



REGIONAL MUNICIPALITY OF WATERLOO ADMINISTRATION AND FINANCE COMMITTEE AGENDA

Tuesday, September 11, 2012

10:15 a.m.

(Time is approximate; meeting follows Community Services 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 – Regional Chair

- a) [RC-12-001](#), Jack Young Award, Councillor Length-of-Service Recognition and Region of Waterloo Naming Policy 1

REPORTS - Finance

- b) [F-12-065](#), Municipal Property Assessment Corporation Sale Price Index 14
- c) [F-12-066](#), Ontario Municipal Infrastructure Strategy 17
- d) [F-12-067](#), Support for the Town of Tillsonburg Council Resolution on Business Tax Capping 19
- e) [F-12-068](#), Prescribed Rates for Heads and Beds Payments in Lieu of Taxation 23

4. INFORMATION/CORRESPONDENCE

5. OTHER BUSINESS

- a) [Council Enquiries and Requests for Information Tracking List](#) 28

6. NEXT MEETING – September 25, 2012

7. MOTION TO GO INTO CLOSED SESSION

THAT a closed meeting of the Community Services, Administration and Finance and Planning and Works Committees be held on Tuesday, September 11, 2012 immediately following the Administration and Finance Committee meeting in the Waterloo County Room, in accordance with Section 239 of the Municipal Act, 2001, for the purposes of considering the following subject matters:

- a) personal matters about identifiable individuals - committee appointments
- b) litigation or potential litigation related to a contract
- c) litigation or potential litigation and receiving of legal advice and opinion that is subject to solicitor-client privilege related to a contract

8. ADJOURN



REGIONAL MUNICIPALITY OF WATERLOO

OFFICE OF THE REGIONAL CHAIR

Administration and Finance Committee Report

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

DATE: September 11, 2012

SUBJECT: Jack Young Award, Councillor Length-of-Service Recognition and Region of Waterloo Naming Policy

RECOMMENDATION:

1. That Regional Council approve the following in relation to the Jack Young Civic Award:
 - a. That the Jack Young Civic Award be presented every two years at the last Council meeting in November effective November 2012;
 - b. That the Jack Young Committee continue to evaluate nominations for the Jack Young Civic Award and make recommendations on the Award to Regional Council;
 - c. The nomination process, eligibility criteria and selection process as outlined in Report RC-12-001.
2. That Regional Council commence the practice of periodic, official recognition of Regional Councillors' Length-of-Service in five year increments as described in Report RC-12-001.
3. That Regional Council approve the establishment of a Naming Policy for Region of Waterloo Facilities as described in Report RC-12-001.

SUMMARY:

The Jack Young Committee met to consider three matters referred from Regional Council: the process for the Jack Young Civic Award, Councillor length-of-service recognition and, development of a naming policy for Region of Waterloo facilities.

BACKGROUND:

Jack Young Award

The Jack Young Civic Award was established in 1980. The award is presented at the end of a Council term to the person in Waterloo Region who best exemplifies the high standards of political and civic life exhibited by Jack A. Young during his years of public service. Jack A. Young was the first Regional Chairman of the Regional Municipality of Waterloo. Currently, the award is to be presented at the last Council meeting in a term of office.

There have been seven recipients of the award since 1980:

William C. Barrie	1980	John Sweeney	2003
Ernie Ritz	1982	Fred Kent	2003
Frank Hoddle	1985	Joe Martens	2003
Claudette Millar	1989		

The existing process for accepting nominations and the selection of recipients has generally been triggered at the end of a Council term with the submission of a nomination for the award. In 2003, Council directed staff to advertise for nominations as part of the 150th anniversary celebrations. Three people received the Jack Young Civic Award that year – John Sweeney and retiring Regional Councillors Fred Kent and Joe Martens. In 2006 there was a call for nominations but none were received. In 2010, no nominations were received and the award process was referred to the Jack Young Committee for review.

The Jack Young Committee confirmed that the Award should continue and noted that there is an opportunity to increase the stature and public perception of the award and make it a uniquely Region of Waterloo award to recognize the contributions of people directly connected to Regional government, programs and services. The Committee also discussed the frequency of the Award and determined that once every four years is too infrequent. Accordingly, the Committee recommended that it be awarded every two years noting that Council terms were two years in length when the Award was first established.

The Committee directed staff to prepare a nomination process and selection/evaluation criteria for the Jack Young Award based on the following:

1. The Jack Young Civic Award will be given to one recipient every two years at the last Council meeting in November. In exceptional situations, more than one award could be given at one time but that would be at the discretion of the Jack Young Committee.

2. Eligible recipients would include those people who have a long-standing connection and who have had a lasting impact on Regional government and/or its programs or services, and/or its advisory committees or other Regionally created and/or administered organizations.
3. The Jack Young Committee would continue to be the Regional Council committee that would call for and review nominations for the award and, select the award recipient(s).
4. The award would be presented at the last Council meeting in November of the designated year.
5. The nominations of individuals not selected to receive the Jack Young Award will remain active and carry forward to future Jack Young Civic Award selection cycles.

A draft Procedure that more fully describes the process, eligibility and selection criteria is attached for Council approval (Appendix A).

Councillor Length-of-Service Recognition

The Region of Waterloo does not currently have an established process or policy for recognition of service milestones for Members of Council. In the past, plaques had been given to Regional Councillors serving ten years on Council, however this has not been consistently applied and has not been done for more than 15 years.

The Regional Chair officially recognizes departing members of Council at the last meeting of a term of Council. They have generally been presented with a certificate and a gift selected by the Regional Chair.

The Regional Clerk nominates eligible Members of Council for the Ontario Long-standing Service Program which was established in 2004 by the Ministry of Municipal Affairs and Housing to recognize elected municipal officials who have served their communities for 25 or more years. Where an area municipal mayor becomes eligible for this program, the responsibility for nominating them falls to the respective area municipal clerk.

To be eligible for Ontario Long-standing Service recognition, a councillor must:

- Have 25 years or more of service on municipal councils (not necessarily consecutively)
- Currently be serving on council in the nomination year (nominees may have served on council in more than one municipality).

