Regional Municipality of Waterloo

Administration and Finance Committee

Agenda

Tuesday, January 28, 2014

Approximately 11:15 a.m. (Immediately following Closed Committee)

Regional Council Chamber

150 Frederick Street, Kitchener

1. Motion to Reconvene Into Open Session

2. Declarations of Pecuniary Interest under “The Municipal Conflict of Interest Act”

3. Delegations

<table>
<thead>
<tr>
<th>Consent Agenda Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Items on the Consent Agenda can be approved in one motion of Committee to save time. Prior to the motion being voted on, any member of Committee may request that one or more of the items be removed from the Consent Agenda and voted on separately.</td>
</tr>
</tbody>
</table>

4. Request to Remove Items from Consent Agenda
5. **Motion To Approve Items Or Receive For Information**
   
a) **F-14-010**, Federation of Canadian Municipalities – 2014 Membership; Association of Municipalities of Ontario – 2014 Membership (Approval)
   
b) **F-14-013**, Write-off of Uncollectible Accounts for the Year Ended December 31, 2013 (Approval)
   
c) **F-14-011**, 2014 Annual Repayment Limit (Information)
   
d) **F-14-012**, Quarterly Summary of Tenders/Quotes, Request for Proposals and Consultant Selections Approved by the Chief Administrative Officer (Information)
   
e) **CA-14-004**, 2014 Organizational Structure Review (Information)

6. **Information/Correspondence**
   
a) Council Enquiries and Requests for Information Tracking List

7. **Other Business**

8. **Next Meeting** – February 11, 2014

9. **Adjourn**
Region of Waterloo  
Finance Department  
Treasury Services Division  

To: Chair Tom Galloway and Members of the Administration and Finance Committee  
Date: January 28, 2014  
File Code: F02-20  
Subject: Federation of Canadian Municipalities – 2014 Membership  
Association of Municipalities of Ontario – 2014 Membership  

Recommendation:  
That the Regional Municipality of Waterloo approve payment of the 2014 membership fees in the amount of $69,695.74 for the Federation of Canadian Municipalities and $11,192.60 including all applicable taxes for the Association of Municipalities of Ontario, as outlined in report F-14-010, dated January 28, 2014.  

Summary:  
Nil  

Report:  
The Region of Waterloo has received invoices from the Federation of Canadian Municipalities (F.C.M.) and the Association of Municipalities of Ontario (A.M.O.) for 2014 membership fees. A copy of the F.C.M. notice is attached as Appendix 1 and a copy of the A.M.O. notice is attached as Appendix 2.  

The cost of the 2014 F.C.M. membership is $69,695.74 based on a flat fee of $325 and 13.68 cents per capita. The cost of the 2014 A.M.O. membership is $11,192.60, including all applicable taxes, based on $6,770 for the first 30,000 households and $0.0178 per household above 30,000.  

The following table compares the 2014 and 2013 costs for both the F.C.M. and A.M.O. memberships:
### Membership Costs Comparison

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2014</th>
<th>$ Increase</th>
<th>% Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>F.C.M.</td>
<td>$68,321.57</td>
<td>$69,695.74</td>
<td>$1,374.17</td>
<td>2.0%</td>
</tr>
<tr>
<td>Base fee</td>
<td>$320</td>
<td>$325</td>
<td>$5</td>
<td>1.6%</td>
</tr>
<tr>
<td>Per capita fee</td>
<td>$0.1341</td>
<td>$0.1368</td>
<td>$0.0027</td>
<td>2.0%</td>
</tr>
<tr>
<td>Population</td>
<td>507,096 (2011 Census)</td>
<td>507,096 (2011 Census)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A.M.O. *</td>
<td>$10,824.63</td>
<td>$11,192.60</td>
<td>$367.97</td>
<td>3.4%</td>
</tr>
<tr>
<td>Fee on first 30,000 households</td>
<td>$6,573</td>
<td>$6,770</td>
<td>$197</td>
<td>3.0%</td>
</tr>
<tr>
<td>Fee on households in excess of 30,000</td>
<td>$3,006.31 calculated as $0.0173 x 173,775 households</td>
<td>$3,134.95 calculated as $0.0178 x 176,121 households</td>
<td>$128.64</td>
<td>4.3%</td>
</tr>
<tr>
<td>Total Households</td>
<td>203,775</td>
<td>206,121</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Before H.S.T. rebate

The Region covers the F.C.M. membership for both the Region and the Area Municipalities. The F.C.M. fee noted above includes both the Region and the Area Municipalities. The A.M.O. fee is solely for the Region’s membership.

### Corporate Strategic Plan:

One of the objectives of the Corporate Strategic Plan is to ensure all Regional programs and services are efficient and effective and demonstrate accountability to the public. Memberships in organizations such as F.C.M. and A.M.O. support this objective through the provision of information and services.

### Financial Implications:

The net cost of the two memberships is $79,775 ($69,696 for F.C.M. and $10,079 for A.M.O.) after the H.S.T. rebate. There is no H.S.T. applied to the F.C.M. membership. The approved 2014 budget for Members of Council includes a provision of $79,775 for these memberships.
Other Department Consultations/Concurrence:
Nil

Attachments:
Appendix 1 – 2014 F.C.M. Invoice
Appendix 2 – 2014 A.M.O. Invoice

Prepared By: Anna Perrin, Financial Analyst
Approved By: Craig Dyer, Chief Financial Officer
Appendix 1

Membership Invoice
2014-2015
Facture d'adhésion

<table>
<thead>
<tr>
<th>ITEM/DESCRIPTION</th>
<th>AMOUNT/MONTANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Fee for April 1/14 to March 31/15 / Frais de cotisation du 1er avril 2014 au 31 mars 2015 Municipal Dues Calculated with a base fee of $326.00 plus per capita fees of $69,370.74(fee population of 507,096 x 13.86 cents).</td>
<td>$69,695.74</td>
</tr>
</tbody>
</table>

| TOTAL:                                                                 | $69,695.74     |
| PAID AMOUNT/MONTANT PAYÉ:                                               | $0.00          |
| BALANCE DUE/MONTANT Dû:                                                 | $69,695.74     |

Please include a copy of this invoice with your payment.
Veuillez retourner une copie de la facture avec votre paiement.
Thank You/Merci
Appendix 2

Association of Municipalities of Ontario

2014 MEMBERSHIP INVOICE

Accounts Payable
Waterloo, Region of
150 Frederick Street
Kitchener, ON N2G 4J3

Invoice No.: MEM002524
Invoice Date: January 1, 2014
Due Date: January 31, 2014

<table>
<thead>
<tr>
<th>BILLED TO</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Category:</td>
<td></td>
</tr>
<tr>
<td>Membership fee for the period:</td>
<td></td>
</tr>
<tr>
<td>Harmonized Sales Tax (13%):</td>
<td></td>
</tr>
<tr>
<td>HST number 106732044RT001</td>
<td></td>
</tr>
</tbody>
</table>

Upper Tier Municipality
January 1 to December 31, 2014

$9,904.95
$1,287.65

TOTAL: $11,192.60

AMO Board of Directors has approved a 3% 2014 membership fee increase. For AMO, this adds about $60,000 to its annual budget from its 425 plus membership base.

