIT COMMITTEE MINUTES

Tuesday, February 28, 2012  
2:32 p.m.  
Room 218  
150 Frederick Street, Kitchener, Ontario

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Present were: Chair T. Galloway, K. Seiling, S. Strickland, J. Wideman and C. Zehr

## **MOTION TO GO INTO CLOSED SESSION**

MOVED by C. Zehr  
SECONDED by K. Seiling

That a closed meeting of Audit Committee be held on Tuesday, February 28, 2012 at approximately 2:30 p.m. in accordance with Section 239 of the Municipal Act, 2001, for the purposes of considering the following subject matter:

- a) labour relations

CARRIED

## **MOTION TO RECONVENE INTO OPEN SESSION**

MOVED by K. Seiling  
SECONDED by C. Zehr

THAT the meeting reconvene into Open Session.

CARRIED

## **DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT**

None declared.

## **INTERDEPARTMENTAL REPORTS**

- a) CA-12-002/E-12-017, Region of Waterloo International Airport – Program Review 2011-2012

David A. Young, Manager, Internal Audit, provided the Committee with a detailed overview of the findings of the program review, outlining the process of the program review and its objectives.

John Hammer, Director, Transportation, provided additional detail to the Committee with regard to the recommendations arising from the program review, specifically the recommendations dealing with developing a long range plan to guide capital plans, and addressing the concept of common area maintenance fees.

The Committee inquired whether staff had discovered benefits to differing governance structures in its reviews of other airports. Mike Murray, Chief Administrative Officer, observed that other airports with similar governance as the Region's are successful, though small in number. He elaborated that the various governance structures have pros and cons, and that staff would anticipate no significant benefit in recommending a change to the governance of the airport. The Committee discussed potential benefits to considering alternate governance structures, noting that it could provide an opportunity to promote the facility's development through effective board recruitment from the business community. The Committee also considered what changes could be anticipated for the quality of governance, the degree of participation from the political sphere, and the potential to draw interest in the facility from other nearby communities. The Committee acknowledged the merit in examining potential changes to the airport's governance.

The Committee questioned whether emergency services to the Airport were part of the program review. J. Hammer responded that emergency services were part of the program review, with no particular recommendations arising from the process; M. Murray observed that the recommendation to clarify reporting, roles and relationships touches on the matter. Chris Wood, Airport General Manager, provided additional detail to the Committee with regard to training provided to certain airport staff and additional responsibilities allocated to those staff.

The Committee ascertained from J. Hammer that the first response for fire emergencies comes from Woolwich Fire Department, owing to the airport's location in the township. The Committee inquired as to whether it would be more appropriate to have first response to fire emergencies from full-time fire departments in Kitchener or Cambridge. J. Hammer noted that in previous discussions on the matter that there was agreement between the Woolwich and Cambridge fire departments that Woolwich is appropriately the first to respond to the airport. M. Murray suggested that staff could explore options for fire response with the Woolwich, Cambridge and Kitchener fire departments, which all invoke mutual aid when called upon. The Committee noted the jurisdictional issues in assigning fire response, and it was suggested that discussions for the Airport could be elevated to the Council tables at the area municipalities.

The Committee discussed the impact of the program review recommendations upon tenants and users, with J. Hammer observing that organizational changes will be transparent to tenants and airport users, and that tenants had been invited to be involved in the process of the review. C. Wood emphasized the impact of upcoming legislative changes with regard to security, and stressed the benefit of taking proactive measures to meet the anticipated changes. Thomas Schmidt, Commissioner, Transportation and Environmental Services, clarified how the legislative changes places more onus upon airport tenants, and D. Young observed that tenants are presently not actively engaged in such matters. The Committee observed that the wording of the report is unclear with regard to the security matters, and M. Murray responded that staff will email a clearer explanation to the Committee members in the near future.

MOVED by C. Zehr  
SECONDED by J. Wideman

THAT the Audit Committee endorse the recommendations and proposed actions of the Region of Waterloo International Airport Program Review 2011-2012 as noted in Report CA-12-002/E-12-017 dated February 28, 2012, including the change of the one contract administrative position to a permanent position, all at a decrease of approximately \$15,000 to the 2012 Airport operating budget.

CARRIED

**PRESENTATION**

a) Evan McDade and Jennifer Gruber, Deloitte, re: 2011 Audit Service Plan

E. McDade and J. Gruber presented in detail the 2011 Audit Services Plan, including:

- Audit scope, materiality and risks;
- Key elements to audit service plan, such as internal control matters and group audit;
- Deloitte responsible to report misstatements and fraud to Audit Committee;
- Risk-based audit approach, and strength of audit team;
- Areas of audit risk;
- Group audits and impacts on materiality;
- Communication requirements with anticipated timing; and
- Accounting standards for public organizations.

The Committee ascertained from E. McDade that Deloitte would undertake to investigate audit fraud if any were to be found, as well as communicating with the internal auditors to also examine any such situation.

The Committee questioned whether the audit scope would encompass examinations of transactions with external contractors and their consultants and subcontractors. E. McDade responded that Deloitte reviews internal controls in that regard, and J. Gruber observed that the audit process involves sampling and examination of such transactions. Calvin Barrett, Director, Financial Services/Development Financing, affirmed that the Region has established detailed processes for payments within its processes for accounts payable.

The Committee obtained clarification from E. McDade on the financial reporting of payments made in advance from federal or provincial governments.

The Committee ascertained from Angela Hinchberger, Acting Chief Financial Officer, that contaminated sites which are abandoned become the responsibility of the area municipality. E. McDade observed that the definition of a contaminated site requires that an environmental standard be established and that the site exceeds the established standard. The Committee discussed the treatment of contaminated sites on financial statements, with E. McDade noting the importance of determining legal liability for the site's remediation.

**REPORTS – Chief Administrative Officer**

a) CA-12-001, 2011 Internal Audit Report

Received for information.

M. Murray provided an overview of the report and described the activity of the Region's internal auditor staff and their planned future work. D. Young provided additional details on the activities of internal auditors, and highlighted certain activities planned for 2012. M. Murray noted the compliance audit carried out with respect to the Region's purchasing by-law. The Committee flagged the timing of payments for contracts and prequalification as issues which may benefit from a more uniform approach.

**OTHER BUSINESS**

None.

**NEXT MEETING – May 29, 2012**

**ADJOURN**

MOVED by J. Wideman  
SECONDED by S. Strickland

THAT the meeting adjourn at 3:50 p.m.

CARRIED

**COMMITTEE CHAIR, *T. Galloway***

**COMMITTEE CLERK, *M. Grivicic***

**COUNCIL ENQUIRIES AND REQUESTS FOR INFORMATION****ADMINISTRATION AND FINANCE COMMITTEE**

<b>Meeting date</b>	<b>Requestor</b>	<b>Request</b>	<b>Assigned Department</b>	<b>Anticipated Response Date</b>
26-Jan-10	Committee	Report on a policy related to development charge grants, exemptions and deferral requests, to include past history/practice, implications, and options.	Finance	2012
08-Jun-10	A&F	Review current funding for the tax increment grant program, with full range of funding options.	Finance	2012
23-Nov-10	A&F	Assess the application of the prequalification guidelines (both generals and sub contractors) and report back to A & F after one years experience	Finance	2012
10-Jan-12	A&F	Consent agendas	Council Services	Spring 2012
28-Feb-12	A&F	Process for calculating/appeal of development charges	Finance / Legal Services	Spring 2012