To date, three members of Regional Council have received recognition through the Ontario Long-standing Service program: Regional Chair Ken Seiling and Councillor Jane Brewer were recognized for 25 years service in November 2005, and Councillor Ross Kelterborn was recognized for 25 years service in December 2008.

The table below summarizes the length of service for current Members of Council to November 30, 2012. The total includes all municipal council service – area municipal and Regional as well as Regional Council service only. It does not include years of service on local school boards.

**Waterloo Regional Councillors
2010-2014**
Length of Municipal Service to Nov. 30, 2012

Councillor	Total Municipal Service - Area and Regional Councils	Total Regional Council Service
Les Armstrong	18	2
Jane Brewer	34	30
Todd Cowan	2	2
Doug Craig	25	21
Rob Deutschmann	2	2
Tom Galloway	21	18
Jean Haalboom	15	12
Brenda Halloran	6	6
Ross Kelterborn	31	9
Geoff Lorentz	24	11
Claudette Millar	18	18
Jane Mitchell	12	12
Sean Strickland	12	12
Jim Wideman	17	12
Carl Zehr	24	21
Ken Seiling	36	34

The Committee agreed that it is appropriate to recognize Councillors achieving service milestones more frequently. Since there is a Provincial program through the Ministry of Municipal Affairs and Housing that recognizes all municipal elected service, for the purposes of Region of Waterloo Council service recognition, the length-of-service milestones will be determined based on years of service on Regional Council only.

Accordingly, the Jack Young Committee recommends that the Region of Waterloo Council recognize key length-of-service milestones of Members of Regional Council as set out below, effective January 1, 2013:

1. At the last Council meeting in November of each year, Regional Council will officially recognize its Members who have achieved five, ten and fifteen or more years of service on Regional Council through a formal presentation.
2. At all service recognition levels, the names of the councillors will be engraved on a corporate plaque that will be displayed permanently in the lobby of the Administrative Headquarters Building at 150 Frederick Street. The Region will

also issue a news release that describes the length-of-service of Councillors being recognized and their contributions to the Region of Waterloo.

3. Five Years and Ten Years - Councillors who achieve five and ten years service on Regional Council will be formally recognized with the presentation of an appropriate token of appreciation to be determined by the Jack Young Committee.
4. Fifteen Years – Councillors who achieve fifteen years service on Regional Council will have the opportunity, in consultation with the public art committee, to select a piece of Waterloo Region artwork to be displayed in a Region of Waterloo facility. A formal event will be organized at which the Councillor will be invited to unveil the selected artwork and provide a description of why the piece was chosen.
5. Twenty or More Years – Councillors who achieve twenty or more years service on Regional Council will be formally recognized at five year intervals with the presentation of an appropriate token of appreciation to be determined by the Jack Young Committee.

Region of Waterloo Naming Policy

On February 28, 2012, during its consideration of the naming of the materials recycling centre after Nyle Ludolph, the father of the Blue Box, Planning and Works Committee identified a need for a corporate naming policy to direct future requests and referred the question to the Jack Young Committee for discussion.

Current Process

There is currently no standard corporate process for naming or renaming of Region of Waterloo facilities. Where naming opportunities have been used as part of a fundraising process, it has been specific to the project, for example, the Waterloo Region Museum.

The Region of Waterloo has more than 384 corporate facilities. Of this, a very limited number have been named after individuals or organizations.

Edith MacIntosh Children's Centre
McLennan Park
Kinsmen Children's Centre
The Nyle Ludolph Materials Recycling Centre

Within Regional facilities, a limited number of rooms or areas have been named for individuals, including the conference centre and meeting rooms at 150 Frederick Street and 99 Regina Street, and the library at Sunnyside.

Sponsorship Naming Opportunities – Waterloo Region Museum

The Region's most recent experience with a sponsorship naming process was for the Region of Waterloo Museum. It targeted businesses with historical ties to the community, those showing or growing a presence in the Region and local philanthropists. It provided

for opportunities to attach an individual or corporate name to parts of the building including the theatre, galleries and classrooms but not to the entire building.

The selection of the name for the new museum building was accomplished through a larger brand development process that included a review of a proposed mission statement and vision for the museum, Doon Heritage Crossroads, the Waterloo Regional Curatorial Centre and the Waterloo County Hall of Fame, and development of a name, logo and branding for the new museum.

Four naming options were put out for public comment. Community input on the options was solicited through direct email contact, the museum's website and Facebook page, and local media.

The community's preference as expressed by feedback received was that the museum be named the Waterloo Region Museum. That was the name recommended and subsequently approved by Regional Council on December 9, 2009.

Sunnyside Home Redevelopment

There was a specific naming process followed as part of the completion of the Sunnyside Home Redevelopment in 2003/04.

The naming of spaces within the first phase Sunnyside Home Redevelopment followed a heritage theme. The ten resident areas in that building were named for heritage locations in the seven area municipalities within Waterloo Region: Laurel Creek, Button Works, Pioneer Tower, Woodside, Riverside, Shantz Hill, Castle Kilbride, Greenfield, Cider Mill and Three Bridges. As noted above, the library in the new home was also named after completion of phase one construction. It was named in memory of Phil Johnston, a former Commissioner of Social Service.

Once the entire project was completed, names that describe the geographic location of the two new buildings were selected to assist the public in finding their way to and around the complex – the Franklin Building (completed phase one) and The Kenneth Building (completed phase two).

Region of Waterloo Naming Policy

Generally most Regional facilities, properties and parts therein have been named to reflect function, location or a special historic or heritage association. However, the Jack Young Committee acknowledges that from time-to-time the Region may wish to honour individuals and organizations that have made outstanding contributions to the community by naming a Regional facility, property or part therein after them.

Accordingly, staff was directed to prepare a draft naming policy based on the following considerations:

RC-12-001

- Generally the Region will continue its practice of naming its facilities to reflect function, location and/or special historic or heritage association. The naming of Regional facilities after individuals or groups will only be done on an exceptional basis.
- The Jack Young Committee will be the Regional Council body responsible for overseeing the Region of Waterloo Naming Policy.
- The Jack Young Committee will consider any requests for naming and will make a recommendation through the Administration and Finance Committee.
- Sponsorship naming opportunities will be pursued at the direction of Regional Council on a project specific basis and will be exempt from this policy.