Your Municipality's fee was based on a total of 200121 households as reported by MPAC

Please direct inquiries to:

Anita Sunjido at 416-971-9856 Ext. 344
asunjido@amo.on.ca

200 University Avenue, Suite 801, Toronto, ON M6H 3C6
Tel: 416-971-9866 Toll Free: 1-877-436-6527 Fax: 416-971-8101
Region of Waterloo  
Finance Department  
Treasury Services Division  

To: Chair Tom Galloway and Members of the Administration and Finance Committee  
Date: January 28, 2014  
File Code: F03-21  
Subject: Write-off of Uncollectible Accounts for the Year Ended December 31, 2013  

Recommendation:  
That the Regional Municipality of Waterloo write-off accounts receivable in the amount of $110,286.69 for the year ended December 31, 2013, as outlined in Report F-14-013.  

Summary:  
Nil  

Report:  

Background  
Council Report F-10-008 provides the Chief Financial Officer with the authority to write-off accounts receivable up to $2,500. Regional staff has conducted a thorough review of all outstanding accounts to determine the amounts to be written off for 2013. Accounts with balances less than $2,500 aged beyond 90 days, and where all regular collection efforts have been exhausted, have been written-off throughout the year. Write-offs of receivables exceeding $2,500 require Regional Council approval. A summary of policies and procedures used during the receivable collection process is attached as Schedule A.  

The recommended write-offs for 2013 in excess of $2,500 total $110,286.69 which equates to 0.26% of the total billed revenue for General Receivables, Seniors’ Services and Waterloo Region Housing (W.R.H.). A summary of billed revenue and write-offs for 2013 is shown in the following table:
## Region of Waterloo 2013 Billing and Write-off Summary

<table>
<thead>
<tr>
<th>Program Area</th>
<th>General Receivables</th>
<th>Seniors’ Services</th>
<th>Housing</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billed Revenue</td>
<td>$55,859,847</td>
<td>$4,527,540</td>
<td>$12,718,125</td>
<td>$73,105,512</td>
</tr>
<tr>
<td>Write-offs &lt;= $2,500</td>
<td>$12,354.46</td>
<td>$3,182.37</td>
<td>$61,332.05</td>
<td>$76,868.88</td>
</tr>
<tr>
<td>approved by staff</td>
<td>0.02%</td>
<td>0.07%</td>
<td>0.48%</td>
<td>0.11%</td>
</tr>
<tr>
<td>Write-offs &gt; $2,500 to be</td>
<td>$25,343.00</td>
<td>$16,615.04</td>
<td>$68,328.65</td>
<td>$110,286.69</td>
</tr>
<tr>
<td>approved by Council</td>
<td>0.05%</td>
<td>0.37%</td>
<td>0.54%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Total Write-offs</td>
<td>$37,697.46</td>
<td>$19,797.41</td>
<td>$129,660.70</td>
<td>$187,155.57</td>
</tr>
<tr>
<td>% of Billed Revenue</td>
<td>0.07%</td>
<td>0.44%</td>
<td>1.02%</td>
<td>0.26%</td>
</tr>
</tbody>
</table>

Details of amounts recommended for write-off are provided in the following sections.

1. **General Receivables – Total recommended write-off = $25,343.00**

   a. **Police Services False Alarms ($14,000.00)**
   The amount recommended for write-off represents the amount owing from two (2) debtors. The Region has a court order against one corporate debtor but can not collect because the entity no longer exists. For the other debtor, the amount owing dates from 2005/2006 false alarms and the Region has been unsuccessful in collecting the debt owing. The recommended write-off for false alarms will be charged against the 2013 W.R.P.S. Budget. W.R.P.S. staff is in agreement with the recommended write off.

   b. **Water and Wastewater ($8,362.00)**
   The amount being recommended for write-off represents the amount owed by one (1) debtor for installation of water and sewer connections at the customer’s service address. The Region is unable to collect this debt as the debtor sold the property and has filed for bankruptcy. The recommended write-off will be charged against the 2013 Water Distribution and Wastewater Collection Budget. Arrears related to water billing in the Township of Wellesley and North Dumfries were the subject of a previous report. Arrears related to water billing for properties where ownership changed throughout the year in the Township of North Dumfries and Township of Wellesley have been transferred to property taxes.

   c. **Landfill ($2,981.00)**
   The amount being recommended for write-off represents the amount owing from one debtor. The Region filed a claim against the debtor but the debtor could not be located. Landfill customer’s access to landfill sites is suspended in the event of non-payment. The recommended write-off will be charged against the 2013 Waste Management Budget.

The recommended write-off for general receivables represents 0.05% of billed revenue.
2. Seniors’ Services - Sunnyside Home – Recommended Write-offs = $16,615.04
The amount being recommended for write-off represents the amount owing from three (3) accounts. In two cases, the resident has passed away and further attempts to recover the amounts owing are not expected to be successful. In the third case, the resident is up to date on current invoices, but it has been determined there is little possibility for collection of past amounts. The recommended write-offs represent 0.37% of 2013 billed revenue for Seniors’ Services. If approved, the Region will be eligible for 50% provincial subsidy for the amounts written off, for a net Regional cost of $8,307.52. The recommended write-offs will be charged against the 2013 Seniors’ Services Budget.

3. Waterloo Region Housing – Recommended Write-offs = $68,328.65
The recommended write-offs in excess of $2,500 are $68,328.65 for 17 former tenants across a total of 2,722 units. The vast majority of the recommended write-offs relates to unpaid rents ($37,462.38) and move-out charges ($21,537.74) due to excessive unit repairs. Factors affecting the amount of write-offs include the length of tenancies, the extent of unit damage at the time of turnover, and the timing and number of tenants taken to the rent tribunal and facing possible eviction. The recommended write-offs, which represents 0.54% of 2013 budgeted W.R.H. revenues, have been fully provided for in the 2013 Housing Budget.

Corporate Strategic Plan:

One of the Focus Areas of the Corporate Strategic Plan is “Service Excellence.” The objective of this focus area is to ensure all Regional programs and services are efficient and effective and demonstrate accountability to the public.

