



REGIONAL MUNICIPALITY OF WATERLOO ADMINISTRATION AND FINANCE COMMITTEE AGENDA

Tuesday, April 17, 2012
10:45 a.m.

(Time is approximate; meeting follows Planning and Works Committee)
Regional Council Chamber
150 Frederick Street, Kitchener, Ontario

1. **DECLARATIONS OF PECUNIARY INTEREST UNDER THE MUNICIPAL CONFLICT OF INTEREST ACT**
2. **DELEGATIONS**
3. **REPORTS – Finance**
 - a) [F-12-027](#), Quarterly Summary of Tenders, Request for Proposals and Consultant Proposals Approved by the Chief Administrative Officer 1
 - b) [F-12-028](#), Investment Position at December 31, 2011 5
 - c) [F-12-029](#), 2011 Development Charge Transaction Report 10
 - d) [F-12-030](#), Periodic Financial Report for the Year Ended December 31, 2011 19
- REPORTS – Corporate Resources**
 - e) [CR-RS-12-018](#), Surplus Declaration - 14 Erb Street West, Waterloo 26
4. **INFORMATION/CORRESPONDENCE**
5. **OTHER BUSINESS**
 - a) Council Enquiries and Requests for [Information Tracking Sheet](#) 29
6. **NEXT MEETING – May 8, 2012**
7. **ADJOURN**



**FINANCE DEPARTMENT
Procurement & Supply Services**

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

DATE: April 17, 2012 **FILE CODE:** F18-30

**SUBJECT: QUARTERLY SUMMARY OF TENDERS, REQUEST FOR PROPOSALS AND
CONSULTANT PROPOSALS APPROVED BY THE CHIEF ADMINISTRATIVE
OFFICER**

RECOMMENDATION:

For Information

SUMMARY: Nil

REPORT:

The updated Purchasing By-law, which came into effect July 2010, requires that administrative awards for Tenders and Request for Proposals (RFP's) between \$100,000 and \$500,000 and administrative awards for Consultant Proposals between \$100,000 and \$300,000 be reported to Administration and Finance Committee.

Tenders are competitive sealed bids which specify the scope of the work and the terms under which the Region will contract for the goods and services. Common law principles of procurement and contract law play a large roll relative to tenders. Administrative awards for tenders between \$100,000 and \$500,000 can occur if three criteria are met. These criteria include a minimum of three bids received, award to the lowest bidder and bid amount within budget.

Request for Proposals are a formal document that seeks best value through competition. The RFP specifies in general terms what the Region wants but provides flexibility for respondents to propose a solution. RFP's include an evaluation criteria and scoring matrix. Price is part of the evaluation criteria and scoring but award is made to the vendor with the highest overall score. Consultant Proposals are the same as RFP's with the commodity being consultant services. For RFP's between \$100,000 and \$500,000 and Consultant Proposals between \$100,000 and \$300,000, the three criteria to enable an administrative award are a minimum of three bids received, award to the highest score and bid within budget.

As required by the by-law, a quarterly summary report will be submitted to Administration and Finance Committee outlining all Tenders, RFP's and Consultant Proposals awarded by the CAO. This revised Tender/RFP/Consultant Proposal award process has resulted in a more efficient and timely procurement process. Appendix 1 provides the details of the Tender awards made by the CAO from January 1, 2012 through March 31, 2012. Appendix 2 provides the details of the RFP's awarded by the CAO from January 1, 2012 through March 31, 2012. There are no Consultant awards to be reported for this time period.

CORPORATE STRATEGIC PLAN:

This report supports and meets the objective of Focus Area 5 “Service Excellence” – Ensure Regional programs and services are efficient and effective and demonstrate accountability to the public.

FINANCIAL IMPLICATIONS: Nil

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE: Nil

ATTACHMENTS:

Appendix 1 – CAO Tender Awards (January 1, 2012 to March 31, 2012)

Appendix 2 – CAO Request for Proposal Awards (January 1, 2012 to March 31, 2012)

PREPARED BY: *L. Buitenhuis*, Manager, Procurement

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

Appendix 1 - CAO TENDER AWARDS (January 1, 2012 to March 31, 2012)

TENDER NUMBER & NAME	DESCRIPTION	AWARDED	NET COST OF AWARD (Net of HST Rebate)	LIST OF BIDDERS	BID PRICE (Includes HST)	BUDGET (1)	COMMENTS
T2011-147 Waterloo Regional Police Service Technical Crime Office Renovation and Mechanical Upgrades	Demolition of walls within the existing suite complete with a new mechanical system to allow for expansion of work stations and computer servers.	Velocity Mechanical	\$125,571.84	Velocity Mechanical Greyhound Contracting Dakon Construction PM Contracting Sax Construction Alpeza General Contracting	\$139,442.00 \$140,459.00 \$142,832.00 \$150,290.00 \$161,364.00 \$191,874.00	WRPS Capital Budget \$145,000	Approved Jan. 12, 2012
T2011-133 Elevator Installation at 65 Paulander Drive, Kitchener	Installation of an elevator at 65 Paulander Drive, a 50 unit seniors building.	Gordner Construction	\$182,303.04	Gordner Construction Reids Heritage Construction Joe Pace & Sons Contracting Protrend Arrow Construction Dakon Construction	\$202,439.50 \$224,079.00 \$232,399.00 \$241,627.90 \$296,060.00	Total WRH Capital Budget \$5,475,000	Approved Feb. 29, 2012

Appendix 2 - CAO REQUEST FOR PROPOSAL AWARDS (January 1, 2012 to March 31, 2012)

PROPOSAL NUMBER & NAME	DESCRIPTION	AWARDED	NET COST OF AWARD (Net of HST Rebate)	LIST OF BIDDERS	BID PRICE (Includes HST)	BUDGET (1)	COMMENTS
P2011-55 Real Estate Appraisal Services	For the hiring of professional real estate appraisal firm specializing in partial takings for approx. 36 properties along the Rapid Transit Corridor.	PVCI Inc.	\$104,496.00	PVCI Inc. Metrix Southwest MacKenzie Ray Heron & Edward Antec Appraisal Group Gsi Real Estate & Planning Advisors Altus Group	\$114,050.00 \$152,550.00 \$162,720.00 \$183,060.00 \$233,910.00 \$275,550.00	Rapid Transit Capital Budget \$818 million	Approved Jan. 25, 2012
P2011-57 Sign Truck	To replace a 2000 Freightliner FL60 which has reached the end of its life cycle.	Eloquip Ltd.	\$129,216.88	Eloquip Ltd. Pride Bodies Ltd. Harper Truck Centres	\$143,489.66 \$149,776.98 \$246,264.29	2012 Transportation Capital Budget \$140,000	Approved Feb. 8, 2012
P2012-03 Rain Barrels	For the supply and distribution of 3000 rain barrels.	Orbis Canada Ltd.	\$108,069.12	Greenlane Environmental Orbis Canada Ltd. Enviro World Corporation Forest City Models and Patterns Koolatron Corporation Forest City Models and Patterns Secural Datashred Inc.	\$111,870.00 \$120,006.00 \$135,600.00 \$138,888.30 \$152,550.00 \$172,822.20 \$199,976.10	2012 Water Capital Program \$312,000	Approved Feb. 8, 2012
P2011-54 Janitorial Cleaning at the Region of Waterloo Landfill Facilities	For the provision of janitorial cleaning at five buildings at the Region of Waterloo Landfill Facilities over a three year period.	Housekeepers of Canada	\$161,180.39 (over 3 years)	Housekeepers of Canada Precise Janitorial Services Domclean Ltd.	\$178,983.73 \$186,890.19 \$203,891.00	2012 Waste Management Operating budget of \$76,577 annually	Approved Feb. 29, 2012
P2012-05 Janitorial Cleaning at Nine Region of Waterloo EMS Stations	For the provision of janitorial cleaning at 9 Region of Waterloo EMS Stations over a three year period.	L.B.J. Building Maintenance	\$128,997.00 (over 3 years)	L.B.J. Building Maintenance Clean-Up Precise Janitorial Services Commercial Cleaning Services Omni Facility Services	\$143,244.00 \$146,429.64 \$164,754.00 \$177,771.60 \$214,666.32	2012 EMS Operating budget of \$47,748 annually	Approved Mar. 30, 2012



REGION OF WATERLOO
FINANCE DEPARTMENT
Treasury Services Division

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

DATE: April 17, 2012 **FILE CODE:** F12-20

SUBJECT: INVESTMENT POSITION AT DECEMBER 31, 2011

RECOMMENDATION:

For Information

SUMMARY:

This report describes the Region's investment position at December 31, 2011 for the General Portfolio and the Sinking Fund. Both investment portfolios held eligible investments of various terms. The General Portfolio had a value of \$301.6 million at that date while the Sinking Fund portfolio had a value of \$35.9 million. The annualized average yield to December 31st was 4.07% for the General Portfolio and 4.42% for the Sinking Fund. Both portfolios were in compliance with the Consolidated Investment Policy throughout the year and on December 31st.