A draft Region of Waterloo Naming policy is attached for Council approval (Appendix B).

Respectfully Submitted,

Members of the Jack A. Young Committee:

Ken Seiling, Regional Chair

Jane Brewer, Regional Councillor


Tom Galloway, Regional Councillor

Sean Strickland, Regional Councillor

Jim Wideman, Regional Councillor

Carl Zehr, Regional Councillor

APPENDIX A

 Region of Waterloo	Regional Chair and Council Procedure	Section #	Policy #
		Approval Date:	Revision Date:
Title:	<i>The Jack Young Civic Award</i>		
Responsibility:	The Jack Young Committee Council and Administrative Services	Approval Level:	Council
Applies to:	All Regional staff and Regional Council		

POLICY STATEMENT:

The Jack Young Civic Award was established in 1980. The award is presented every two years, at the last meeting in November, to the person in Waterloo Region who best exemplifies the high standards of political and civic life exhibited by Jack A. Young - the first Chair of the Regional Municipality of Waterloo - during his years of public service.

The Jack Young Civic Award is a uniquely Region of Waterloo Award that celebrates and recognizes the contributions of people directly connected to Regional government and its programs and services and/or Regionally created and/or administered organizations.

OPERATING PRINCIPLES:

The Jack Young Civic Award will be awarded every two years at the last Council meeting in November, beginning in November 2012.

Those eligible for the Jack Young Civic Award include those who have been directly connected to Regional Government through Regional Council, Committees, Advisory Committees, Regional administration, programs and/or services and/or Regionally created and/or administered organizations including Waterloo Regional Police Service, Waterloo Region Crime Prevention Council, Waterloo Regional Heritage Foundation and the Region of Waterloo Arts Fund.

Currently sitting Members of Council, currently employed Regional staff and currently serving volunteers and board members are not eligible to receive the Jack Young Civic Award.

The Jack Young Committee will continue to be the Regional Council body that reviews nominations and selects the recipient(s) of the Jack Young Civic Award.

On an exceptional basis, the Committee may decide to award more than one Jack Young Civic Award in any award year.

PROCEDURES:

In January of the year the Jack Young Civic Award is to be presented, the Jack Young Committee will call for nominations from other Members of Regional Council, the Corporate

APPENDIX A

Leadership Team (CLT), staff in Regional program and service areas, Committees, Advisory Committees and other Regionally created and/or administered organizations as listed above.

Nominations will be submitted to the Jack Young Committee through the Regional Clerk and will include the following:

1. A completed nomination form.
2. A letter from the nominator describing the connection, contributions and importance of the individual to Regional government and/or its services and programs and/or to the Regionally created and/or administered organization(s).
3. A one page biographical summary.
4. Two letters in support of the nomination.

The Jack Young Committee will meet in September of an award year to review the nominations and will select an award recipient.

The award recipient and their family will be notified in October and will be invited to the last Council meeting in November to be presented with the award.

The recipient's name will be engraved on the Jack Young Civic Award Plaque which will be on permanent display in the Lobby of the Regional Administrative Headquarters building at 150 Frederick Street, Kitchener.

The nominations of individuals not selected to receive the Jack Young Award will remain active and carry forward to future Jack Young Civic Award selection cycles.

GUIDELINES:

Eligibility Criteria:

Eligible recipients would include those people who have a long-standing connection and who have had a lasting impact on Regional government, its programs or services and/or Regionally created and/or administered organizations through one or more of the following:

1. Service as a former member of Regional Council.
2. Service as a former staff member of the Region of Waterloo or Waterloo Regional Police Service.
3. Service as a former volunteer and/or former board member of a Regional program, service or facility including Committees of Council, Advisory Committees of Council, Crime Prevention Council, Waterloo Regional Heritage Foundation, Region of Waterloo Arts Fund and Waterloo Regional Police Services.

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Selection Criteria:

In evaluating nominations received for the Jack Young Civic Award, the Jack Young Committee will consider the following:

1. The duration of the nominee's involvement with the Region and the program area(s) in which they have been active.
2. The impact of the nominee's contributions on the quality of life of citizens of Waterloo Region in general, and specifically on individuals receiving Regional services or participating in Regional programs and/or those of Regionally created and/or administered organizations.
3. The impact of the nominee's contributions on the practices of Regional government and/or its programs or services or those of Regionally created and/or administered organizations. Specifically the Committee will consider the following:
 - a. Has their contribution been transformational?
 - b. Has it contributed to significant changes to the programs and services?
 - c. Have they contributed significantly to the development of a new program or service?
 - d. Have they contributed to the development of best practices across the Region, across the Province, Nationally, Internationally and/or in a specific professional field?

SEE ALSO: Not applicable

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 Region of Waterloo	Regional Chair and Council - Regional Facility Naming Policy	Section #	Policy #
		Approval Date:	Revision Date: n/a
Title:	<i>Naming of Region of Waterloo Facilities</i>		
Responsibility:	Jack Young Committee Council and Administrative Services	Approval Level:	Council
Applies to:	All staff and elected officials		

POLICY STATEMENT:

The intent of this policy is to establish a process for the naming of Region of Waterloo facilities, properties and parts therein.

EXCLUSIONS:

This policy does not apply to sponsorship naming opportunities. These will continue to be done on a case-by-case project basis as approved and directed by Regional Council.

Region of Waterloo facilities, properties and parts therein will not be named after a currently serving Member of Regional Council or a currently employed Regional staff member.

OPERATING PRINCIPLES:

Naming of Region of Waterloo facilities, properties and parts therein is at the sole discretion of Regional Council and requires Council approval.

Facilities, properties and parts therein that are owned by the Region of Waterloo will continue to be named in accordance with their function, location and/or their historic or heritage association as appropriate.