Financial Implications:

For 2013, write-offs under $2,500 total $76,868.88, while the recommended write-offs in excess of $2,500 total $110,286.69 for a grand total of $187,155.57 which equates to 0.26% of the total amount invoiced. All write-offs will be expensed on 2013. The write-off of a receivable account does not necessarily mean that staff has determined that no payment is forthcoming. Rather, given the time elapsed and the status of the collection activity, it is highly unlikely any payments would be received.

Total account write-offs for 2012 and 2013 are shown in the following table.

<table>
<thead>
<tr>
<th>Region of Waterloo Write-off Summary</th>
<th>2012</th>
<th>2013</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Invoiced</td>
<td>$71,801,253</td>
<td>$73,105,512</td>
<td>$1,304,262</td>
</tr>
<tr>
<td>Write-off &lt;= $2,500</td>
<td>38,081.79</td>
<td>76,868.88</td>
<td>38,787.09</td>
</tr>
<tr>
<td>Write-off &gt; $2,500</td>
<td>37,025.69</td>
<td>110,286.69</td>
<td>$ 73,261.00</td>
</tr>
<tr>
<td>Total Write-off</td>
<td>$75,107.48</td>
<td>$187,155.57</td>
<td>$112,048.09</td>
</tr>
<tr>
<td>Write-off as % of Invoiced Revenue</td>
<td>0.10%</td>
<td>0.26%</td>
<td></td>
</tr>
</tbody>
</table>
Total write-offs have increased in 2013. During 2012 there were no reported write-offs in excess of $2,500 for the Seniors’ Services - Sunnyside Home and General Receivables areas. In addition, in the year 2012 Housing write-offs in excess of $2,500 were well below the expected levels.

Other Department Consultations/Concurrence:

Legal Services Division staff has assisted on the legal aspects of the collection of delinquent accounts. Staff from a number of departments across the Region, have assisted in the review of overdue accounts and in the collection activities. Departments affected by the write-offs concur with the recommended amounts.

Attachments: Schedule A – Accounts Receivable Policies and Procedures

Prepared By: Mirela Oltean, Financial Analyst, Treasury Services

Tricia Alpaugh, Manager, Treasury Services

Approved By: Craig Dyer, Chief Financial Officer
Schedule A

Accounts Receivable Policies and Procedures

Finance Department for General Receivables

Effective management of receivables requires that procedures are in place to ensure timely receipt of funds due to the Region. Before accounts are recommended for write-off, a number of steps are generally followed to ensure that all reasonable efforts have been made to effect payment of the account in full. These steps include:

- Once the good or service is delivered, an invoice is created and mailed, and the revenue is credited to the program area;
- Monthly client statements are produced by Finance staff and mailed at the beginning of each month;
- At 31 days overdue, the first collection letter is issued by Finance staff. Telephone contact is attempted during this time and customers unable to pay in full are informed of the option of entering into a repayment plan;
- At 60 days overdue, if the account remains outstanding, the second collection letter is issued by Finance. Collection letters request full payment and the client is advised that access to service may be suspended and that legal action is a possibility. Telephone contact is still attempted during this time;
- If staff are unable to collect the account or get a written commitment from the customer as to a repayment plan, further options are considered including suspension of services and referral of the collection file to the Region’s Legal Services for possible legal action.

Finance Department for Retail Water Receivables

A series of processes are undertaken by Finance staff with respect to collection of retail water revenue as allowed under The Municipal Act including:

- Water and wastewater invoices are issued bi-monthly for water consumption in the prior 2 months and are due 21 days from the invoice date. Invoices include previous unpaid balances and interest charges;
- Interest of 1% per month on overdue amounts is charged monthly 2 days after the invoice due date;
- The first collection letter is mailed 10 days after the invoice due date;
- Regional staff initiates customer calls/emails to follow up on payment. Where payment in full is not possible, payment plans are drawn up and approved. Generally, water payment plans are not to exceed six months;
The second collection letter is mailed and potentially hand delivered or posted on the front door 40 days after the invoice due date. The letter notifies customers of potential water service disconnection if payment is not made within 21 days of the date on the letter or a payment plan is not arranged. Payment can be made in person, by telephone, certified cheque, online banking or credit card;

Next billing period invoices are issued. Invoices include previous unpaid balances;

Regional staff will follow up by telephone with customers who were mailed the second collection letter. Staff will discuss payment of arrears, a potential payment plan and the possibility of water disconnection should payment or payment plan agreement remains outstanding 21 days after the date on the letter;

Accounts that are not paid or accounts that have not committed to a payment plan within those 21 days will be reviewed and water disconnection notices will be prepared;

Water disconnection notices will be hand delivered or posted on the front door of the service address. The letter indicates when water disconnection is scheduled to happen;

Water is turned back on within 24 hours (business hours Monday to Friday) after payment is made and a $100 water re-connection fee is charged to the account as approved in the fees and charges by-law;

If the customer fails to pay the balance outstanding after water disconnection, the account is sent to Legal Services for collection and a request for transfer to property tax is issued to the applicable area municipality. This request is made on an annual basis in early June;

**Seniors’ Services - Sunnyside Home**

A series of processes are undertaken by Seniors’ Services Finance staff with respect to collection of overdue accounts for Long Term Care including:

- Invoices are sent out on a monthly basis for trust and accommodation accounts;
- Outstanding balances are reviewed monthly;
- When a payment has not been received within 30 days, staff contact the Power of Attorney for Finances (POA) by telephone to inform them of the amount owing;
- If a payment is not received after the first collection attempt, the Manager of Administrative Services contacts the POA to discuss payment options;
- If the amounts remain unpaid, a collection letter is sent to the POA with details of the amount owing and the request to submit payment within 10 business days. The letter includes notification that legal action is a possibility;
• When payments or payment options with the POA have not been successful the file is forwarded to Legal Services for collection action;

• Accounts receivable balances for Long Term Care are reviewed regularly with the Manager of Financial Services;

**Waterloo Region Housing (WRH)**

A series of processes are undertaken by Waterloo Region Housing (WRH) staff with respect to rent collection management and as allowed under the Residential Tenancy Act (RTA) including:

• Frequent review of arrear listings (more than once a month);

• Tenants who are in arrears by the 10th day of the month receive a N4 (Notice to End a Tenancy Early for Non-payment of Rent) under the RTA;

• Staff generally receive payments or enter into arrear repayment agreements with tenants;

• In the event that a tenant has not made efforts regarding their outstanding balance, an application to terminate tenancy is made to Rental Tribunal. Early intervention with tenants in arrears assists WRH in avoiding this process;

• If tenant vacates, invoice for amounts owing is sent to former tenant;

• If the amounts are not paid and forwarding address is available, letter is sent stating that the file will be sent to collections if the former tenant fails to contact WRH by a specific date;

• If there is no response to the letter, staff will attempt to contact former tenant by phone - every effort is made to contact the tenant before sending the file to the collection agency;

• File is sent to collection agency;

• Information is also shared among other Service Managers through the province-wide arrears database where tenants with arrears are not eligible to reapply for housing in Ontario unless the arrears are paid or a payment plan is in place.
Region of Waterloo
Finance Department
Treasury Services Division

To: Chair Tom Galloway and Members of the Administration and Finance Committee
Date: January 28, 2014

Subject: 2014 Annual Repayment Limit

Recommendation:
For Information

Summary: Nil

Report:
The Ministry of Municipal Affairs and Housing establishes borrowing limits for municipalities on an annual basis in accordance with Ontario Regulation 403/02. This Annual Repayment Limit (A.R.L.), which is determined based on a prescribed formula and information reported by the municipality, establishes the municipality’s capacity to take on new debt.