REPORT:

General Portfolio

The Region's General Portfolio is comprised of reserves, reserve funds and operating funds. Provincial regulations establish the type of investments the Region can hold while the Region's Consolidated Investment Policy establishes limits for the allowable investments. The Region's General Portfolio is currently comprised of holdings ranging from daily money market instruments to long term bonds and debentures. The total book value of the holdings at December 31, 2011 was \$301.6 million while the annualized average yield to that date is 4.07%. This compares to a book value of \$329.7 million at December 31, 2010 and an annualized average yield of 4.01%. The 2010 average yield of 4.01% was above the 2010 OMBI median of 3.17% and the 2011 average yield is also expected to be above the OMBI median. The annualized yield for 2011 is essentially the same as 2010 due to short and long term interest rates at similar levels in 2011.

The General Portfolio investments at December 31, 2011 are summarized by term (based on earliest applicable call dates) as follows:

Term	Book Value	% of Portfolio	Yields *
Short term (< 1 year, including cash)	\$ 128.8 m	42.7 %	0.88% - 6.05%
Medium term (1 to 5 years)	101.7 m	33.7 %	2.95% - 6.70%
Long term (> 5 years)	71.1 m	23.6 %	2.40% - 6.73%
Total	\$ 301.6 m	100.0 %	4.07% **

* Yields for individual holdings vary based on the timing of purchase and the issuer.

** Annualized average yield to December 31, 2011.

The largest cumulative general investment holdings at December 31st were with the Toronto Dominion Bank (TD) for \$105 million or 35% of the portfolio. This included TD general bank funds, essentially cash holdings, of \$90.4 million (29.98% of the portfolio) and TD bonds of \$14.7 million (4.88% of the portfolio). Other significant holdings include:

- Province of Ontario for \$26.4 million (8.76% of the portfolio);
- Royal Bank for \$20.5 million (6.81% of the portfolio);
- Bank of Montreal for \$19.0 million (6.29% of the portfolio);
- CIBC for \$18.5 million (6.15% of the portfolio);
- Region of Waterloo for \$17.8 million (5.91% of the portfolio);
- Region of York for \$16.6 million (5.51% of the portfolio).

The large holdings at TD are required to fund daily operations and anticipated payments for capital construction and other pending obligations. Additionally, net property tax expenditures generally average \$32 million per month and operational funds were required at year end to cover expenses between January 1 and April 1, 2012. The Region does not receive any property tax revenue from the Area Municipalities until the first business day in April. The balance in the Region's general account is essentially nil by March 31st. The rates the Region receives from TD on its cash holdings are slightly higher than short term rates offered by other financial institutions and T-bill rates. In addition, holdings at TD are completely liquid which aligns with the principles of the Region's Consolidated Investment Policy for the General Portfolio of minimizing risk, maintaining liquidity and achieving yield.

The policy limits for general bank funds and Province of Ontario bonds are each 50% while the limit for Schedule I bank bonds in total is 35%. At December 31st, 27.8% of the General Portfolio was held in bank bonds as the investment returns on bank bonds has been higher than federal and provincial bonds throughout the year. The limits for certain provinces such as New Brunswick and for individual Schedule I banks are both 10%.

The General Portfolio has been in compliance with the Region's Consolidated Investment Policy throughout the year and at December 31, 2011 as demonstrated on Appendix 1. During 2011, the Region purchased \$2.5 million of its own debentures and \$2.6 million of Region of Waterloo debentures matured.

Sinking Fund Portfolio

The Region has, in past, issued sinking fund debentures which require the establishment of a sinking fund. With a sinking fund debenture, all of the principal is payable on a future fixed date and annual contributions are made to a "sinking fund" in place of annual payments of principal. The Region's Sinking Fund investment portfolio is comprised of the annual contributions and the interest earned on those funds. Provincial regulations establish the type of investments the Sinking Fund can hold while the Region's Consolidated Investment Policy establishes limits for the allowable investments. The Region's Sinking Fund portfolio is currently comprised of holdings ranging from cash to long term bonds and debentures. The total book value of the holdings at December 31, 2011 was \$35.9 million while the annualized average yield to that date is 4.42%. This compares to a book value of \$31.0 million at December 31, 2010 and an annualized average yield of 4.79%. The annualized yield for 2011 is lower than 2010 due to higher short term holdings required for pending maturities.

The Sinking Fund investments at December 31, 2011 are summarized by term (based on earliest applicable call dates) as follows:

Term	Book Value	% of Portfolio	Yields *
Short term (< 1 year, including cash)	\$ 7.5 m	20.8 %	1.3% - 2.15%
Medium term (1 to 5 years)	6.0 m	16.9 %	4.94% - 5.45%
Long term (> 5 years)	22.4 m	62.3 %	3.93% - 6.73%
Total	\$ 35.9 m	100.0 %	4.42% **

* Yields for individual holdings vary based on the timing of purchase and the issuer.

** Annualized average yield to December 31, 2011.

Significant holdings include:

- Province of Ontario for \$14.4 million (40.26% of the portfolio);
- Province of British Columbia for \$3.7 million (10.35% of the portfolio);
- CIBC for \$3.4 million (9.39% of the portfolio);
- Royal Bank for \$2.8 million (7.94% of the portfolio);
- Bank of Montreal for \$2.8 million (7.90% of the portfolio).

The Sinking Fund portfolio has been in compliance with the Region's Consolidated Investment Policy throughout the year and at December 31, 2011 as demonstrated on Appendix 2. During 2011, the Sinking Fund did not purchase or dispose of any Region of Waterloo debentures.

In 2012, debentures totalling \$30.2 million will be retired through repayment from the Sinking Fund portfolio. Accordingly, a large portion of the Sinking Fund portfolio will be liquidated for the purpose of these repayments. The majority of the Sinking Fund portfolio is comprised of contributions from the sinking fund participants pertaining to these specific debentures. A significant portion of the portfolio is held in long term investments as the longer term investments provided higher overall rates of return while still aligning with the principles of the Region's Consolidated Investment Policy for the Sinking Fund of minimizing risk, achieving yield and maintaining liquidity.

CORPORATE STRATEGIC PLAN:

One of the objectives within the Service Excellence Focus Area is to ensure all Regional programs and services are efficient, effective and demonstrate accountability to the public.

FINANCIAL IMPLICATIONS:

The Bank of Canada target rate was 1.00% throughout 2011 and is expected to remain at that level for several months. The Bank will continue to monitor economic and financial developments in the Canadian and global economies along with evolving risks and set monetary policy consistent with its 2% inflation target. The next rate setting is scheduled for April 17th. Continued low interest rates and a pattern of increased expenditures in the early part of the year will impact the Region's portfolio through decreased interest income and interest income attributable to the tax levy. Interest income earned on the General Portfolio in 2011 was \$11,132,852 with \$177,614 attributable to the tax levy. Interest income earned on the Sinking Fund was \$1,457,961.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE: Nil

ATTACHMENTS:

Appendix 1 – General Fund Portfolio Compliance with the Investment Policy at December 31, 2011
Appendix 2 – Sinking Fund Portfolio Compliance with the Investment Policy at December 31, 2011