Occasionally it is appropriate to recognize special individuals and/or organizations that have made significant contributions to the Region of Waterloo, by naming a Regional facility, property or part therein in their honour. Accordingly, naming of Region of Waterloo facilities, properties and parts therein after an identifiable individual – living or deceased – or an organization, will be considered on an exceptional basis where it has been demonstrated that the individual or organization has made a significant contribution to and has had a lasting impact on Regional government and the services and programs of the Region of Waterloo.

NAME SELECTION PRINCIPLES:

1. Generally most Regional facilities, properties and parts therein will continue to be named to reflect function, location and/or special historic or heritage association.

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2. Where Council has determined that a specific individual should be honoured through a naming, the following criteria will be taken into consideration:
 - a. The individual is a current or past resident of the Region of Waterloo, and
 - b. The individual has made a significant contribution to Regional government and/or the programs and services of the Region of Waterloo and/or the quality of life in the Region of Waterloo through one or more of the following:
 - i. Long-standing service – volunteer or otherwise - to Regional government and/or a specific Region of Waterloo program or service area for an extended period of time,
 - ii. Leadership and meaningful, ongoing advocacy and work that has contributed to the establishment of or significant change to a Region of Waterloo program or service for the benefit of the residents of the Region of Waterloo,
 - iii. Work within or outside the community that has significantly raised the profile of the Region of Waterloo in a positive way on the Provincial, National and/or International stage.
3. The individual being honoured may be living or deceased. If living, their consent to the naming must be obtained prior to commencing the naming process. If deceased, consent for the naming must be obtained by their legal representative or next of kin, if applicable.
4. Where Council has determined that a specific group or organization should be honoured through a naming, the following criteria will be taken into consideration:
 - a. The group or organization is a not-for-profit organization that is or was located and has operated in the Region of Waterloo for an extended period of time, and made its services available to residents in at least two of the area municipalities, and
 - b. The group or organization has made a significant contribution to Regional government and/or the programs and services of the Region of Waterloo and/or the quality of life in the Region of Waterloo through one or more of the following:
 - i. Long-standing participation in or service to Regional government and/or a specific Region of Waterloo program or service area for an extended period of time,
 - ii. Leadership and meaningful ongoing advocacy and work that has contributed to the establishment of or significant change to a Region of Waterloo program or service for the benefit of the residents of the Region of Waterloo,

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- iii. Work within or outside the community that has raised the profile of the Region of Waterloo in a positive way on the Provincial, National and/or International stage.

PROCEDURES:

The Jack Young Committee will consider all requests for namings and will make a recommendation to Council through the Administration and Finance Committee.

Where the Jack Young Committee has decided to pursue a naming opportunity – either the naming of a facility, property or part therein or, where Committee has identified an individual or group to be honoured through a naming, it will do the following:

1. Consult with members of the Corporate Leadership Team (CLT) and ask them to provide feedback including the identification of appropriate facilities or parts therein that would be appropriate to name for the individual(s) and/or group(s) being honoured. CLT may also bring forward naming opportunities for consideration by the Jack Young Committee.
2. In proposing and evaluating appropriate names/and or facilities to be named, members of the Jack Young Committee and the Corporate Leadership Team will have due regard for the strength of connection of the individual or group to the function/services provided by the facility, property or part therein being named.
3. Report to the Administration and Finance Committee on the recommended name.
4. After approval by Regional Council, an event to officially name the Regional facility, property or part therein will be held. The individual and/or group being honoured will be invited to participate in the event. If the individual is not able to attend or is deceased, their representative will be asked to attend and participate on their behalf.
5. Names not selected may be reconsidered for future naming opportunities.

SEE ALSO: Not applicable



REGION OF WATERLOO
FINANCE DEPARTMENT
Treasury Services Division

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

DATE: September 11, 2012 **FILE CODE:** F22-20

SUBJECT: MUNICIPAL PROPERTY ASSESSMENT CORPORATION SALE PRICE INDEX

RECOMMENDATION:

For Information

SUMMARY:

A province-wide reassessment is currently underway to update property values to reflect January 1, 2012 market conditions and preliminary reassessment data should be available in the next few weeks. The Municipal Property Assessment Corporation (MPAC) has recently published some information on residential sale prices in Ontario which provides some insight on reassessment trends for the residential class. This report provides background information on reassessments and the MPAC sales price information in advance of reporting on the reassessment impacts for this region.

REPORT:

Province-wide reassessments began in 1998 and have occurred at various intervals over the past number of years. The last province-wide reassessment was conducted during 2008 for the 2009 taxation year with the Province adopting a four (4) year phase-in program effective 2009 for all property classes. Under that program, property assessments were based on market conditions as of January 1, 2008 (previous valuation was January 1, 2005). Assessment increases were phased-in over four years (2009-2012) while assessment decreases were effective immediately in 2009. The 2012 tax year is the final year of that four year phase-in. The Municipal Property Assessment Corporation (MPAC) has been working on the reassessment to update property values to reflect January 1, 2012 market conditions. Once again, assessment increases will be phased-in over four years (2013-2016) while assessment decreases will be effective in the first year (2013).

In late July, MPAC released residential sale prices indices in Ontario which provides some preliminary information on reassessment trends for the residential property class. MPAC's Residential Sale Price Index measures average sale price trends since the last reassessment date (January 1, 2008). Sales data is a critical component in determining the assessed value of residential properties. MPAC's Residential Sale Price Index for all of Ontario shows a 17% increase from January 1, 2008 to January 1, 2012. In their report, MPAC notes that at the time of the last reassessment update in 2008, the Ontario market was experiencing price increases however the effects of the recession caused a dip in the market in the months following. The residential housing market recovered by mid 2009 and has been increasing steadily through January 1, 2012.

The MPAC Residential Sale Price Index for Region of Waterloo, Counties of Dufferin and Wellington and the City of Guelph shows a 15% increase between January 1, 2008 and January 1, 2012. The MPAC report, including information from the Kitchener-Waterloo Real Estate Board, notes that "Kitchener-Waterloo has experienced steady growth in residential sales prices, with no significant

spikes or downturns, as the economy of the area has transitioned from manufacturing to high technology.” The report also notes that “areas experiencing the most significant price increases include Deer Ridge Estates” and “higher than average price increases are also being seen in the north end of Waterloo, Kiwanis Park bordering the Grand River and in established neighbourhoods with large lots.”