The A.R.L. for a given year is calculated by taking twenty-five percent (25%) of the municipality’s own source revenue (i.e. revenues excluding federal and provincial grants, contributions, transfers from reserve and reserve funds and proceeds from the sale of real property) as reported in the prior year’s Financial Information Return less net debt charges for the same year. The resulting A.R.L. establishes the amount of additional debt servicing costs the municipality can incur without approval from the Province. The potential new debt associated with the A.R.L. along with existing debt results in the municipality’s total debt capacity.

The Region of Waterloo recently received its 2014 A.R.L. which is attached as Appendix 1. The limit of $106.2 million represents the maximum amount which the Region can commit to new debt payments (principal and interest) in 2014. Assuming a 20 year term and 5% rate of interest, the Region has capacity for $1.324 billion of new debt for 2014.
The Region’s debt capacity is more than sufficient for the potential 2014 debenture issues.

The following table shows the 2013 and 2014 A.R.L.s.

<table>
<thead>
<tr>
<th>Year</th>
<th>2013 (based on 2011 data)</th>
<th>2014 (based on 2012 data)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Revenue</td>
<td>$598.2 m</td>
<td>$617.2 m</td>
</tr>
<tr>
<td>25% of Net Revenue</td>
<td>$149.5 m</td>
<td>$154.3 m</td>
</tr>
<tr>
<td>Less: Total Existing Debt Charges</td>
<td>$45.8 m</td>
<td>$48.1 m</td>
</tr>
<tr>
<td>Annual Repayment Limit</td>
<td>$103.8 m</td>
<td>$106.2 m *</td>
</tr>
<tr>
<td>Capacity for New Debt (based on 5% for 20 years)</td>
<td>$1.293 b</td>
<td>$1.324 b *</td>
</tr>
</tbody>
</table>

* The 2014 A.R.L. and resulting capacity for new debt does not include the $14.8 million of annual debt servicing costs from the $192.1 million of debentures the Region issued for its own purposes in 2013.

Although the Region is responsible for issuing long term debt for itself and the area municipalities, the Region and the area municipalities each have their own separate debt repayment limits. The debt repayment limits imposed by the Ministry provide on-going control over the addition of new municipal debt and ensure that debt repayment does not overburden municipal taxes or user rates. Municipalities wanting to issue more debt than allowed under their ARL are required to seek approval from the Ontario Municipal Board.

**Corporate Strategic Plan:**

The Region’s capital financing program, excellent credit rating, prudent use of debenture financing and monitoring of its debt capacity meets the Service Excellence objective of ensuring services are efficient and effective and demonstrate accountability to the public.

**Financial Implications:**

While the Region does have a robust capital program planned for the next 10 years, debt outstanding is expected to remain well below the limit established by the Province. Staff continues to review and monitor the capital program to ensure debt levels remain well within the Ministry limits and do not impact the Region’s Aaa credit rating issued by Moody’s Investors Service. While the Region has a substantial amount of debt capacity, staff continue to recommend the use of the Capital Levy Reserve Fund as a financing tool to minimize the amount of debt issued by the Region of Waterloo for its
own purposes.

Other Department Consultations/Concurrence: Nil

Attachments:
Appendix 1 – Region of Waterloo 2014 Annual Repayment Limit

Prepared By: Angela Hinchberger, Director of Treasury Services and Tax Policy
Approved By: Craig Dyer, Chief Financial Officer
Appendix 1 – 2014 Annual Repayment Limit

2014 ANNUAL REPAYMENT LIMIT
(UNDER ONTARIO REGULATION 403 / 03)

MMAH CODE: 25000  FIR CLEAN FLAG: C
MUNID: 30000
MUNICIPALITY: Waterloo R
UPPER TIER: N/A
REPAYMENT LIMIT: $106,235,955

The repayment limit has been calculated based on data contained in the 2012 Financial Information Return, as submitted to the Ministry. This limit represents the maximum amount which the municipality had available as of December 31, 2012 to commit to payments relating to debt and financial obligation. Prior to the authorization by Council of a long term debt or financial obligation, this limit must be adjusted by the Treasurer in the prescribed manner. The limit is effective January 01, 2014.

FOR ILLUSTRATION PURPOSES ONLY,

The additional long-term borrowing which a municipality could undertake over a 5-year, a 10-year, a 15-year and a 20-year period is shown.

If the municipalities could borrow at 5% or 7% annually, the annual repayment limits shown above would allow it to undertake additional long-term borrowing as follows:

<table>
<thead>
<tr>
<th>Interest Rate</th>
<th>5% Interest Rate</th>
<th>7% Interest Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) 20 years @ 5% p.a.</td>
<td>$1,323,934,811</td>
<td>$1,125,465,215</td>
</tr>
<tr>
<td>(a) 15 years @ 5% p.a.</td>
<td>$1,102,692,879</td>
<td>$967,587,938</td>
</tr>
<tr>
<td>(a) 10 years @ 5% p.a.</td>
<td>$820,325,881</td>
<td>$746,156,889</td>
</tr>
<tr>
<td>(a) 5 years @ 5% p.a.</td>
<td>$459,946,087</td>
<td>$435,588,388</td>
</tr>
</tbody>
</table>
### Determination of Annual Debt Repayment Limit

#### (Under Ontario Regulation 403/02)

<table>
<thead>
<tr>
<th>Municipal:</th>
<th></th>
<th>MAH Code:</th>
<th>25000</th>
</tr>
</thead>
</table>

### Debt Charges for the Current Year

**Waterloo R**

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0210</td>
<td>Principal (SLC 74 3030 01)</td>
<td>33,657,999</td>
</tr>
<tr>
<td>0220</td>
<td>Interest (SLC 74 3099 02)</td>
<td>10,680,473</td>
</tr>
<tr>
<td>0299</td>
<td>Subtotal</td>
<td>44,338,472</td>
</tr>
</tbody>
</table>