PREPARED BY: *T. Alpaugh*, Manager, Treasury Services

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

**REGIONAL MUNICIPALITY OF WATERLOO GENERAL FUND
PORTFOLIO COMPLIANCE WITH THE INVESTMENT POLICY AT DECEMBER 31, 2011**

SECURITY DESCRIPTION	Portfolio Amount	%	Policy Limitation Per Issuer	Maximum Per Issuer	Policy Limitation Per Category	Maximum Per Category
FEDERAL						
Government of Canada	\$ -	0.00%	\$ 150,781,826	50.00%	\$ 150,781,826	50.00%
Crown Corporations (Farm Credit)	\$ 1,059,121	0.35%	\$ 150,781,826	50.00%	\$ 150,781,826	50.00%
PROVINCIAL						
Ontario	\$ 26,420,156	8.76%	\$ 150,781,826	50.00%	\$ 150,781,826	50.00%
British Columbia	\$ 8,207,474	2.72%	\$ 75,390,913	25.00%	\$ 75,390,913	25.00%
Alberta Cap Fin Auth	\$ 3,076,251	1.02%	\$ 75,390,913	25.00%	\$ 75,390,913	25.00%
Nova Scotia	\$ 4,238,989	1.41%	\$ 30,156,365	10.00%		
Manitoba	5,852,981	1.94%	30,156,365	10.00%		
New Brunswick	6,020,516	2.00%	30,156,365	10.00%		
Newfoundland	2,860,074	0.95%	30,156,365	10.00%		
Total Other Provincials	\$ 18,972,560	4.89%			\$ 75,390,913	25.00%
SCHEDULE I BANKS						
TD/Canada Trust	\$ 14,725,133	4.88%	\$ 30,156,365	10.00%		
CIBC	18,549,518	6.15%	30,156,365	10.00%		
Bank of Nova Scotia	11,060,841	3.67%	30,156,365	10.00%		
Bank of Montreal	18,967,009	6.29%	30,156,365	10.00%		
Royal Bank	20,522,325	6.81%	30,156,365	10.00%		
Total Schedule I Banks	\$ 83,824,826	27.80%			\$ 105,547,278	35.00%
SCHEDULE II BANKS						
Schedule II Banks	\$ -		\$ 15,078,183	5.00%		
Total Schedule II Banks	\$ -	0.00%			\$ 30,156,365	10.00%
MUNICIPAL						
Regional Municipality of Waterloo	\$ 17,826,287	5.91%	\$ 150,781,826	50.00%	\$ 150,781,826	50.00%
Regional Municipality of Niagara	\$ 3,430,535	1.14%	\$ 30,156,365	10.00%		
City of Toronto	9,008,692	2.99%	30,156,365	10.00%		
City of Hamilton	2,988,875	0.99%	30,156,365	10.00%		
City of Windsor	1,999,101	0.66%	30,156,365	10.00%		
City of Guelph	2,349,586	0.78%	30,156,365	10.00%		
Region of Durham	3,271,385	1.08%	30,156,365	10.00%		
Region of Halton	1,574,298	0.52%	30,156,365	10.00%		
Region of York	16,610,238	5.51%	30,156,365	10.00%		
City of London	2,995,513	0.99%	30,156,365	10.00%		
City of Regina	500,000	0.17%	30,156,365	10.00%		
BC Mun Finance Authority	5,507,068	1.83%	30,156,365	10.00%		
Total Other Municipalities	\$ 50,235,291	16.66%			\$ 75,390,913	25.00%
INVESTMENT FUNDS						
One Investment Fund	\$ 1,157,432	0.38%	\$ 150,781,826	50.00%	\$ 150,781,826	50.00%
UBS - Cash Management Fund	\$ 383,143	0.13%	\$ 75,390,913	25.00%	\$ 75,390,913	25.00%
General Bank Funds (TD)	\$ 90,401,111	29.98%				
TOTAL PORTFOLIO	\$ 301,563,652	100%				

Each bond has been verified to comply with the Region's Consolidated Investment Policy at the time of purchase. Amendments to Consolidated Investment Policy approved by council June 30, 2010 (F10-063). Investments at end of reporting period are in compliance with investment policy.

**REGIONAL MUNICIPALITY OF WATERLOO SINKING FUND
PORTFOLIO COMPLIANCE WITH THE INVESTMENT POLICY AT DECEMBER 31, 2011**

SECURITY DESCRIPTION	Portfolio Amount	%	Policy Limitation Per Issuer	Maximum Per Issuer	Policy Limitation Per Category	Maximum Per Category
FEDERAL						
Government of Canada	\$ -	0.00%	\$ 17,933,834	50.00%	\$ 17,933,834	50.00%
Crown Corporations	\$ -	0.00%	\$ 17,933,834	50.00%	\$ 17,933,834	50.00%
PROVINCIAL						
Ontario	\$ 14,439,334	40.26%	\$ 17,933,834	50.00%	\$ 17,933,834	50.00%
British Columbia	\$ 3,711,625	10.35%	\$ 8,966,917	25.00%	\$ 8,966,917	25.00%
Alberta Capital Finance Authority	\$ -	0.00%	\$ 8,966,917	25.00%	\$ 8,966,917	25.00%
Manitoba	\$ 508,943	1.42%	\$ 3,586,767	10.00%		
Newfoundland	0	0.00%	3,586,767	10.00%		
New Brunswick	0	0.00%	3,586,767	10.00%		
Quebec	1,793,504	5.00%	3,586,767	10.00%		
Total Other Provincials	\$ 2,302,447	6.42%			\$ 8,966,917	25.00%
SCHEDULE I BANKS						
TD/Canada Trust	\$ -	0.00%	\$ 3,586,767	10.00%		
CIBC	3,367,782	9.39%	\$3,586,767	10.00%		
Bank of Nova Scotia	0	0.00%	\$3,586,767	10.00%		
Bank of Montreal	2,833,999	7.90%	\$3,586,767	10.00%		
Royal Bank	2,846,634	7.94%	\$3,586,767	10.00%		
Total Schedule I Banks	\$ 9,048,414	25.23%			\$ 12,553,684	35.00%
SCHEDULE II BANKS						
Schedule II Banks	\$ -	0.00%	\$ 1,793,383	5.00%		
Total Schedule II Banks	\$ -				\$ 3,586,767	10.00%
MUNICIPAL						
Regional Municipality of Waterloo	\$ 1,365,956	3.81%	\$ 17,933,834	50.00%	\$ 17,933,834	50.00%
Regional Municipality of Niagara	\$ -	0.00%	\$ 3,586,767	10.00%		
Metro Toronto	0	0.00%	3,586,767	10.00%		
Regional Municipality of Durham	0	0.00%	3,586,767	10.00%		
City of Hamilton	0	0.00%	3,586,767	10.00%		
Region of Haldimand Norfolk	0	0.00%	3,586,767	10.00%		
City of Ottawa	0	0.00%	3,586,767	10.00%		
City of Windsor	0	0.00%	3,586,767	10.00%		
Region of Halton	0	0.00%	3,586,767	10.00%		
Region of York	0	0.00%	3,586,767	10.00%		
City of London	0	0.00%	3,586,767	10.00%		
City of Regina	0	0.00%	3,586,767	10.00%		
BC Mun Finance Authority	0	0.00%	3,586,767	10.00%		
Total Other Municipalities	\$ -	0.00%			\$ 8,966,917	25.00%
General Bank Funds	\$ 4,999,893	13.94%				
TOTAL PORTFOLIO	\$ 35,867,668	100.00%				

Each bond has been verified to comply with the Region's Consolidated Investment Policy at the time of purchase. Amendments to Consolidated Investment Policy approved by council June 30, 2010 (F10-063). Investments at end of reporting period are in compliance with investment policy.



REGION OF WATERLOO

**FINANCE DEPARTMENT
Financial Services and Development Financing**

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

DATE: April 17, 2012 **FILE CODE:** F27-50

SUBJECT: **2011 DEVELOPMENT CHARGE TRANSACTION REPORT**

RECOMMENDATION:

For Information

SUMMARY:

The *Development Charges Act, 1997* (DC Act) requires the Treasurer to submit to Council an annual statement of development charge transactions. The following report provides the details required under the Development Charges legislation. Copies of this report are forwarded to the various local development organizations involved with the Region in the development charge consultation process and to the Minister of Municipal Affairs and Housing.

REPORT:

Background

The *Development Charges Act, 1997* enables the Council of a municipality to (by by-law) impose development charges against land to pay for increased capital costs required because of increased needs for services arising from development of the area to which the by-law applies. The collection of development charges in the Region of Waterloo is governed by the Region's Development Charge By-law 09-024. Development Charges are collected by the area municipalities on behalf of the Region at the time of issuance of a building permit. The funds are remitted to the Region on a monthly basis and allocated to development charge reserve funds. These reserve funds are used to finance approved capital expansion projects in the following areas: Transportation, Airport, Water & Wastewater, Police, Administration, Facilities, GRCA, RGMS, Library, Transit, and EMS.

Development Charge Reserve Fund Balances

The Regional Development Charge Reserve Fund (RDC Fund) started the year with a balance of \$97.3 million. At the end of 2011, the RDC Fund had a balance of \$68.4 million as a result of the transactions detailed below (see Appendix A). As noted below, collections were approximately \$33.8 million lower than capital funding in 2011. The current RDC balances will be drawn down as the expansion capital programs are implemented.

2011 Development Charge Collections

Development charge collections in 2011 totaled \$38.7 million, an increase of approximately 4.03% over 2010 collections of \$37.2 million. Of the total collections, \$29.4 million was attributable to residential developments and \$9.3 million was for non-residential developments (see Appendix B).