The following table shows MPAC’s Residential Sale Price Index for selected municipalities in Ontario. The full MPAC report can be found on the MPAC website at:

http://www.mpac.ca/pdf/MPAC_MarketSnapshot_July_2012.pdf

MPAC Residential Sale Price Index

	January 1, 2008	January 1, 2012	Change
Ontario	100	117	17%
Ottawa	100	124	24%
City of Toronto	100	123	23%
Region of Durham	100	113	13%
Region of York	100	128	28%
Regions of Halton & Peel	100	122	22%
City of Hamilton	100	110	10%
Region of Niagara	100	104	4%
Region of Waterloo Counties of Dufferin & Wellington City of Guelph	100	115	15%
Counties of Elgin, Middlesex & Oxford	100	107	7%
Windsor Essex	100	100	0%
Simcoe County	100	106	6%
Frontenac, Lennox and Addington Counties	100	116	16%
Kenora, Rainy River & Thunder Bay	100	126	26%
Sudbury & Manitoulin	100	119	19%
Cochrane & Temiskaming	100	129	29%
District of Algoma	100	125	25%
Nipissing & Parry Sound	100	115	15%

The Sale Price Index provides some preliminary information on reassessment trends for the residential property class in total. The Sale Price Index does not address the other property classes. Factors such as income (commercial and multi-residential) and replacement value (industrial) are used in determining assessment for other classes.

It is anticipated that preliminary reassessment data will be available from MPAC in the next few weeks and that property owners will begin to receive reassessment notices starting in mid-September. Staff will analyze the reassessment data and provide information to Committee once it is available.

CORPORATE STRATEGIC PLAN:

The information provided in this report does not directly impact the Corporate Strategic Plan.

FINANCIAL IMPLICATIONS:

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

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE: Nil

ATTACHMENTS:

Nil - A copy of the MPAC report on Residential Sales Prices in Ontario can be found on the MPAC website at http://www.mpac.ca/pdf/MPAC_MarketSnapshot_July_2012.pdf.

PREPARED BY: *A. Hinchberger*, Director of Financial Services, Treasury and Tax Policy

APPROVED BY: *C. Dyer*, Chief Financial Officer



REGION OF WATERLOO

FINANCE DEPARTMENT Administration Division

Report: F-12-066

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

DATE: September 11, 2012 **FILE CODE:** F12-01

SUBJECT: ONTARIO MUNICIPAL INFRASTRUCTURE STRATEGY

RECOMMENDATION:

For Information

SUMMARY: Nil

REPORT:

On August 16, 2012, the Ontario Government launched the first phase of the Municipal Infrastructure Strategy, entitled the Municipal Infrastructure Investment Initiative (MIII). This is in response to requests for infrastructure support from municipalities across Ontario, including the Region of Waterloo and the Association of Municipalities of Ontario (AMO).

The Ministry of Infrastructure has launched a web portal to share asset management resources and showcase best practices and success stories. The portal can be accessed at www.ontario.ca/municipalinfrastructure. A guidebook, "Building Together: Guide for Municipal Asset Management Plans", has been posted as well at http://www.moi.gov.on.ca/en/infrastructure/building_together_mis/program_manual.asp#pp1

MIII will invest \$60 million in funding over three years to help municipalities identify and prioritize their infrastructure needs and fund critical projects.

The \$60 million available through MIII includes:

- \$8.25 million for asset management system funding
 - this funding is for small or northern municipalities
 - the Region of Waterloo is not eligible

- \$0.75 million for small social housing systems
 - this funding is for operators of less than 4,000 units
 - the Region of Waterloo is not eligible, as the Region owns or oversees over 9,200 community housing units

- \$51 million over two years for critical road/bridge/water/wastewater projects identified through asset management plans
 - the Region of Waterloo may be eligible

Eligibility, timelines, and requirements relating to the \$51 million have not been made public, although the Province has indicated that having a detailed asset management plan will be a requirement to access this funding.

The Region has been using asset management approaches for a number of years including the development of long term capital programs based on the assessment of infrastructure conditions and the appropriate timing of works to minimize costs. One good example of asset management is the roads rehabilitation program where based on the condition of roads and maintenance requirements a long term funding strategy for roads rehabilitation was developed and implemented.

In 2011, the Region initiated an Asset Management project to make asset management principles a consideration in all decisions related to Regional facilities and develop a consistent, sustainable and documented approach to asset management. GHD Inc. was retained to provide consulting services for the Asset Management Strategy Project for the Transportation and Environmental Services (TES) Department and the Facilities Management and Fleet Services Divisions in March and June of 2011 (Reports E-11-006 and CR-FM-12-007). The infrastructure operated and managed by TES (Transportation (Roads and Airport), Water Services and Waste Management Divisions) and the Facilities Management and Fleet Services Divisions represents the vast majority of assets owned by the Region.

CORPORATE STRATEGIC PLAN:

Any future funding will support Focus Area 2 of the Region's Corporate Strategic Plan to develop, optimize and maintain infrastructure to meet current and projected needs and specifically Strategic Objective 2.2.2 to develop and implement a comprehensive asset management strategy to achieve optimal long-term value from regional infrastructure.

FINANCIAL IMPLICATIONS:

Staff will report back to Council when the eligibility criteria and the application process are known.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

Transportation and Environmental Services, Corporate Resources.