#### Ontario Clean Water Agency Provincial Projects

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0410</td>
<td>Water projects - For this Municipality only (SLC 74 2310 03)</td>
<td>0</td>
</tr>
<tr>
<td>0420</td>
<td>Water projects - Share of Integrated project(s) (SLC 74 2820 03)</td>
<td>0</td>
</tr>
<tr>
<td>0430</td>
<td>Wastewater projects - For this Municipality only (SLC 74 2830 03)</td>
<td>0</td>
</tr>
<tr>
<td>0440</td>
<td>Wastewater projects - Share of integrated project(s) (SLC 74 2840 03)</td>
<td>0</td>
</tr>
<tr>
<td>0499</td>
<td>Subtotal</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>0610</td>
<td>Payments for Long Term Commitments and Liabilities financed from the consolidated statement of operations (SLC 42 6010 01)</td>
<td>3,754,657</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>9910</td>
<td>Total Debt Charges</td>
<td>48,083,129</td>
</tr>
</tbody>
</table>

#### Amounts Recovered from Unconsolidated Entities

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1010</td>
<td>Electricity - Principal (SLC 74 3030 01)</td>
<td>0</td>
</tr>
<tr>
<td>1020</td>
<td>Electricity - Interest (SLC 74 3030 02)</td>
<td>0</td>
</tr>
<tr>
<td>1030</td>
<td>Gas - Principal (SLC 74 3040 01)</td>
<td>0</td>
</tr>
<tr>
<td>1040</td>
<td>Gas - Interest (SLC 74 3040 02)</td>
<td>0</td>
</tr>
<tr>
<td>1050</td>
<td>Telephone - Principal (SLC 74 3050 01)</td>
<td>0</td>
</tr>
<tr>
<td>1060</td>
<td>Telephone - Interest (SLC 74 3050 02)</td>
<td>0</td>
</tr>
<tr>
<td>1099</td>
<td>Subtotal</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1410</td>
<td>Debt Charges for Title Drainage/Shoreline Assistance (SLC 74 3015 01 + SLC 74 3015 02)</td>
<td>14,345</td>
</tr>
<tr>
<td>1411</td>
<td>Provincial Grant funding for repayment of long term debt (SLC 74 3120 01 + SLC 74 3120 02)</td>
<td>0</td>
</tr>
<tr>
<td>1412</td>
<td>Lump sum (balloon) repayments of long term debt (SLC 74 3110 01 + SLC 74 3110 02)</td>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1420</td>
<td>Total Debt Charges to be Excluded</td>
<td>14,345</td>
</tr>
<tr>
<td>9920</td>
<td>Net Debt Charges</td>
<td>48,058,784</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1610</td>
<td>Total Revenues (Sale of Hydro Utilities Removed) (SLC 10 9910 01)</td>
<td>914,617,328</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>Fees for Title Drainage / Shoreline Assistance (SLC 12 1850 04)</td>
<td>0</td>
</tr>
<tr>
<td>2210</td>
<td>Ontario Grants, including Grants for Tangible Capital Assets (SLC 10 0699 01 + SLC 10 0810 01 + SLC 10 0815 01)</td>
<td>186,228,676</td>
</tr>
<tr>
<td>2220</td>
<td>Canada Grants, including Grants for Tangible Capital Assets (SLC 10 0820 01 + SLC 10 0825 01)</td>
<td>25,707,219</td>
</tr>
<tr>
<td>2225</td>
<td>Deferred revenue earned (Provincial Gas Tax) (SLC 10 830 01)</td>
<td>0</td>
</tr>
<tr>
<td>2234</td>
<td>Deferred revenue earned (Canada Gas Tax) (SLC 10 831 01)</td>
<td>0</td>
</tr>
<tr>
<td>2230</td>
<td>Revenue from other municipalities including revenue for Tangible Capital Assets (SLC 10 1098 01 + SLC 10 1099 01)</td>
<td>7,319,618</td>
</tr>
<tr>
<td>2240</td>
<td>Gains/Loss on sale of land &amp; capital assets (SLC 10 1811 01)</td>
<td>6,043,222</td>
</tr>
<tr>
<td>2250</td>
<td>Deferred revenue earned (Development Charges) (SLC 10 1812 01)</td>
<td>78,767,183</td>
</tr>
<tr>
<td>2251</td>
<td>Deferred revenue earned (Recreation Land) (The Planning Act) (SLC 10 1813 01)</td>
<td>0</td>
</tr>
<tr>
<td>2252</td>
<td>Donated Tangible Capital Assets (SLC 53 0610 01)</td>
<td>0</td>
</tr>
<tr>
<td>2253</td>
<td>Other Deferred revenue earned (SLC 10 1814 01)</td>
<td>0</td>
</tr>
<tr>
<td>2254</td>
<td>Increase / Decrease in Government Business Enterprise equity (SLC 10 1900 01)</td>
<td>0</td>
</tr>
<tr>
<td>2299</td>
<td>Subtotal</td>
<td>291,408,374</td>
</tr>
<tr>
<td>2410</td>
<td>Fees and Revenue for Joint Local Boards for Homes for the Aged</td>
<td>0</td>
</tr>
<tr>
<td>2610</td>
<td>Net Revenues</td>
<td>617,178,954</td>
</tr>
<tr>
<td>2620</td>
<td>25% of Net Revenues</td>
<td>154,294,739</td>
</tr>
<tr>
<td>9930</td>
<td><strong>Estimated Annual Repayment Limit</strong> (25% of Net Revenues less Net Debt Charges)</td>
<td>106,235,955</td>
</tr>
</tbody>
</table>

* SLC denotes Schedule, Line Column.

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Date Prepared: **13-Jan-14**
Region of Waterloo
Finance Department
Procurement and Supply Services Division

To: Chair Tom Galloway and Members of the Administration and Finance Committee
Date: January 28, 2014
File Code: F18-01

Subject: Quarterly Summary of Tenders/Quotes, Request for Proposals and Consultant Selections Approved by the Chief Administrative Officer

Recommendation:
For Information

Summary: Nil

Report:
The Region’s updated Purchasing By-law came into effect in July 2010. The by-law allows for the Chief Administrative Officer to award certain tenders/quotes, requests for proposals, and consultant proposals, as set out below:

1. Tenders are competitive bids which specify the scope of work and the terms under which the Region will contract for the goods and services. Administrative awards of tenders between $100,000 and $500,000 can occur if the following criteria are met: a minimum of three compliant bids are received, award to the lowest bidder, and the bid amount within budget.