2011 Development Charge Capital Appropriations

In 2011, appropriations to finance growth-related capital projects and debt charges totaled \$72.9 million. Table 1 provides a breakdown of 2011 appropriations by service groups (see Appendix C for details by project).

Table 1: 2011 Appropriations to Capital Projects

	2011 Appropriations
Roads Capital Projects	\$31,620,288
Airport Capital Projects	3,895,659
Water & Wastewater Capital Projects	31,124,377
EMS Capital Projects	507,909
Police Capital Projects	1,383,137
Administration/RGMS Capital Projects	686,792
Library Capital Projects	78,300
Transit Capital Projects	3,221,335
Debt Charges	333,757
Total	\$72,851,554

Exemptions

Two of the major exemptions provided in the RDC By-law are the downtown core exemption (Kitchener & Cambridge) and the exemption for Contaminated Sites (Brownfield Site Development). Exemptions are also provided for farming, community housing and public hospitals, among others. The DC Act specifies that any shortfall in development charge revenue resulting from exemptions must be made up from sources other than higher charges on other development. The total cost of development charge exemptions is financed from user rate reserve funds and property tax levies. Table 2 provides a summary of exemptions applied in 2011.

Table 2: 2011 Exemptions

	<u>Exemptions</u>
Residential	\$ 1,248,040
Non-Residential	<u>180,566</u>
Total	<u>\$ 1,428,606</u>

The primary components of the current year exemptions include \$276,865 related to brownfield site developments, and \$1,013,845 related to downtown core developments. The remaining \$137,896 is related to exemptions provided for other services such as farming, housing and public hospitals. Approximately \$956,000 of the exemption costs were funded from property tax (mostly Roads Capital Levy), and \$473,000 from User Rate Reserve Funds.

CORPORATE STRATEGIC PLAN:

This report supports Focus Area 2 – “Growth Management and Prosperity” of the Corporate Strategic Plan and specifically Strategic Objective 2.2 (Develop, optimize and maintain infrastructure to meet current and projected needs) as development charges provide an important source of funding for infrastructure needed to accommodate planned growth.

FINANCIAL IMPLICATIONS:

Development charges are used to fund growth-related capital infrastructure. Existing balances along with future RDC revenues will be utilized to fund approved capital programs in the near to mid-term future and any remaining balances will be factored into the review of the RDC By-law in 2012/2013.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

A copy of this report will be distributed to the development industry organizations that have been involved with the Region in the development charge consultation process and in accordance with the DC Act to the Minister of Municipal Affairs and Housing.

ATTACHMENTS:

Appendix A – Reserve Fund Transactions by Service Category

Appendix B – Summary of Reserve Fund Transactions

Appendix C – Development Charge Appropriations

PREPARED BY: *S. Fedy*, Financial Analyst

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

APPENDIX A (F-12-029)

**The Regional Municipality of Waterloo
Regional Development Charges**

Reserve Fund Transactions by Service Category

Fiscal Year 2011	Transportation	Airport	Water & Wastewater	Police	Administration	Facilities	GRCA	RGMS	Library	Transit	EMS	Total Fund
Opening Balance 01-Jan-11	64,672,446	365,547	23,430,005	1,129,209	105,096	786,598	1,111,611	26,092	122,777	5,142,567	394,497	97,286,446
Contributions												
Collections	22,450,910	638,862	12,448,898	1,091,536	155,511	375,979		-68	83,252	1,251,382	188,239	38,684,501
Community Housing Grants	40,101	937	20,988	1,959	279	665			346	1,750	332	67,357
Exemptions	862,115	23,083	417,838	41,894	5,966	14,454				56,179	7,075	1,428,604
Interest Earned	2,446,321	39,756	955,033	60,615	-2,940	36,106	42,575	998	5,217	183,292	13,594	3,780,567
	25,799,446	702,638	13,842,757	1,196,004	158,816	427,204	42,575	930	88,815	1,492,603	209,240	43,961,028
Appropriations												
Debt Service					333,757							333,757
Capital Projects	31,620,288	3,895,659	31,124,377	1,383,137	686,792				78,300	3,221,335	507,909	72,517,797
	31,620,288	3,895,659	31,124,377	1,383,137	1,020,549	0	0	0	78,300	3,221,335	507,909	72,851,554
Closing Balance 31-Dec-11	58,851,605	-2,827,474	6,148,385	942,076	-756,637	1,213,802	1,154,186	27,022	133,292	3,413,835	95,828	68,395,920

APPENDIX B (F-12-029)

**The Regional Municipality of Waterloo
Regional Development Charges**

Summary of Reserve Fund Transactions

Fiscal Year 2011	Residential Collections	Residential Exemptions	Total	Non-Residential Collections	Non-Residential Exemptions	Total	Total Collections	Total Exemptions	Total
Opening Balance 1-Jan-11			58,929,952			38,356,493			97,286,445
Collections:									
January	891,799	971,176	1,862,975	185,907	0	185,907	1,077,706	971,176	2,048,882
February	1,598,121	34,608	1,632,729	373,762	0	373,762	1,971,883	34,608	2,006,491
March	2,186,739	51,912	2,238,651	21,226	15,864	37,090	2,207,964	67,776	2,275,741
April	1,934,602	51,912	1,986,514	1,158,099	66,338	1,224,437	3,092,700	118,250	3,210,951
May	2,075,796	0	2,075,796	1,992,852	0	1,992,852	4,068,648	0	4,068,648
June	6,857,430	0	6,857,430	749,881	0	749,881	7,607,311	0	7,607,311
July	2,265,810	0	2,265,810	351,293	0	351,293	2,617,103	0	2,617,103
August	1,778,728	0	1,778,728	385,580	39,456	425,036	2,164,309	39,456	2,203,765
September	1,932,592	51,912	1,984,504	863,571	26,796	890,367	2,796,163	78,708	2,874,871
October	1,151,141	0	1,151,141	543,198	0	543,198	1,694,339	0	1,694,339
November	1,559,765	34,608	1,594,373	1,607,227	15,164	1,622,391	3,166,991	49,772	3,216,763
December	5,205,176	51,912	5,257,088	1,014,204	16,948	1,031,152	6,219,380	68,860	6,288,240
	29,437,698	1,248,040	30,685,738	9,246,801	180,566	9,427,368	38,684,499	1,428,606	40,113,105
Community Housing Grants			67,357						67,357
Interest Earned			2,346,370			1,434,197			3,780,567
Appropriations									
Debt Service			240,305			93,452			333,757
Capital Projects			47,901,512			24,616,285			72,517,797
			48,141,817			24,709,737			72,851,554
Closing Balance 31-Dec-11			43,887,599			24,508,321			68,395,920

APPENDIX C (F-12-029)