ATTACHMENTS: Nil

PREPARED BY: *A. Wong*, Manager, Budgets & Performance Measurement

APPROVED BY: *C. Dyer*, Chief Financial Officer



REGION OF WATERLOO
FINANCE DEPARTMENT
Treasury Services Division

Report: F-12-067

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

DATE: September 11, 2012 **FILE CODE:** F22-00

SUBJECT: SUPPORT FOR THE TOWN OF TILLSONBURG COUNCIL RESOLUTION ON BUSINESS TAX CAPPING

RECOMMENDATION:

THAT the Regional Municipality of Waterloo support the resolution of the Town of Tillsonburg Council attached as Appendix A to report F-12-067 requesting the Province of Ontario to amend Part IX of the Municipal Act, 2001 and related regulations to make Business Tax Capping optional at the discretion of each upper and single tier jurisdiction effective for the 2013 taxation year;

AND THAT this resolution be circulated to the Minister of Finance, the Minister of Municipal Affairs and Housing, local MPPs and the Area Municipalities.

SUMMARY: Nil

REPORT:

In 1998, the Province passed legislation to protect Ontario businesses from large property tax increases resulting from property tax reform. The legislation limited property tax increases for commercial, industrial and multi-residential properties for a three (3) year period 1998-2000. In 2000, the Province established a permanent program to continue limiting tax increases for the business or capped property classes. The Province introduced options in 2005 and again in 2009 which enabled municipalities to make capping decisions and select capping options to respond to local conditions rather than conditions in other areas of the Province. The capping program, however, has remained mandatory since 1998. Over the past 15 years, the impact of the capping program has been diminishing yet the program as a whole continues to require a significant amount of time and resources to administer, particularly at the Area Municipal level. The table below summarizes capping impacts for this Region for 1998 (the first year for capping), 2005 (first year with new options) and 2012 (most recent year for capping).

	1998	2005	2012
Capping Costs	\$12,494,316	\$4,183,643	\$1,455,915
Capped Properties	3,328	1,161	323
Clawback Properties	3,064	2,204	1,048
Properties at CVA Taxes	1,184	4,469	6,942
Total Properties	7,576	7,834	8,313
% of Properties Impacted	84.4%	43.0%	16.5%

The need for capping is diminishing yet the capping program adds delays and complexities to the annual tax billing cycle, and requires substantial resources to manage in-year tax adjustments related to assessment appeals, tax rebates and other circumstances that require a recalculation of taxes.

In addition to the business tax capping program, the Province introduced a four (4) year phase-in of assessment increases effective 2009 for all property classes. Under that program, assessment increases resulting from a province-wide reassessment were to be phased-in over four years (2009-2012) while assessment decreases were effective immediately in 2009. The next province-wide reassessment will be effective for the 2013 tax year. Once again, assessment increases will be phased-in over four years (2013-2016) while assessment decreases will be effective in the first year (2013). The four year phase-in of assessment increases is in addition to the business tax capping program resulting in two mitigation strategies when only one is required. In establishing the annual capping program, staff continue to recommend and Regional Council continues to approve capping options which achieve progress towards the stated goal of getting out of the capping program altogether. This goal is also supported by the Area Treasurers.

Other municipalities have also acknowledged that the capping program has served its purpose particularly when the provincial four year assessment phase-in is taken into account. The Town of Tillsonburg Council passed a resolution in June of this year requesting the Province to make the property tax capping program for the business classes optional at the discretion of the each upper tier and single tier municipality. This resolution was included in the Council Information package dated August 10, 2012 and a copy is attached as Appendix A.

Given the Region's stated goal of getting out of capping and the Town of Tillsonburg's recent resolution, staff recommends that the Region of Waterloo support the Town of Tillsonburg's resolution. This is consistent with a previous Council resolution from April of 2008, when the Region of Waterloo requested the Province to develop a transition plan to eliminate the capping program for commercial, industrial and multi-residential properties.

CORPORATE STRATEGIC PLAN:

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

FINANCIAL IMPLICATIONS:

The provincially mandated capping program, established in 1998, was intended to assist property owners in the commercial, industrial and multi-residential property classes to transition to the current value assessment system. The province-wide reassessment phase-in system enables assessment increases to be phased-in over four years while assessment decreases take effect in year one. The capping program and the four year assessment phase-in only affect the distribution of property taxes. There is no impact on the amount of property taxes collected from either program.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE: Nil

ATTACHMENTS:

Appendix A – Town of Tillsonburg Resolution on Business Tax Capping Reform

PREPARED BY: *A. Hinchberger*, Director of Financial Services, Treasury and Tax Policy

APPROVED BY: *C. Dyer*, Chief Financial Officer



The Corporation of the Town of Tillsonburg

June 28, 2012

Honourable Dalton McGuinty
Premier of Ontario
Room 281, Main Legislative Building,
Toronto, ON M7A 1Z8

RE: COUNCIL Resolution – Business Tax Capping Reform

At the Tillsonburg Town Council Meeting of June 25, 2012, Council passed the following resolution:

Whereas the Province of Ontario first introduced mandatory "business tax capping" for the commercial, industrial and multi-residential property classes as a temporary reform mitigation program for the 1998, 1999 and 2000 taxation years;

And whereas this "temporary" and "transitional" measure was succeeded by a permanent business tax capping program for the 2001 and subsequent taxation years;

And whereas the 2012 taxation year will represent the fifteenth taxation cycle for which mandatory business tax capping has applied;

And whereas the overall business tax capping scheme was introduced as a means of assisting taxpayers manage tax shifts related to Provincial Assessment and Property Tax reforms introduced for the 1998 taxation year;

And whereas it has become evident over time that the protection provided under this program has been less related to the original impacts of reform and more so due to the ongoing impacts of subsequent assessment base updates;

And whereas this program must now be seen as a redundant measure in light of the Province's successful four-year assessment phase-in program, which more effectively and equitably addresses assessment increases for all properties;

And whereas this program now has only a marginal impact on a very limited number of taxpayers due to the County's careful and deliberate application of optional parameter and exclusion tools, and yet it remains a significant burden on the financial and administrative resources of both the County and local municipalities;

Therefore be it resolved that the Town of Tillsonburg calls on the Government of the Province of Ontario to Amend Part IX of the Municipal Act, 2001 and supporting regulatory provisions so as to make the entirety of that Part (Business Tax Capping) optional at the discretion of each upper and single tier jurisdiction; and