2. Request for Proposals (R.F.P.) are a formal document that seeks best value through competition. The R.F.P. specifies in general terms what the Region wants but provides flexibility for respondents to propose a solution. R.F.P.s include an evaluation criteria and scoring matrix. While price is part of the evaluation criteria and scoring, award is made to the vendor with the highest overall score. For R.F.P.s between $100,000 and $500,000 the criteria to enable an administrative award are that the proposal is compliant, that it best meets the criteria as established, that at least three compliant proposals are submitted, and
price is within budget.

3. Consultant Proposals are a type of R.F.P. with the commodity being consultant services. For consultant proposals between $100,000 and $300,000, the criteria to enable an administrative award are the proposal is compliant, that it best meets the criteria as established, and the price is within budget.

This has resulted in a more efficient and timely procurement process. A summary report is submitted on a quarterly basis to the Administration and Finance Committee outlining all tenders/quotes, R.F.P.s and consultant proposals approved by the Chief Administrative Officer. Appendices 1, 2 and 3 provide the details of the tender/quote, R.F.P. awards and consultant selections made by the Chief Administrative Officer from October 1, 2013 to December 31, 2013.

Corporate Strategic Plan:

This report supports and meets the objective of Focus 5 Service Excellence to 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 – C.A.O. Tender Awards
Appendix 2 – C.A.O. Proposal Awards
Appendix 3 – C.A.O. Consultant Awards

Prepared By: Lisa Buitenhuis, Interim Director, Procurement and Supply Services
Approved By: Craig Dyer, Chief Financial Officer
## Appendix 1 – CAO Tender/Quote Awards (October 1, 2013 to December 31, 2013)

<table>
<thead>
<tr>
<th>Tender / Quote Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders (Successful Bidder Indicated in Bold)</th>
<th>Tender/Quote Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2013-142 Mechanical Upgrades – GRT 460 Conestoga Blvd., Cambridge</td>
<td>To replace existing mechanical equipment that has reached the end of its expected lifespan.</td>
<td>Roberts OnSite Inc. Velocity Mechanical Inc. Brenner Mechanical Inc. Dean-Lane Contractors Inc. Nelco Mechanical Limited Sutherland-Schultz Ltd.</td>
<td>$167,932.69 $201,705.00 $220,771.49 $229,976.47 $230,520.00 $259,800.00</td>
<td>The approved 2013 Capital Budget included $3,076,000 for renewal projects at GRT facilities to be funded from the Transit Capital Reserve Fund. At the time of award, $540,000 had been committed.</td>
<td>$151,229</td>
</tr>
<tr>
<td>Tender / Quote Number &amp; Name</td>
<td>Description</td>
<td>List of Bidders</td>
<td>Tender/Quote Price (Includes HST)</td>
<td>Budget</td>
<td>Net Cost of Award (Net of HST Rebate)</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------</td>
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<td>------------------------------------------------------------------------------------------</td>
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</tr>
</tbody>
</table>
| T2013-144 Asphalt Replacement at WRPS        | To replace existing asphalt within staff parking lot and main entrance of Reporting Center as well as continuing the asphalt from the Police Reporting Center to the Investigative Services building.                                                                                                                                                    | Steed and Evans Limited  
A1 Asphalt Maintenance Ltd.  
Capital Paving Inc.  
Gen-Pro (1320376 Ontario Ltd.)  
K-W Cornerstone Paving Ltd.   | $172,556.65  
$172,691.15  
$179,157.13  
$211,935.95  
$250,566.20 | The approved 2013 Capital Budget included $1,471,000 for renewal projects at Headquarters and Divisions to be funded by debentures. An amount of $300,000 was allocated for asphalt work and $10,000 had been committed at time of award.                                                                                                           | $155,393                                                                      |
<table>
<thead>
<tr>
<th>Tender / Quote Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders (Successful Bidder Indicated in Bold)</th>
<th>Tender/Quote Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2013-148 Wastewater Treatment Gas Detection System Upgrades</td>
<td>To upgrade six gas detection systems at: Galt WWTP: Grit Building, St. Jacobs WWTP: Headworks Building, Heidelberg WWTP: Common Process Area, Elmira WWTP: Headworks Building and Pump Station Building, Wellesley WWTP: Headworks Building</td>
<td><strong>Selectra Contracting Inc.</strong> Procon Niagara, Div. of 1149855 Ontario Inc. Trade Mark Industrial</td>
<td>$310,090.48 $332,370.29 $454,898.45</td>
<td>The approved 2013 Capital Budget included $3,529,000 for rural infrastructure upgrades from the Wastewater and Development Charge Reserve Funds. The estimated cost for this project was $400,000.</td>
<td>$279,246</td>
</tr>
<tr>
<td>Tender / Quote Number &amp; Name</td>
<td>Description</td>
<td>List of Bidders (Successful Bidder Indicated in Bold)</td>
<td>Tender/Quote Price (Includes HST)</td>
<td>Budget</td>
<td>Net Cost of Award (Net of HST Rebate)</td>
</tr>
<tr>
<td>-----------------------------</td>
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<td>------------------------------------------------------</td>
<td>---------------------------------</td>
<td>--------</td>
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</tr>
<tr>
<td>T2013-149 Snowplowing – Various Locations (Housing)</td>
<td>To plough snow from parking lots, exits, entrances, roads and ramps with the application of salt as needed.</td>
<td>Helmutz Landscape &amp; Interlock  Botelho Asphalting &amp; General Maintenance Ltd.  Conestoga Contracting Group Inc.</td>
<td>$262,566.80  $236,197.47*  $101,694.63*</td>
<td>The 2014 Operating Budget includes $364,711 for snow removal. To date $100,483 has been committed.</td>
<td>$236,450</td>
</tr>
<tr>
<td>T2013-146 Nith Road Bridge Watermain Replacement</td>
<td>To remove the watermain from the bridge and relocate it under the Nith River utilizing trenchless technology.</td>
<td>A-Xcavating Ltd.  Kenwood Trenching &amp; Excavating Ltd.  Bel-Air Excavating &amp; Grading Ltd.</td>
<td>$184,493.97  $217,525.00  $561,610.00</td>
<td>The approved 2013 Capital Budget included $969,000 for watermain upgrades from the Development Charge Reserve Fund and Water Reserve Fund. Of this amount, $275,000 was allocated for this project.</td>
<td>$166,143</td>
</tr>
</tbody>
</table>
## Appendix 2 – CAO Request for Proposal Awards (October 1, 2013 to December 31, 2013)