**Regional Municipality of Waterloo
2011 Development Charge Appropriations**

Transportation Capital Projects

	DESCRIPTION	Expenditures 2011	Total RDC	Other Sources & Roads Capital Levy Reserve Fund
05274	RR53(Fairway) Zeller to Fountain	17,537,054	17,537,054	0
05204	RR33(Townline) Avenue to Canamera Pkwy	5,752,564	4,889,680	862,885
07166	RR28(HomerWatson) at Blockline	2,172,777	2,041,802	130,975
05334	RR24 Hespeler Rd at RR N of Dundas	10,111,915	1,525,391	8,586,524
05549	RR36(Franklin) Bishop to Hwy 401	1,197,812	1,197,812	0
05350	RR70(Ira Needles) Hwy 7 8 to Victoria	982,101	982,101	0
07101	RR8(Weber)Victoria to Guelph St	865,086	735,323	129,763
07115	RR38 (Maple Grove) Fountain to Cherry Blossom	281,950	280,457	1,493
07087	Road 56 River Road Extension King to Wilson	215,190	215,190	0
07116	RR38(Maple Grove) Beavertdale to Fountain	207,865	207,865	0
07098	Road 4 Ottawa King St to Mill St	212,242	180,406	31,836
05337	RR8(King) Eagle Fountain Shantz Hill	182,199	154,869	27,330
07272	RR #4 & #70, Ottawa at Trussler	142,601	142,601	0
05119	RR39 Eagle St Industrial to Concession	137,194	116,615	20,579
07178	Roundabout Education Program	115,946	115,946	0
05340	RR69 Manitou Dr Bleams to Fairway	94,101	79,986	14,115
07128	EA-S.Boundary Rd,Water to Dundas	79,221	79,221	0
07311	RR58(Fischer-Hallman) at Laurelwood	77,177	77,177	0
07257	RR22(Northfield Dr),Davenport to University	77,028	77,028	0
09638	Victoria (RR55) at Westforest Trail	53,378	53,378	0
07193	RR8(Coronation) Mgmt Study	50,756	50,756	0
07180	Pre and Post Construction - Turn Lanes - Expansion	48,908	47,308	1,600
07294	RR4(Ottawa St)Homer Watson to Alpine	46,480	46,480	0
07202	RR5(Nafziger) at Hwy 7/8	45,000	45,000	0
07074	Growth Related Transportation Study	44,420	44,420	0
07119	RR53(Fairway) at Hwy 8 Bridge Structure	42,500	42,500	0
07121	RR58(FischerHallman)Bleams to Activa	42,305	42,305	0
07097	Development Related Turn Lanes (Design & Project Supervision)	41,563	41,563	0
07168	RR39(Pinebush)at Thompson Dr	41,278	41,278	0
09024	Traffic Signal Installation	38,214	38,214	0
05190	RR20(Bloomindale) Kraft to Bridge	53,674	37,975	15,699
09634	RR53 Fairway Rd at Lackner Blvd	36,813	36,813	0
05905	RR55(Victoria)Frederick to Forfar	148,873	34,100	114,773
07295	RR53(Fairway Rd) at Manitou	33,849	33,849	0
07171	RR53(Courtland)at Blockline	30,103	30,103	0
07186	RR86(Church) at Barnswallow to E. of Raising Mill Gate	58,860	29,430	29,430
07127	Active Transportation Master Plan	43,459	21,730	21,730
05779	Waterloo Spur Trail	81,823	20,150	61,673
05907	RR43(Myers) W.of Branchton to Clover Ave	29,610	20,150	9,460
07270	RR28&71 (Fountain St/Dickie Settlement Road)	73,261	18,315	54,946
07235	Sidewalk - Coronation Hespeler to Oliver	112,738	17,515	95,223
07190	RR86(Church) at Snyder	16,288	16,288	0
07185	RR24(Hespeler)at Queen/Beavertdale	15,835	15,835	0
05251	RR8 Dundas Street Branchton to Franklin	1,829,302	15,500	1,813,802
07141	RR8 Dundas at Fitzgerald	15,428	15,428	0
09608	Ottawa St S at David Bergy Rd	14,239	14,239	0
09609	Ottawa St S at Trussler Rd	14,239	14,239	0
05665	RR14(Moser-Young)Weimar Ln to Gerber/Notre Dame	661,368	13,950	647,418
07192	S.Boundary Rd, Water to Franklin	12,742	12,742	0
07305	Highway 401 Interchange Homer Watson / Cedar Creek	11,899	11,899	0
09615	RR15 (King St) at Marshall St	10,678	10,678	0
07066	Transportation Master Plan	353,164	9,878	343,286
05368	RR36(Franklin)Avenue to Bishop	8,413	8,413	0
05284	RR12&58,New Dundee at Fischer Hallman	7,995	7,995	0
05547	RR36(Franklin)Main to Clyde	6,413	6,413	0
	Misc projects with RDC funding under \$5,000	30,202	16,933	13,269
2011 TRANSPORTATION PROJECTS		44,648,097	31,620,288	13,027,809

APPENDIX C (F-12-029)

**Regional Municipality of Waterloo
2011 Development Charge Appropriations**

Water Capital Projects

	DESCRIPTION	Expenditures 2011	Total RDC	Other Sources incl. Water Reserve Fund
04018	Middleton System Upgrades	8,598,466	2,441,964	6,156,501
04083	New Watermains	993,856	993,856	0
04134	Maple Grove Area Water Supply System	825,100	825,100	0
04711	Townline Rd (Saginaw-Pinebush)	595,267	595,267	0
04135	Well Optimization & Upgrades	1,749,151	509,003	1,240,148
04893	Facilities Upgrades (Major Process & Equipment)	1,102,166	320,730	781,435
04940	Kitchener/Waterloo Zone 6 Reservoir	314,536	314,536	0
04126	Source Protection Monitoring	837,896	243,828	594,068
04129	Toilet Replacement Program	481,912	240,956	240,956
04052	Dundas St (Myers Rd to Champlain Blvd)	232,364	232,364	0
04015	Waterloo North Water Supply System	230,013	230,013	0
04112	Building Upgrades	582,576	169,530	413,046
04969	SCADA (Supervisory Control & Data Acquisition System) Upgrade	551,158	160,387	390,771
04156	Kitchener Zone(s) 2/4 Distribution Upgrades	132,831	132,831	0
04125	Source Protection Technical Assessment	436,705	127,081	309,624
04006	Source Water Implementation	431,326	125,481	305,845
04978	Upgrade of Well WY6 & K11	124,279	124,279	0
04157	Water Supply Operations Master Plan	417,632	118,608	299,025
04007	Long Term Water Supply Strategy-5yr. Review	101,931	101,931	0
04121	Baden/New Hamburg Master Plan Update	92,524	92,524	0
04903	Pumping Station & Reservoir Decommissioning	265,605	77,291	188,314
04864	Water Efficiency - ICI Programs	153,421	76,711	76,711
04161	Kitchener Zone 4 Feeder Upgrades	73,846	73,846	0
04920	Strange St. Upgrades	245,234	69,647	175,588
04014	Integrated Urban System Groundwater Supply	69,546	69,546	0
04009	Tri City Distribution Study	61,278	61,278	0
04943	Water Efficiency-Outdoor Water Use	118,152	58,911	59,241
04870	Cambridge East Source Upgrade	198,698	56,430	142,267
04904	Long Term Water Supply Aquifer Storage Recovery Stages 1 + 2	49,572	49,572	0
04930	Assessment West Montrose System	152,676	44,429	108,247
04947	Mannheim Chlorination Rehab	146,055	41,480	104,576
04099	Greenbrook Dioxane Monitoring Program	135,481	39,425	96,056
04159	Asset Management Implementation Project	131,311	38,212	93,100
04944	Hidden Valley Upgrades	130,378	37,027	93,350
04017	Greenbrook System Upgrades	128,408	36,468	91,940
04090	Water Efficiency Research & Development Project	80,322	35,581	44,741
04151	Mannheim Chemical Storage Building	118,296	33,596	84,700
04106	Wells W6/W8 Class EA	104,446	29,663	74,783
04086	Baden New Hamburg Loops	28,278	28,278	0
04005	Ministry of Environment Source Water Assessment	89,813	26,136	63,677
04863	CMMS - Maintenance Scheduling System	86,920	25,294	61,626
04024	Mannheim WTP RMP Supernatant	65,885	18,711	47,173
04070	Glasgow & Belmont (Wells K11/K13 Gage)	64,420	18,295	46,125
04039	MCC (Motorized Control Centre) Upgrades	61,272	17,830	43,442
04097	Water Supply Upgrades	60,701	17,664	43,037
04124	Source Protection Planning	60,000	17,460	42,540
04911	Regulatory Requirements Upgrades	46,754	13,605	33,148
04102	Treatment Studies	46,000	13,064	32,936
04154	Fuel Storage Compliance Upgrades	43,174	12,564	30,611
04027	Mannheim Water Treatment Plant Filter & PreTreatment Upgrade	34,536	9,808	24,728
04056	Victoria St Watermain	8,043	8,043	0
04164	Wells W7/W8 Electrical Upgrades	24,117	6,849	17,268
04149	Ground Water/Surface Water Assessments	22,186	6,456	15,730
04105	Well K36 Treatment Upgrade	17,648	5,012	12,636
	Misc Projects with RDC funding under \$5,000	45,701	15,328	30,373
	2011 Water Projects	21,999,862	9,289,777	12,710,085

APPENDIX C (F-12-029)