CORPORATE OFFICE

200 Broadway, 2nd Floor, Tillsonburg, Ontario, N4G 5A7, Telephone (519) 688-3009, Fax (519) 842-9431
www.tillsonburg.ca

That the Town of Tillsonburg calls on the Government of the Province of Ontario to make these changes and amendments effective for the 2013 taxation year to coincide with the pending reassessment and related four-year assessment cycle; and

That the discussion paper "Allowing Municipalities to Opt Out of Business Tax Capping" prepared by Municipal Tax Equity (MTE) Consulting Inc., which speaks directly to this subject matter, and which addresses many of this Council's concerns, interests and preferences, shall be attached to, and shall form a part of this motion; and

That copies of this motion, along with the above mentioned attachment, are to be sent to:

Premier Dalton McGuinty;

The Honourable Dwight Duncan, Minister of Finance;

Honourable Kathleen O'Wynne, Minister of Municipal Affairs and Housing;

Ernie Hardeman, MPP Oxford;

Gary McNamara, President, Association of Municipalities of Ontario (AMO);

Allan Doheny, Assistant Deputy Minister - Provincial Local Finance Division (Acting);

Janet Mason, Assistant Deputy Minister - Local Government and Planning Policy Division,

Minister of Municipal Affairs and Housing,

The County of Oxford,

Western and Eastern Warden groups,

and all Municipalities in the province of Ontario.

If you have any questions, please do not hesitate to contact me at 688-3009 Ext. 3224

Regards,



Donna Wilson

Clerk

Development & Communication Services

Town of Tillsonburg

200 Broadway, 2nd Floor, Suite 204

Tillsonburg, ON N4G 5A7

Phone: 519-688-3009 Ext. 3224

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REGION OF WATERLOO
FINANCE DEPARTMENT
Treasury Services Division

Report: F-12-068

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

DATE: September 11, 2012 **FILE CODE:** F22-00

SUBJECT: PRESCRIBED RATES FOR HEADS AND BEDS PAYMENTS IN LIEU OF TAXATION

RECOMMENDATION:

THAT the Regional Municipality of Waterloo request the Minister of Finance to amend the prescribed rates for “Heads and Beds” payments in lieu of taxation under Section 323 of the Municipal Act to allow for inflation over the past 25 years;

AND THAT the resolution be forwarded to the Minister of Finance, the Minister of Municipal Affairs and Housing, the Minister of Health and Long Term Care, the Minister of Training, Colleges and Universities, the Association of Municipalities of Ontario, The Council of Ontario Universities, the Ontario Hospitals Association, Cities of Kitchener, Cambridge and Waterloo and the local Members of Provincial Parliament.

SUMMARY:

Nil

REPORT:

The Assessment Act and the Municipal Act are the governing legislation for property taxation. Under the Assessment Act, public hospitals, public educational institutions and certain other specified properties, including provincial correctional institutions, are exempt from property taxation. Despite this, Section 323 of the Municipal Act allows a local municipality to levy an annual payment-in-lieu of taxation (a “PIL”) on some of these properties including universities, colleges and public hospitals. The annual tax is based on a prescribed amount and the number of full time enrolled students for colleges and universities (“heads”) and the number of provincially rated beds for public hospitals (“beds”). These PIL taxes are generally referred to as “heads and beds” taxes. The Ministry also establishes the formula for the sharing of these taxes with upper tier municipalities and school boards.

The Ministry of Municipal Affairs and Housing provides the number of “heads and beds” on an annual basis. In the Region of Waterloo, “heads and beds” taxes are collected from all local campuses of the University of Waterloo, Wilfrid Laurier University and Conestoga College and from Grand River Hospital, St. Mary’s General Hospital and Cambridge Memorial Hospital. The prescribed amount for the purposes of section 323 of the Municipal Act (the “heads and beds” taxes) is \$75 per head/bed as specified in Ontario Regulation 384/98. The amount was last adjusted in 1987 and has been unchanged for 25 years. Over the same time, the cumulative CPI increase in Ontario has been approximately 63%. Clearly, the “heads and beds” rate has not kept pace with inflation as the amount would be approximately \$122 if it had been adjusted for inflation.

There are two ways in which the payments in lieu of taxes from universities, colleges and public hospitals could be increased. The Province could change the way such properties are taxed to require the payment-in-lieu amounts to be calculated based on the current value assessment for the property and the applicable tax rates. With this change, colleges, universities and public hospitals would be taxed in the same manner as other federal, provincial and municipal PIL properties. This action would require amendments to both the Assessment Act and the Municipal Act. Alternatively, the Province could increase the prescribed "heads and beds" rate through an amendment to OR384/98. The latter is clearly an easier change for the Province, the affected public institutions, municipalities and the Municipal Property Assessment Corporation.

In June of this year, the City of Waterloo Council passed a resolution requesting the Provincial Minister of Finance to address the issue of "heads and beds" taxation. The resolution provided alternatives including: amend the current prescribed "heads and beds" rate by setting a rate equivalent to what would be raised if the public institutions were taxed based on current value assessment (CVA) and the residential tax rate and ensure the rate is adjusted annually to reflect changes in CVA and residential tax rates; or introduce legislative amendments to require these institutions to make payment equivalent to their CVA and the appropriate tax rates; or index the "heads and beds" rate by the accumulated rate of inflation to approximately \$120. The resolution was circulated to local MPPs and the Region of Waterloo. The correspondence from the City of Waterloo and the City of Waterloo staff report were included in the Council Information Package dated August 10, 2012. A copy of the City of Waterloo correspondence is attached as Appendix A.

Given the greater complexity to change from a prescribed rate to an assessment based method of taxation, an increase in the prescribed "heads and beds" rate would be a much more feasible change for the Province. Staff recommends that Regional Council support the City of Waterloo in its request to have the prescribed rate increased to reflect inflation since 1987. An increase in the rate would benefit the Region and the Cities of Kitchener, Waterloo and Cambridge. This action is consistent with Regional Council's November 2007 resolution which also requested the Province to increase the prescribed rates for "heads and beds."

CORPORATE STRATEGIC PLAN:

"Heads and Beds" taxes provide funding for all aspects of the Corporate Strategic Plan.