<table>
<thead>
<tr>
<th>Proposal Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders (Successful Bidder Indicated in Bold)</th>
<th>Proposal Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>P2013-32</td>
<td>To replace a 2009 Volvo EW180 excavator which had reached the end of its life cycle.</td>
<td><strong>Toromont CAT</strong>&lt;br&gt;Strongco Limited Partnership&lt;br&gt;Wajax Equipment&lt;br&gt;Nortrax Canada Inc.</td>
<td>$135,487.00*&lt;br&gt;$169,500.00*&lt;br&gt;$186,563.00*&lt;br&gt;$188,260.26*&lt;br&gt;*base price less trade</td>
<td>The approved 2013 Capital Budget included $3.535 million for equipment and vehicle replacements of which $260,000 was allocated for the excavator.</td>
<td>$122,010</td>
</tr>
<tr>
<td>P2013-30</td>
<td>To replace a 2003 Elgin Road Sweeper which had reached the end of its life cycle.</td>
<td><strong>Joe Johnson Equipment Inc.</strong>&lt;br&gt;Joe Johnson Equipment Inc. (alternative bid)&lt;br&gt;Amaco Construction Equipment Inc.&lt;br&gt;Amaco Construction Equipment Inc. (alternative bid)&lt;br&gt;Cubex Ltd.</td>
<td>$267,074.37&lt;br&gt;$273,115.35&lt;br&gt;$276,679.01&lt;br&gt;$295,486.80&lt;br&gt;$303,959.72</td>
<td>The approved 2013 Equipment Replacement Budget included $290,000 for the replacement of a road sweeper.</td>
<td>$245,949</td>
</tr>
</tbody>
</table>
### Appendix 3 – CAO Request for Consultant Awards (October 1, 2013 to December 31, 2013)

<table>
<thead>
<tr>
<th>Proposal Number &amp; Name</th>
<th>Description</th>
<th>List of Bidders</th>
<th>Proposal Price (Includes HST)</th>
<th>Budget</th>
<th>Net Cost of Award (Net of HST Rebate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>C2013-21 HVAC Upgrades at 150 Main Street, Cambridge</td>
<td>To complete the design and contract administration associated with the upgrade of the HVAC systems at 150 Main Street, Cambridge.</td>
<td>AECOM Canada Ltd. Walterfedy DEI &amp; Associates Inc.</td>
<td>$133,509.50 $166,110.00 $167,070.50</td>
<td>The approved 2013 Regional Accommodation Capital Budget included $1,739,000 for 150 Main Street to be funded by debentures. An amount of $1,200,000 had been allocated for HVAC upgrades. At the time of award, $18,356 had been committed.</td>
<td>$120,229</td>
</tr>
</tbody>
</table>
Region of Waterloo
Office of the Chief Administrator

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

Date: January 28, 2014

File Code: H08-50

Subject: 2014 Organizational Structure Review

Recommendation:
For information

Summary:
Nil

Report:

Background
It is important for organizations to periodically review their organizational structures to ensure they remain efficient, effective and responsive to changing community needs and expectations. Over the last 5 years, several Departments and Divisions within the Region have reviewed and modified their organizational structures including:

- Public Health – in response to changing Provincial Public Health Standards;
- Information Technology Services – as a result of findings and recommendations from a Program Review;
- Facilities Management – as a result of findings and recommendations from a Program Review;
- Housing Operations – as a result of findings and recommendations from a Program Review.
Other recent organizational changes include the centralization of Geographic Information System (GIS) functions, the transfer of staff from various departments to create the Service First Call Center, as well as other minor reorganizations in various program areas. An overview of the Region’s current organizational structure is attached as Appendix 1.

Notwithstanding these changes, it has been many years since the Region conducted a review of its overall organizational structure. Staff are now initiating a comprehensive review of the Region’s overall organizational structure, to be conducted between January and June, 2014. The primary reasons for conducting a comprehensive organizational structure review at this time include the following:

- The Region has assumed many new functions since the current organizational structure was established in the mid 1990’s, including: waste collection, transit, housing, Emergency Medical Services (E.M.S.), and Provincial Offences Administration (P.O.A.), to name just a few.
- Because of these new functions, and expansion of other Regional programs, the organization has grown considerably since the current organizational structure was established.
- Provincial and Federal funding programs and regulations have changed in recent years, resulting in an increased emphasis on program co-ordination and integration.
- Community demographics continue to change, and community expectations regarding Regional services continue to increase.
- The organization is in the early stages of a significant wave of retirements. Between mid-2013 and mid-2014 approximately 20% of the Region’s senior management team (S.M.T.) will have retired or announced their retirement. All of these positions are being filled on an interim/acting basis pending the outcome of this organizational structure review. This provides a significant opportunity to review and, if necessary, modify the organizational structure while minimizing the impact on current staff.

Organizational Structure Review – Scope

The primary purpose of the review will be to ensure that the Region’s organizational structure is helping us to achieve our goals and objectives and delivering excellent service as efficiently and effectively as possible. In essence, we need to ensure that the Region’s overall organizational structure best supports the programs and services that we currently provide. Some key questions to be addressed would include:

- Does our current organizational structure help us achieve our goals and objectives?
- Are there elements of our organizational structure or processes that get in our way, complicate or hinder our program delivery?
- Do we have the appropriate distribution of functions between Departments and Divisions?
• Are there ways we can make our organizational structure more efficient (provide better value for money), more effective (achieve desired outcomes) and more responsive to community needs?

The review will primarily focus on organizational structure at the Departmental and Divisional levels. In some areas, there may be merit in “drilling down” further to explore additional opportunities for organizational improvements.

One of the principles guiding the review will be that there will be no net increase in positions or operating costs as a result of any organizational changes.

It is also important to emphasize that this organizational structure review is not a service delivery review or core service review. Recognizing this distinction, at the January 15, 2014 Council meeting, Council directed staff to bring forward a report in June, 2014 regarding the scope of work for a subsequent “service review” of the Region’s programs and services. The service review would build on ongoing Regional initiatives, such as program reviews conducted by the Region’s Internal Audit area and annual reviews of service levels conducted by staff and Council as part of the budget process. Although the scope of work for the Region’s service review has not yet been developed, service reviews in other jurisdictions have typically focussed on addressing questions such as:

- What programs and services should the organization be providing?
- Because of changing circumstances, are there programs or services that the organization should no longer be providing?
- For those programs and services that the organization continues to provide, what “level of service” should be provided?
- Is the organization providing the desired level of service as efficiently as possible? Are there ways to provide the desired services more efficiently?

In essence, the current organizational structure review will identify the preferred Departmental and Divisional organizational structure to provide the current range of Regional programs and services. The service review, which will be completed in 2015, may recommend changes to the scope and/or scale of Regional services and how they are delivered. If these service changes require further refinements to the organizational structure, those would be dealt with later in 2015.