Regional Municipality of Waterloo
2011 Development Charge Appropriations

Wastewater Capital Projects

DESCRIPTION		Expenditures 2011	Total RDC	Other Sources & Wastewater Reserve Fund
08001	Elmira & St. Jacobs Equalization Tanks	2,062,236	2,062,236	0
08242	Hespeler Process Upgrades & Expansion	340,776	144,148	196,628
08270	Biosolids Masterplan Update	146,759	42,413	104,346
08279	SCADA System	29,103	8,411	20,692
08281	River Sampling Program	266,186	76,928	189,258
08286	Baden & NewHamburg Master Plan Update	91,001	91,001	0
08288	Other Water Treatment & Process Studies	46,071	13,315	32,757
08289	Galt Process Upgrades & Expansion	66,049	18,626	47,423
08294	Woolwich Wastewater Master Plan	179,601	179,601	0
08303	Kitchener Biosolids Upgrade	10,505,016	3,172,515	7,332,502
08305	Wastewater Treatment Upgrades	22,281	6,439	15,842
08307	Kitchener & Waterloo Infrastructure Upgrades	790,055	217,265	572,790
08308	Cambridge Infrastructure Upgrades	401,465	105,987	295,478
08309	Rural Infrastructure Upgrades	488,289	235,355	252,934
08310	Sewage Pumping Station Infrastructure Upgrades	174,587	50,456	124,131
08312	SCADA Upgrade - Preston and Galt	4,114,197	367,130	3,747,067
08313	Galt Digester Upgrade	1,030,196	121,096	909,100
08314	Hespeler Pumping Station Replacement	3,307,005	376,130	2,930,875
08750	Rural Water Quality Program	300,000	86,700	213,300
08797	Kitchener Process Upgrades	18,257,490	5,513,762	12,743,728
08809	Waterloo Process Upgrade	24,927,665	8,525,262	16,402,404
04090	Water Efficiency Research & Development	80,322	35,581	44,741
04129	Toilet Replacement Program	481,912	240,956	240,956
04864	ICI Education Development	153,421	76,711	76,711
04943	Water Efficiency-Outdoor Water Use	118,152	58,911	59,241
	Misc Projects with RDC funding under \$5,000	22,430	7,666	14,764
2011 WASTEWATER PROJECTS		68,402,267	21,834,600	46,567,667

APPENDIX C (F-12-029)

**The Regional Municipality of Waterloo
2011 Development Charge Appropriations**

Administration Capital Projects				
Project #	Description	Expenditures 2011	Total RDC	Other Financing
22007	Regional Smart Growth Initiative	621,662	621,662	0
22021	Watershed Growth Studies	27,016	27,016	0
22022	Other Growth Studies	29,638	29,638	0
60005	RDC By-law Review	9,418	8,476	942
		687,734	686,792	0

Airport Capital Projects				
Project #	Description	Expenditures 2011	Total RDC	Other Financing
3542	Runway 08 Approach Lighting	28,496	28,496	0
3562	Leased Land Development Phase 4	3,860,896	3,844,951	15,945
3564	Randell Drain/Stormwater - Upgrades	9,466	8,519	947
3579	Parking Lot Expansion	12,415	11,173	1,241
	Misc Projects with RDC funding under \$5,000	5,320	2,520	2,800
		3,916,592	3,895,659	20,933

Police Capital Projects				
Project #	Description	Expenditures 2011	Total RDC	Other Financing
50022	Replacement of North Division (Police)	3,722,854	1,383,137	2,339,717
		3,722,854	1,383,137	2,339,717

EMS Capital Projects				
Project #	Description	Expenditures 2011	Total RDC	Other Financing
82011	EMS Station - Conestoga College	941,349	507,909	336,000
		941,349	507,909	336,000

Library Capital Projects				
Project #	Description	Expenditures 2011	Total RDC	Other Financing
20002	Library Holdings	87,000	78,300	8,700
		87,000	78,300	8,700

Transit Capital Projects				
Project #	Description	Expenditures 2011	Total RDC	Transit Capital/Other
66008	Conventional bus additions	9,600,384	1,924,877	7,675,507
66029	Transit nodes and station development	999,752	200,450	799,302
66062	Strasburg Road garage expansion	4,857,278	973,884	3,883,394
66071	Transit technology	609,294	122,124	487,170
		16,066,708	3,221,335	12,845,373

2011 Development Charge Debt Service

Project #	Description	Expenditures 2011	Total RDC	Other Financing
	Administration Building	333,757	333,757	0
		333,757	333,757	0



REGION OF WATERLOO
FINANCE DEPARTMENT
Financial Services Division

Report: F-12-030

TO: Chair T. Galloway and Members of the Administration and Finance Committee
DATE: April 17, 2012 **FILE CODE:** F11-30
SUBJECT: PERIODIC FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

RECOMMENDATION:

For Information

SUMMARY: Nil

REPORT:

Regional Council has passed the Financial Management By-law (By-law 05-008) to establish the financial management framework for the Region. The By-law requires that a report to Administration and Finance Committee be prepared periodically on the Budget to Actual variances in appropriations under the Operating and Capital Budgets. This report covers the twelve months ended December 31, 2011.

For the full year ended December 31, 2011, the Region is reporting a surplus of \$11.4 million or 2.96% on net budget expenditures of \$386 million.

Staff from all departments has provided an explanation for significant variances which are included in this report.

Operating Budget

Appendix A includes the net budget, net actual, and variance (dollar and percentage) information for the 2011 Operating Budget appropriations. The net of all operating budget appropriations is recovered through tax collections.

The majority of variances are positive for the full year 2011. Any negative variances which occurred were accommodated within these positive variances.

In reporting actual expenditures, all year end adjustments have been made to the general ledger accounts and the preliminary surplus for the year is \$11,436,210. This surplus represents 2.96% of the net budget expenditures for 2011. The majority of the surplus is generated by the \$6.1 million positive variance for supplementary taxes. Regional programs generally run on a breakeven basis. The 2011 surplus is preliminary and will not be finalized until the year end audit is complete and the results are presented to Audit Committee.

The corporate surplus, in accordance with the policy approved by Council, will be allocated as follows: \$600,000 to the 2012 Operating Budget, \$500,000 to the Roads Rehabilitation Reserve Fund, \$4,288,255 to the Tax Stabilization Reserve Fund and the balance of \$6,047,955 to the Capital Levy Reserve Fund.

Program Variances

The variances reported in Appendix A under the "Variance" column present the actual results for the Region for year end 2011. Further detail on significant variances is provided in the following notes:

Note 1 – Corporate Resources

The favourable variance of \$689,550 is due to staff vacancies, some delays in the implementation of the IT Program Review and lower than anticipated building operating costs.

Note 2 - Provincial Offences

The favourable variance of \$414,489 is due to collection revenue of \$235,000 and red light camera revenue of \$320,000 exceeding the 2011 budget. These were partially offset by lower than budgeted general revenue of \$196,000. In addition, operating costs were \$70,000 less than budget.

Note 3 – Planning and Community Services

The favourable variance of \$148,155 is due to staff vacancies and under spending for print shop charges, computer hardware and software charges.

Note 4 - Waste Management

For 2011, there was an overall deficit of \$494,160. This was a result of lower revenues from commercial tipping fees which were partially off-set by revenue from the sale of recyclable materials and Waste Diversion Ontario (WDO) funding. In addition, higher site security, property taxes, building and equipment maintenance costs, collection and processing costs for garbage and diverted materials (primarily due to inflation and fuel prices) were partially off-set by temporary staff vacancies and lower contract costs for the hauling and processing of green bin waste.

Note 5 – Transit

A number of factors have contributed to the overall 2011 GRT favourable variance of \$1,315,068. Savings were realized in staffing costs as a result of continued improvements in manpower utilization in transit operations along with some vacancies and benefit savings across a number of cost centres. Staffing cost savings, where sustainable, have been factored into the 2012 GRT operating budget.

Ridership revenue was on target with budget while savings in vehicle maintenance costs substantially offset GRT fuel costs which were overspent by 8.3% due to higher than anticipated unit costs.

Note 6 – Engineering Planning and Construction

The favourable variance of \$140,675 was a result of temporary staffing vacancies.

Note 7 – Transportation

The favourable variance of \$423,749 was due to temporary staffing vacancies and reduced overtime. Revenues for traffic signal installation and maintenance exceeded budget.

Note 8 – Airport

The \$236,805 surplus was due to increased revenues from aircraft traffic and customer use of facilities and under spending due to temporary staffing vacancies, reduced overtime and a mild winter.

Note 9 – Seniors' Services

The \$111,197 favourable variance was due to one-time savings in benefits as well as lower than budgeted utility costs resulting from the mild winter.

Note 10 – Children's Services

The favourable variance of \$676,614 was the result of a number of factors that occurred in the last quarter of 2011. Additional one time funding of \$127,673 from the Ministry was received. Lower than anticipated uptake in extended day program allowed the Region to apply unused subsidy to offset the costs of regular child care that would have been funded entirely by the municipality. By the end of 2011, there was no waiting list for child care. The variance also reflects \$250,000 in additional revenues from parent fees from the Region's directly operated centres.

Note 11 – Income Support

At year end, the overall variance for Income Support was a negative variance of \$22,264. Ontario Works expenditures exceeded the 2011 budget due to continued economic conditions. The average caseload for 2011 was 8,700 which exceeded the budgeted caseload of 8,551 cases. The Region's share of the over expenditure of income support payments and benefits was \$4.6 million which was funded by the Tax Stabilization Reserve Fund. Cost savings in OW Administration partially offset overspending in benefits to non recipients and transportation costs for low income Individuals.

