Regional Municipality of Waterloo

Administration and Finance Committee

Agenda

Tuesday, March 4, 2014

Approximately 1:30 p.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**

   **Consent Agenda Items**
   
   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.

4. **Request to Remove Items from Consent Agenda**

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

   a) **F-14-023**, Investment Position at December 31, 2013 (Information)  
   
   b) **F-14-024**, 2014 Tax Ratios (Approval)  
   
   c) **F-14-025**, Spring 2014 Regional Debenture Issue (Information)
d) **CA-HR-14-002**, Additions to Human Resources Policy Manual (Approval)

**Regular Agenda Resumes**

6. **Reports – Finance**
   a) **F-14-026/CR-RS-14-019**, Rapid Transit Project – Contribution Agreement with Her Majesty the Queen in Right of Canada by its Minister of Transport, Infrastructure and Communities

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

8. **Other Business**

9. **Next Meeting – April 1, 2014**

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

To: Chair Tom Galloway and Members of the Administration and Finance Committee
Date: March 4, 2014

Subject: Investment Position at December 31, 2013

Recommendation:
For Information

Summary: Nil

Report:
Investing activities are governed by Section 418 of the “Municipal Act,” Ontario Regulation 438/97 and by the Region’s Consolidated Investment Policy. The Region’s Consolidated Investment Policy states that the Investment Policy Objectives are as follows, in priority order:

A. General Portfolio Policy Objectives
   1. Minimization of Credit Risk
   2. Maintenance of Liquidity
   3. Rate of Return

B. Sinking Fund Portfolio Policy Objectives
   1. Minimization of Credit Risk
   2. Rate of Return
   3. Maintenance of Liquidity

The Consolidated Investment Policy also requires that reports and a summary of compliance with the policy be provided to the Administration and Finance Committee.

This report describes the Region’s investment position at December 31, 2013 for the General Portfolio and Sinking Fund Portfolio. Both investment portfolios held eligible
investments of various terms. Bonds were verified to comply with the Region’s Consolidated Investment Policy at the time of each investment purchase. The following table summarizes the combined portfolio balance over the past five years.

### Region of Waterloo

#### 5 Year Portfolio Book Value as at December 31

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td>$85.3 m</td>
<td>$98.7 m</td>
<td>$90.4 m</td>
<td>$98.0 m</td>
<td>$193.3 m</td>
</tr>
<tr>
<td><strong>General Investment Portfolio</strong></td>
<td>222.4 m</td>
<td>231.0 m</td>
<td>211.2 m</td>
<td>175.7 m</td>
<td>155.0 m</td>
</tr>
<tr>
<td><strong>Sinking Fund Portfolio</strong></td>
<td>26.2 m</td>
<td>30.9 m</td>
<td>35.9 m</td>
<td>12.9 m</td>
<td>2.2 m</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$333.9 m</td>
<td>$360.6 m</td>
<td>$337.5 m</td>
<td>$286.6 m</td>
<td>$350.5 m</td>
</tr>
</tbody>
</table>

### General Investment Portfolio

The Region’s General Portfolio is comprised of reserves, reserve funds and operating funds. Provincial regulations establish the type of investments the Region can hold while the Region’s Consolidated Investment Policy establishes limits for the allowable investments. The Region’s General Portfolio is currently comprised of holdings ranging from daily money market instruments to long bonds and debentures.

Cash is significantly higher at the end of 2013 due to debenture issues in the spring and fall to take advantage of low interest rates and in anticipation of cash flow requirements for upcoming capital projects. The General Investment Portfolio book value continues to decline which is reflective of the Region’s significant capital program in recent years. A comprehensive review of reserve and reserve fund contributions and balances is planned to ensure the balances are sufficient to meet capital needs and to preserve the Region’s Aaa credit rating. The portfolio holdings are summarized as follows based on earliest applicable call dates:

### General Investment Portfolio

<table>
<thead>
<tr>
<th></th>
<th>Cash</th>
<th>Short Term Investments (&lt; 1 year)</th>
<th>Medium Term Investments (1 to 5 years)</th>
<th>Long Term Investments (&gt; 5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Book Value</strong></td>
<td>$193.3 m</td>
<td>$31.0 m</td>
<td>$79.8 m</td>
<td>$44.2 m</td>
</tr>
<tr>
<td><strong>% of Portfolio</strong></td>
<td>55.5%</td>
<td>8.9%</td>
<td>22.9%</td>
<td>12.7%</td>
</tr>
<tr>
<td><strong>Number of Securities</strong></td>
<td>n/a</td>
<td>17</td>
<td>35</td>
<td>24</td>
</tr>
<tr>
<td><strong>Investment Strategy</strong></td>
<td>General cash flow requirements</td>
<td>Maturities designed to coincide with expected use of reserves and reserve funds</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Yield Range</strong></td>
<td>1.30%</td>
<td>0.94% - 5.30%</td>
<td>2.40% - 6.70%</td>
<td>3.35% - 5.65%</td>
</tr>
<tr>
<td><strong>Weighted Average Yield</strong></td>
<td>1.30%</td>
<td>4.28%</td>
<td>4.45%</td>
<td>4.50%</td>
</tr>
<tr>
<td><strong>Total Yield for General Portfolio excluding cash</strong></td>
<td>4.40%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Weighted Average Term to Maturity excluding cash</strong></td>
<td>3.99 years</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
General Portfolio holdings at December 31, 2013 by issuer are shown in Appendix 1. Additional information on the General Investment Portfolio is shown on Appendix 2.

**Sinking Fund Portfolio**

The Sinking Fund Portfolio is comprised of contributions from the sinking fund participants pertaining to these specific debentures and investment income earned on the contributions. A significant portion of the portfolio is held in long term investments as the longer term investments provided higher overall rates of return while still aligning with the principles of the Region’s Consolidated Investment Policy for the Sinking Fund of minimizing risk, achieving yield and maintaining liquidity. The following table summarizes the portfolio balances and rates of return:

<table>
<thead>
<tr>
<th>Sinking Fund Investment Portfolio</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book Value at December 31</td>
<td>$26.2 m</td>
<td>$30.9 m</td>
<td>$35.9 m</td>
<td>$12.9 m</td>
<td>$2.2 m</td>
</tr>
<tr>
<td>Yield including gains on sale</td>
<td>4.28%</td>
<td>4.46%</td>
<td>4.42%</td>
<td>11.70%</td>
<td>5.70%</td>
</tr>
<tr>
<td>Yield excluding gains on sale</td>
<td>4.28%</td>
<td>4.46%</td>
<td>4.42%</td>
<td>4.20%</td>
<td>4.30%</td>
</tr>
</tbody>
</table>

The book balance is significantly lower in 2013 due to sinking fund retirements on April 7th of $4.75 million and on November 4th of $7.25 million. The higher total yields in 2012 and 2013 are due to gains on the sale of bonds required to meet the sinking fund maturities.

The debt retirements in 2012 and 2013 results in some portfolio components appearing to exceed the policy limits. However, under the Region’s Consolidated Investment Policy, compliance is required at the time of purchase. Bonds were verified to comply with the Region’s Consolidated Investment Policy at the time of each purchase. The portfolio is summarized as follows based on earliest applicable call dates:

<table>
<thead>
<tr>
<th>Sinking Fund Investment Portfolio</th>
<th>Cash</th>
<th>Short Term Investments (&lt; 1 year)</th>
<th>Medium Term Investments (1 to 5 years)</th>
<th>Long Term Investments (&gt; 5 years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Book Value</td>
<td>$1.0 m</td>
<td>$Nil</td>
<td>$0.8 m</td>
<td>$1.4 m</td>
</tr>
<tr>
<td>% of Portfolio</td>
<td>31.0%</td>
<td>0.0%</td>
<td>25.9%</td>
<td>43.1%</td>
</tr>
<tr>
<td>Number of Securities</td>
<td>n/a</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Investment Strategy</td>
<td>General cash flow requirements</td>
<td>Maturities designed to coincide with Sinking fund maturities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yield Range</td>
<td>1.30%</td>
<td>n/a</td>
<td>6.73%</td>
<td>5.30% - 5.40%</td>
</tr>
<tr>
<td>Weighted Average Yield</td>
<td>1.30%</td>
<td>n/a</td>
<td>6.73%</td>
<td>5.35%</td>
</tr>
<tr>
<td>Total Yield for Sinking Fund Portfolio excluding gains on sale</td>
<td>n/a</td>
<td>6.73%</td>
<td>5.35%</td>
<td></td>
</tr>
<tr>
<td>Weighted Average Term to Maturity</td>
<td>n/a</td>
<td>6.73%</td>
<td>5.35%</td>
<td>3.92 years</td>
</tr>
</tbody>
</table>
Sinking Fund Portfolio holdings at December 31, 2013 by issuer are shown in Appendix 3. Additional information on the Sinking Fund Investment Portfolio is shown on Appendix 4.

**Investments/Disposals of Own Securities**

The Region did not invest in or dispose of any of its own securities in either the General Portfolio or Sinking Fund Portfolio during 2013.

**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:**

The Bank of Canada target rate has remained at 1.00% since September 8, 2010 through its most recent rate setting on January 22, 2014 and is expected to remain at this level for some time. Low interest rates and a robust capital investment program continue to impact the Region through decreased interest income attributable to reserves, reserve funds and the operating budget. Bond maturities are used for capital expenditures and funds available for reinvestment are yielding a lower rate of return. Staff monitors cash balances daily and will continue to assess cash requirements and market conditions in order to minimize risk, maintain liquidity and maximize interest revenue in a period of sustained low interest rates.

**Other Department Consultations/Concurrence:** Nil

**Attachments:**

Appendix 1 – General Investment Portfolio Holdings at December 31, 2013

Appendix 2 – Additional Information on General Investment Portfolio at December 31, 2013

Appendix 3 – Sinking Fund Investment Portfolio Holdings at December 31, 2013

Appendix 4 – Additional Information on Sinking Funding Investment Portfolio at December 31, 2013

**Prepared By:** Tricia Alpaugh, Manager of Treasury Services

**Approved By:** Craig Dyer, Chief Financial Officer
Appendix 1 – General Investment Portfolio Holdings at December 31, 2013