Organizational Structure Review – Proposed Approach

In conducting an organizational review it is important: to take advantage of the knowledge and experience within the organization; to gather input from community members who interact with our organization; and to have knowledgeable, objective, external assistance to guide the review process.

Accordingly, staff have engaged Glenn Pothier of GLPi Consulting to facilitate the review process. Mr. Pothier is familiar with the Region, having facilitated the Region’s 2011-2014 Strategic Planning Process and assisted with various organizational
improvement initiatives. Mr. Pothier has considerable experience conducting organizational review processes with other private and public sector organizations, including municipalities, with a view to enhancing effectiveness, streamlining processes, improving operational efficiency and improving service responsiveness.

The Organizational Structure Review will consist of 4 phases, which will include the major elements noted below. The process will be directed by the Chief Administrative Officer, and significant input and analysis will be provided by the Corporate Leadership Team (CLT) (Department Heads). Recommendations to Council regarding the high-level organizational structure (Departments and Divisions) will be the responsibility of the Chief Administrative Officer.

- **Phase One – Evaluation of Current Organizational Structure (January to March 2014)**
  - Gather information from a variety of sources regarding strengths, weaknesses, challenges and opportunities for improvement regarding the current organizational structure. This will include:
    - individual interviews with members of Council, members of C.L.T. and knowledgeable community partners from the business and not-for-profit sectors;
    - Focus groups with senior management staff and area municipal Chief Administrative Officers;
    - On-line survey for other Regional staff.
  - Gather information regarding organizational structures in other Regions and municipalities and other “best practice” organizations identified through the interviews or focus groups.
  - Identify the customer/client groups served by various Regional programs and analyze this to identify common customers/clients served by various programs. This may help identify opportunities for organizational streamlining.
  - The outcome of this phase would be an analysis of the key strengths, challenges and opportunities for improving the current organizational structure.

- **Phase 2 – Identify and Evaluate Organizational Structure Options (April to May, 2014)**
  - Develop organizational structure options to address the challenges and opportunities identified during Phase 1.
  - Gather additional input (if necessary) from staff and/or citizens/clients regarding the advantages/disadvantages/implications of the various organizational structure options.
  - Evaluate the various options to determine the preferred organizational structure. Some of the organizational design principles/criteria which will guide the evaluation of options include:
    - Appropriate span of control.
- Clear responsibilities and accountability for functions and results.
- Customer/client focused.
  - Develop preferred organizational structure.

- **Phase 3 – Develop Recommendations and Implementation Plan (June 2014)**
  - Develop recommendations for Regional Council’s consideration regarding high-level organizational structure (Departments and Divisions).
  - Identify any other organizational changes to reinforce/enhance/support the recommended high-level organizational structure.
  - Develop an implementation plan related to any organizational changes.
  - Identify areas for further investigation or refinement potentially including changes to work processes or policies to support/reinforce any organizational changes and/or program areas for more detailed analysis and/or possible program reviews.
  - The primary outcome of this phase will be a report to Council (in caucus, followed by an open report) with recommendations regarding the Departmental and Divisional Organizational Structure, items for follow-up and an implementation plan.

- **Phase 4 – Implementation and Follow-up (July 2014 to December 2014)**
  - Following decisions regarding the Departmental and Divisional Organizational Structure, there may be additional work needed in some areas to further refine the organizational structure within some Divisions. There may also be work required to follow-up on opportunities for improvements to policies or work processes that may have been identified during Phase 1.

**Corporate Strategic Plan:**

The Organizational Structure Review supports the Service Excellence Focus Area, particularly the objectives related to:

- Ensuring satisfaction with Regional programs and services;
- Ensuring Regional programs are efficient and effective and demonstrate accountability to the public; and
- Retaining, recruiting and developing skilled, motivated and citizen-centred employees.

**Financial Implications:**

The fees for consulting assistance will be approximately $50,000, which can be accommodated in the Chief Administrative Officer’s office budget for consulting assistance and program reviews.
Other Department Consultations/Concurrence:
All Regional Departments will be involved in the organizational structure review, and the Corporate Leadership Team has been, and will continue to be actively involved in the review process.

Attachments:

Appendix 1: Current Region of Waterloo Departmental and Divisional Organizational Structure.

Prepared and Approved By: Michael Murray, Chief Administrative Officer
## COUNCIL ENQUIRIES AND REQUESTS FOR INFORMATION
### ADMINISTRATION AND FINANCE COMMITTEE

<table>
<thead>
<tr>
<th>Meeting date</th>
<th>Requestor</th>
<th>Request</th>
<th>Assigned Department</th>
<th>Anticipated Response Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>26-Jan-10</td>
<td>Committee</td>
<td>Report on a policy related to development charge grants, exemptions and deferral requests, to include past history/practice, implications, and options.</td>
<td>Finance</td>
<td>2014, as part of Development Charges By-law review</td>
</tr>
<tr>
<td>28-Feb-12</td>
<td>A&amp;F</td>
<td>Process for calculating/appeal of development charges</td>
<td>Finance / Legal Services</td>
<td>2014, as part of Development Charges By-law review</td>
</tr>
<tr>
<td>06-Nov-12</td>
<td>A&amp;F</td>
<td>Defer report P-12-119, Public Art for Grand River Transit Operations Centre Strasburg Road until after the 2014 budget process has been completed.</td>
<td>PH&amp;CS</td>
<td>Feb-2014</td>
</tr>
<tr>
<td>06-Nov-12</td>
<td>S. Strickland</td>
<td>THAT staff report back to Committee on a recommended pilot project where the general, electric and mechanical contractors, at a minimum, are prequalified, and where the results are reviewed and compared with project of similar scope where the sub-contractors weren’t prequalified.</td>
<td>Finance</td>
<td>2014</td>
</tr>
<tr>
<td>05-Dec-13</td>
<td>S. Strickland</td>
<td>That the Regionally-owned properties noted in report CR-FM-13-023/CR-RS-13-090, items b,d,e of the motion, be deferred to staff for a report with options regarding how these properties could be used to further Regional objectives.</td>
<td>PH&amp;CS</td>
<td>Feb-2014</td>
</tr>
<tr>
<td>11-Dec-13</td>
<td>D. Craig</td>
<td>That staff review and comment on a three year planned budget cycle starting in 2016 and modeled after the City of Waterloo.</td>
<td>Finance/CAO’s Office</td>
<td>Spring 2014</td>
</tr>
<tr>
<td>11-Dec-13</td>
<td>D. Craig</td>
<td>THAT the issue of eliminating Regional staff through a process of attrition be referred to the Administration and Finance Committee for a future staff report on this issue.</td>
<td>CAO's Office</td>
<td>May-2014</td>
</tr>
</tbody>
</table>