Note 12 - Public Health

Under expenditures in CINOT Expansion, Vector Borne Diseases and the Dental Clinic combined with other staffing/benefit and operational savings in cost shared programs resulted in a \$380,723 favourable variance.

Note 13 – Supplementary Taxes

Net Supplementary taxes, including capping adjustments, exceeded budget by \$6,128,862 and a sustainable budget adjustment was made for 2012.

Note 14 - Associated Agencies

The under expenditure of \$312,338 is due to lower than expected RDC exemptions. RDC exemptions for general services are included in the Economic Development program area.

Note 15 - Payments in Lieu

Payments in lieu of taxes, which were finalized as part of the year end process, exceeded budget by \$693,255 due to increases in current value assessment for PIL properties, additional PIL properties and increased enrolments in the local universities and college. A budget adjustment was made for 2012.

Note 16 – Water Supply

Water supply user rate revenue is lower than anticipated due to an overall decrease in water demands. The variance in water supply user rate expenditures is due to temporary vacancies and lower than anticipated costs for utilities, chemicals and water main swabbing and a delay in the SCADA upgrade implementation.

Note 17 – Waste Water Treatment

Wastewater treatment user rate revenue is slightly lower than anticipated due to drier winter conditions. Wastewater expenditures were less than budget due to temporary vacancies and lower than anticipated costs for bio-solids, sludge disposal and lower costs related to OCWA contract adjustments.

Capital Budget

All capital projects are expected to be completed within budget. Capital projects which require approval for increases in funding were reported to Council either by special reports, mid-year capital reviews or when the tender was approved. The capital budget was under spent at year end as many projects were not able to be completed during the year and project funds were carried forward to 2012.

Rapid Transit Project

This is the second periodic financial report on the RT Project, which was approved by Council on June 15, 2011. As part of the approval of the RT project, Council directed that staff report periodically on the project-related expenditures. Expenditures since the commencement of the project are outlined below (net of expenditures for the EA which were previously financed by the federal and provincial governments and the Region):

RT Project Development Expenditures Prior to June 15, 2011 (Not included in the RT Budget)	\$5.2 million	(1)
Multi-Modal Hub Land Acquisition	\$6.8 million	(2)
RT Project (\$818 million budget) – Post June 15, 2011	\$7.3 million	(3)

- 1) These costs were not included within the \$818 million budget. These expenditures were funded from the \$25.0 million RT capital budget previously approved by Council. It is anticipated that these costs will total \$6.7 million at completion of the projects. This line item will fund the EA Transit Project Assessment, transit signal priority, ongoing development of the hub proposal, project office, communications, and transit corridor development. The model which generated the property tax commitment of 1.5% per year (average net 1.0%) included these costs within the funding envelope.
- 2) Originally funded from the \$25 million capital. The ongoing development of the hub proposal is included in the line above. Once the hub strategy is finalized and approved by Council the land purchase costs will be transferred to that project budget.
- 3) Expenditures for the RT project (\$818 million budget) to date include land costs for the maintenance yard and costs for the project office and consulting. This line will be the focus of future PFR reporting.

CORPORATE STRATEGIC PLAN:

To ensure Regional programs and services are efficient and effective and demonstrate accountability to the public.

FINANCIAL IMPLICATIONS:

For 2011, the Region posted an operating surplus of \$ 11.4 million. This surplus, in accordance with the policy approved by Council, will be allocated as \$600,000 to the 2012 Operating Budget, \$500,000 to the Roads Rehabilitation Reserve Fund, \$4,288,255 to the Tax Stabilization Reserve Fund, and \$6,047,955 to the Capital Levy Reserve Fund.

With the transfer of the 2011 surplus, the balance in the TSRF is at its maximum of \$10.0 million.

The transfer of the balance of the surplus to the Capital Levy Reserve Fund will increase the available funding for one time initiatives, smaller capital items and projects that cannot be debentured, thereby avoiding operating budget increases and tax levy impacts in future years.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

All departments reviewed the financial information for the reporting period and provided input to Finance for inclusion in this report.

ATTACHMENTS: Appendix A – Periodic Financial Report

PREPARED BY: *L. Parent*, Manager, Financial Services

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

The Regional Municipality of Waterloo
 Periodic Financial Report
 For the year ended December 31, 2011

Appendix A

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% Variance</u>	<u>Note</u>
TAX SUPPORTED PROGRAMS					
ELECTED OFFICES	\$ 1,557,183	\$ 1,537,940	\$ 19,243	1.24%	
GENERAL SUPPORT					
Chief Administrative Officer	\$ 1,613,139	\$ 1,532,330	\$ 80,809	5.01%	
Finance	5,921,800	5,832,637	89,163	1.51%	
Human Resources	4,156,628	4,150,032	6,596	0.16%	
Corporate Resources	18,591,281	17,901,731	689,550	3.71%	1
POA and Prosecution	(4,456,811)	(4,871,300)	414,489	9.30%	2
Total Corporate Resources	<u>\$ 14,134,470</u>	<u>\$ 13,030,431</u>	<u>\$ 1,104,039</u>	<u>7.81%</u>	
Total General Support	<u>\$ 25,826,037</u>	<u>\$ 24,545,430</u>	<u>\$ 1,280,607</u>	<u>4.96%</u>	
PLANNING, HOUSING & COMMUNITY SERVICES					
Planning and Community Services	\$ 5,358,157	\$ 5,210,002	\$ 148,155	2.77%	3
Housing	32,217,277	32,217,277	-	0.00%	
Heritage Services	7,197,182	7,104,646	92,536	1.29%	
Total Planning, Housing, & Comm. Services	<u>\$ 44,772,616</u>	<u>\$ 44,531,925</u>	<u>\$ 240,691</u>	<u>0.54%</u>	
TRANSPORTATION & ENVIROMENTAL SERVICES					
D&C and Administration	\$ -	\$ 10,430	\$ (10,430)	0.00%	
Waste Management	24,829,807	25,323,967	(494,160)	-1.99%	4
Transit	50,711,968	49,396,900	1,315,068	2.59%	5
Eng/Plan Admin & Construction	26,162,777	26,022,102	140,675	0.54%	6
Transportation	19,089,556	18,665,807	423,749	2.22%	7
Airport	6,596,417	6,359,612	236,805	3.59%	8
Total Transportation & Environmental Services	<u>\$ 127,390,525</u>	<u>\$ 125,778,818</u>	<u>\$ 1,611,707</u>	<u>1.27%</u>	
SOCIAL SERVICES					
Social Planning	\$ 3,848,057	\$ 3,843,965	\$ 4,092	0.11%	
Senior's Services	7,602,780	7,491,583	111,197	1.46%	9
Children's Services	8,585,275	7,908,661	676,614	7.88%	10
Ontario Works Admin	10,284,959	10,202,285	82,674	0.80%	
Income Support Programs	13,294,187	13,560,517	(266,330)	-2.00%	11
Benefits and Social Assistance	2,095,546	2,236,592	(141,046)	-6.73%	11
Transfer from Tax Stabilization Reserve Fund	(4,273,878)	(4,576,316)	302,438	-7.08%	11
Total Social Services	<u>\$ 41,436,926</u>	<u>\$ 40,667,287</u>	<u>\$ 769,639</u>	<u>1.86%</u>	
PUBLIC HEALTH					
Public Health	\$ 7,196,517	\$ 6,815,794	\$ 380,723	5.29%	12
Emergency Medical Services	9,312,115	9,308,966	3,149	0.03%	
Total Public Health	<u>\$ 16,508,632</u>	<u>\$ 16,124,760</u>	<u>\$ 383,872</u>	<u>2.33%</u>	
Other Financial	\$ 3,894,421	\$ 3,942,294	\$ (47,873)	-1.23%	
Supplementary Taxes	(2,000,000)	(8,128,862)	6,128,862	306.44%	13
Gapping	(1,713,000)	(1,713,000)	-	0.00%	
Crime Prevention	636,710	620,232	16,478	2.59%	
Associated Agencies	7,724,652	7,412,314	312,338	4.04%	14
Arts, Culture and Community Organizations	1,194,000	1,166,609	27,391	2.29%	
TOTAL DIRECT REGIONAL	<u>\$ 267,228,702</u>	<u>\$ 256,485,747</u>	<u>\$ 10,742,955</u>	<u>4.02%</u>	
POLICE	\$ 118,694,710	\$ 118,694,710	\$ -	0.00%	
NET BEFORE TAX AND OTHER REVENUE	<u>\$ 385,923,412</u>	<u>\$ 375,180,457</u>	<u>\$ 10,742,955</u>	<u>2.78%</u>	