FINANCIAL IMPLICATIONS:

Payments from the applicable public institutions at the prescribed rate of \$75 is expected to generate \$2.54 million of revenue for the Region for the 2012 taxation year. If the prescribed rate was increased to \$120, revenue to the Region would be \$4.06 million, an increase of \$1.52 million.

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE: Nil

ATTACHMENTS:

Appendix A – Letter from City of Waterloo Mayor Brenda Halloran regarding "Heads and Beds"

PREPARED BY: *A. Hinchberger*, Director of Financial Services, Treasury and Tax Policy

APPROVED BY: *C. Dyer*, Chief Financial Officer

City of Waterloo



F-12-068
Appendix A

Mayor Brenda Halloran

100 Regina St. S., Waterloo City Centre
Waterloo, ON Canada N2J 4A8
Phone: 519.747.8700 Fax: 519.747.8500
mayor@waterloo.ca, www.waterloo.ca

July 12, 2012

The Honourable Kathleen Wynne MPP
Minister of Municipal Affairs and Housing
777 Bay St, 17th Floor
Toronto ON M5G 2E5

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JUL 19 2012

CLERK'S DIVISION

RECEIVED

JUL 20 2012

FINANCE DEPARTMENT

The Honourable Dwight Duncan MPP
Minister of Finance and
Chair of Management Board of Cabinet
7 Queen's Park Crescent, 7th floor
Toronto, ON M7A 1Y7

The Honourable Deb Matthews, Ph.D MPP
Ministry of Health and Long-Term Care
10th Floor - Hepburn Block
80 Grosvenor Street
Toronto ON M7A 2C4

CDyer e

The Honourable Glen Murray MPP
Minister of Training, Colleges and Universities
Public Inquiries Unit
2nd Floor, 880 Bay Street
Toronto ON M7A 1N3

*C10-50
Info Pkg - Aug 24/12*

Council of Ontario Universities
180 Dundas Street West - Suite 1100
Toronto, Ontario M5G 1Z8

Ontario Hospital Association
200 Front Street West - Suite 2800
Toronto, ON M5V 3L1

Association of Municipalities of Ontario (AMO)
200 University Ave., Suite 801
Toronto, Ontario M5H 3C6

Association of Municipalities of Ontario (AMO)
Attention: Large Urban Mayors Caucus of Ontario
200 University Ave., Suite 801
Toronto, Ontario M5H 3C6

Dear Sirs and Madams:

Since 2006, the City of Waterloo has been making efforts to increase the "Heads and Beds" levy that municipalities receive in lieu of property taxes for provincial institutions such as universities and hospitals. The current amount of \$75 per head/bed has not been increased since 1987 when it was adjusted from \$50.

To date, we have received positive support from many municipalities across the province on this important issue. There is shared understanding among the municipalities that the current "Heads and Beds" rate does not reflect a fair compensation for providing the local resources necessary to support these provincial services. The City of Waterloo's resolution is open to alternative methodologies to calculate fair compensation. However, it is understood that if the "Heads and Beds" rate were indexed to inflation, the rate would be \$120 per head/bed

If the local provincial institutional properties had been classified and taxed pursuant to their use, assuming revenue is generated using a CVA x Residential Tax Rate methodologies, the municipal PIL revenue in 2012 would be \$5,239,305. The City of Waterloo's share would be \$1,977,883; an additional \$735,360 in revenue in 2012 and for each year thereafter.

On June 18, 2012, the Council for The Corporation of the City of Waterloo approved the following resolution:

"That FS2012-034 be approved and that Council requests the Minister of Finance for the Province of Ontario to:

- a) amend the current prescribed "heads & beds" rate used to calculate payment-in-lieu of taxes on public hospitals, universities, colleges and correctional facilities to an equivalent rate that would be raised if these public institutions used current value assessment (CVA) multiplied by residential tax rate methodology;
- b) and ensure that the "heads & beds" rate thereafter is adjusted regularly to reflect changes in current value assessment on public institutions and municipal tax rates;
- c) or, alternatively introduce legislative amendments to the Assessment Act and the Municipal Act, 2001, that would require payment-in-lieu amounts be calculated on equivalent taxation using full CVA multiplied by the appropriate municipal tax rates;
- d) or, alternatively index the "heads and beds" rate to the current rate of inflation; and
- e) direct the Mayor to forward this resolution and Staff Report 2012-034 (Heads and Beds - Payment in Lieu) to the Minister of Finance, Minister of Municipal Affairs and Housing, Minister of Health and Long Term Care, Minister of Training,

Colleges and Universities, the Association of Municipalities of Ontario, the Large Urban Mayors Caucus of Ontario, the Council of Ontario Universities, the Ontario Hospitals Association and local area Members of Provincial Parliament.”

A copy of report FS2012-034 is attached for your assistance.

We would like all Ontario municipalities that have a post-secondary institution and hospital to unite on the matter of “Heads and Beds”. Your support would be invaluable.

Sincerely,



Mayor Brenda Halloran
City of Waterloo

BH/sb
Encl.

c.c.

Mr. Rob Leone, MPP Cambridge
498 Eagle Street North
Cambridge, Ontario N4H 1C2

Mr. John Milloy, MPP Kitchener Centre
1770 King St. E, Unit 6C
Kitchener, ON N2G 2P1

Kitchener-Waterloo Constituent Office
375 University Avenue East
Waterloo, ON N2K 3M7

Michael Harris, MPP Kitchener-Conestoga
Unit 624, 2nd Floor
1187 Fischer-Hallman Road
Kitchener, Ontario N2E 4H9

Kris Fletcher, Regional Clerk
Regional Municipality of Waterloo
Corporate Resources Department
3rd Floor, 150 Frederick Street
Kitchener, ON N2G 4J3

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	2013, as part of Development Charges By-law review
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	Sep-2012
28-Feb-12	A&F	Process for calculating/appeal of development charges	Finance / Legal Services	2013, as part of Development Charges By-law review
20-Mar-12	A&F	Report maintaining the optional class for new multi-residential development, including revenue forecasts	Finance	Fall 2012/Winter 2013