The Regional Municipality of Waterloo
 Periodic Financial Report
 For the year ended December 31, 2011

Appendix A

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>% Variance</u>	<u>Note</u>
TAX AND OTHER REVENUES					
Tax Levy	\$ 381,035,093	\$ 381,035,093	\$ -	0.00%	
Appropriation from Reserves & Reserve Funds	600,000	600,000	-	0.00%	
Payment-in-Lieu	4,288,319	4,981,574	693,255	16.17%	15
Total Tax and Other Revenues	<u>\$ 385,923,412</u>	<u>\$ 386,616,667</u>	<u>\$ 693,255</u>	<u>0.18%</u>	
NET POSITION	<u>\$ -</u>	<u>\$ 11,436,210</u>	<u>\$ 11,436,210</u>	<u>2.96%</u>	
USER RATE SUPPORTED BUDGETS					
WATER SUPPLY					
Expenses	\$ 31,563,848	\$ 30,263,526	\$ 1,300,322	4.12%	
Revenue	(43,963,995)	(42,748,456)	(1,215,539)	2.76%	
Contribution to/from Capital	12,400,147	12,484,930	(84,783)	-0.68%	16
Total Water Supply	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
WASTEWATER TREATMENT					
Expenses	\$ 28,959,801	\$ 26,432,949	\$ 2,526,852	8.73%	
Revenue	(48,335,710)	(47,380,577)	(955,133)	1.98%	
Contribution to/from Capital	19,375,909	20,947,628	(1,571,719)	-8.11%	17
Total Wastewater Treatment	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		



REGION OF WATERLOO

**CORPORATE RESOURCES
Legal Services**

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

DATE: April 17, 2012 **FILE CODE:** L07-40

SUBJECT: SURPLUS DECLARATION– 14 ERB STREET WEST, WATERLOO

RECOMMENDATION:

THAT the Regional Municipality of Waterloo declare surplus the lands known municipally as 14 Erb Street West and described as, Lots 1, 2, 3 and 4 West Side of King Street North, plan 491, designated as Part 1, on reference Plan 58R-5290, (PIN 22375-0092) City of Waterloo, Regional Municipality of Waterloo, and provide the standard public notification as required by the Region's property disposition by-law, as described in Report CR-RS-12-018 dated April 17, 2012.

SUMMARY:

14 Erb Street West, Waterloo is a Region-owned property which is operated and maintained by the Waterloo Regional Police Service (WRPS) as its North Division. By the end of 2012, it will no longer be required for that purpose as the new North Division at Columbia and Weber Streets, Waterloo will be ready for occupancy.

REPORT:

A formal circulation to all Regional Departments has occurred and there is no ongoing need to retain this property for any Regional or WRPS program. The City of Waterloo was also circulated and as a result of concerns expressed regarding future potential uses of the property, City of Waterloo staff will be included in the marketing and disposition process. As well, the building is considered to have historical significance and its two important facades are being considered for designation pursuant to the Ontario Heritage Act. Given the redevelopment complexities of the subject property, it will be marketed through a Request for Proposal (RFP) style process in which potential purchasers would outline their redevelopment plans for the property. As well, given the resources required to market this property, including but not limited to: multiple showings and responding to a high volume of enquiries, the marketing will be coordinated through a commercial real estate brokerage firm working under Regional direction, on a fixed fee basis. The commercial real estate broker would also be selected through an RFP process

Staff will report back to Council in due course on the results of the RFP marketing process, together with a recommendation on the proposed sale.

CORPORATE STRATEGIC PLAN:

The disposal of this unneeded property supports Focus Area 2.2 of the Corporate Strategic Plan and the objective to optimize infrastructure. In this case, administrative and maintenance activities to support this property can be reduced.

FINANCIAL IMPLICATIONS:

The net sale proceeds will be used as a source of financing for the new Waterloo Regional Police Service North Division and have been included in the capital budget for that project.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

Facilities Management staff and Finance staff have reviewed this report and made recommendations which have been included where appropriate.

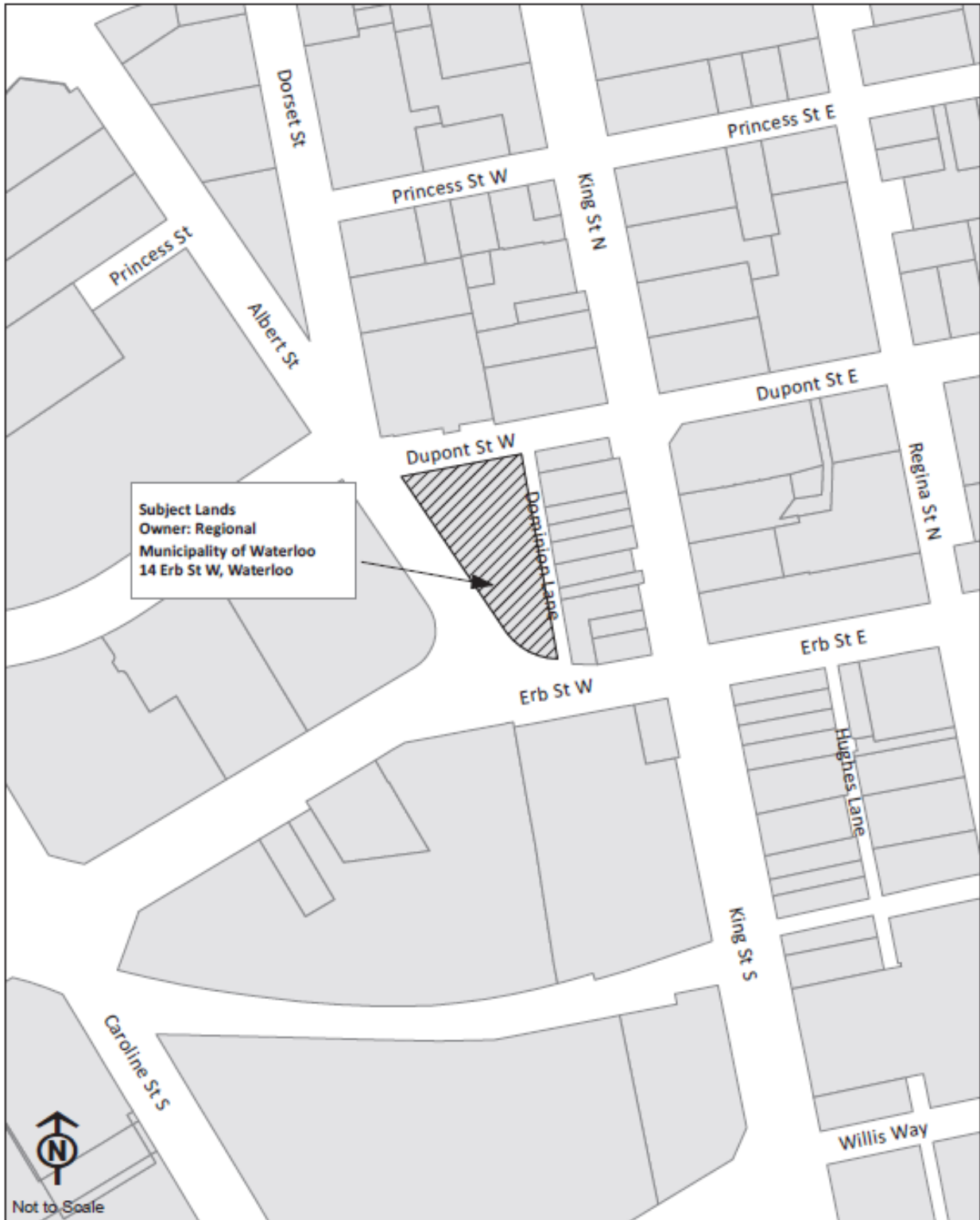
ATTACHMENTS

Appendix "A"- Subject Lands

PREPARED BY: *Tom Penwarden, Manager Real Estate Services*

APPROVED BY: *Kris Fletcher, Acting Commissioner, Corporate Resources*
Debra Arnold, Regional Solicitor, Director of Legal Services

Appendix "A"



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

Meeting date	Requestor	Request	Assigned Department	Anticipated Response Date
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
20-Mar-12	A&F	Report maintaining the optional class for new multi-residential development, including revenue forecasts	Finance	Fall 2012/Winter 2013