<table>
<thead>
<tr>
<th>SECURITY DESCRIPTION</th>
<th>Portfolio Amount</th>
<th>%</th>
<th>Policy Limitation Per Issuers</th>
<th>Maximum Per Issuer</th>
<th>Policy Limitation Per Category</th>
<th>Maximum Per Category</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PROVINCIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ontario</td>
<td>$ 27,753,695</td>
<td>17.9%</td>
<td>$ 77,311,903</td>
<td>50.0%</td>
<td>$ 77,311,903</td>
<td>50.0%</td>
</tr>
<tr>
<td>British Columbia</td>
<td>$ 4,403,638</td>
<td>2.8%</td>
<td>$ 38,655,951</td>
<td>25.0%</td>
<td>$ 38,655,951</td>
<td>25.0%</td>
</tr>
<tr>
<td>Alberta Cap Fin Auth</td>
<td>$ 3,136,623</td>
<td>2.0%</td>
<td>$ 38,655,951</td>
<td>25.0%</td>
<td>$ 38,655,951</td>
<td>25.0%</td>
</tr>
<tr>
<td><strong>Other Provincials</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>$ 4,158,699</td>
<td>2.7%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Manitoba</td>
<td>3,033,000</td>
<td>2.0%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Brunswick</td>
<td>4,012,778</td>
<td>2.6%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Provincials</strong></td>
<td>$ 11,204,477</td>
<td>4.6%</td>
<td>$ 38,655,951</td>
<td>25.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SCHEDULE I BANKS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TD/Canada Trust</td>
<td>$ 4,518,777</td>
<td>2.9%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIBC</td>
<td>11,060,504</td>
<td>7.2%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of Nova Scotia</td>
<td>3,022,287</td>
<td>2.0%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank of Montreal (1)</td>
<td>18,533,292</td>
<td>12.0%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Royal Bank</td>
<td>13,447,917</td>
<td>8.7%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Schedule I Banks</strong></td>
<td>$ 50,582,778</td>
<td>32.7%</td>
<td>$ 54,118,332</td>
<td>35.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MUNICIPAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of Waterloo</td>
<td>$ 13,409,802</td>
<td>8.7%</td>
<td>$ 77,311,903</td>
<td>50.0%</td>
<td>$ 77,311,903</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>Other Municipalities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of Niagara</td>
<td>$ 3,433,255</td>
<td>2.2%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Toronto</td>
<td>7,182,359</td>
<td>4.6%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Hamilton</td>
<td>2,980,626</td>
<td>1.9%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of Durham</td>
<td>3,119,191</td>
<td>2.0%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of Halton</td>
<td>1,574,703</td>
<td>1.0%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of York</td>
<td>14,612,524</td>
<td>9.5%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of London</td>
<td>1,997,020</td>
<td>1.3%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>City of Regina</td>
<td>500,000</td>
<td>0.3%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>BC Mun Finance Authority</td>
<td>7,531,376</td>
<td>4.9%</td>
<td>$ 15,462,381</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Municipalities</strong></td>
<td>$ 42,931,056</td>
<td>27.8%</td>
<td>$ 38,655,951</td>
<td>25.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>INVESTMENT FUNDS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>One Investment Fund</td>
<td>$ 1,201,736</td>
<td>0.8%</td>
<td>$ 77,311,903</td>
<td>50.0%</td>
<td>$ 77,311,903</td>
<td>50.0%</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENT PORTFOLIO</strong></td>
<td><strong>$154,623,806</strong></td>
<td>100.0%</td>
<td>$ 77,311,903</td>
<td>50.0%</td>
<td>$ 77,311,903</td>
<td>50.0%</td>
</tr>
<tr>
<td>PH&amp;N - Social Housing Investments (2)</td>
<td>$ 372,321</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Bank Funds</td>
<td>$193,258,725</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL PORTFOLIO</strong></td>
<td><strong>$348,254,852</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**
(1) Some portfolio components may appear to exceed the policy limits. However, under the Region's Consolidated Investment Policy, compliance is required at the time of purchase. Each bond has been verified to comply with the Region's Consolidated Investment Policy at the time of purchase.
(2) Phillips Hagar & North - Social Housing Fund transferred from ROWCHI in 2012. Funds will be expended in 2014.
(3) Alternate formats available upon request.
Appendix 2 – Additional Information on General Investment Portfolio at December 31, 2013

Investments by Year of Maturity based on Earliest Applicable Call Date
Bond maturities have been designed to coincide with expected use of reserves and reserve funds.

![Chart showing bond maturities by year of maturity](image)

Bond Investments by Sector
Bond investments are governed by the Region’s Consolidated Investment Policy.

![Pie chart showing bond investments by sector](image)

Note: Alternate formats available upon request.
### Appendix 3 – Sinking Fund Investment Portfolio Holdings at December 31, 2013

<table>
<thead>
<tr>
<th>SECURITY DESCRIPTION</th>
<th>Portfolio Amount</th>
<th>%</th>
<th>Policy Limitation Per Issuers</th>
<th>Maximum Per Issuer</th>
<th>Policy Limitation Per Category</th>
<th>Maximum Per Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>SCHEDULE I BANKS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CIBC Residuals</td>
<td>822,785</td>
<td>37.6%</td>
<td>218,942</td>
<td>10.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>MUNICIPAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region of Waterloo</td>
<td>$1,366,639$</td>
<td>62.4%</td>
<td>$1,094,712$</td>
<td>50.0%</td>
<td>$1,094,712$</td>
<td>50.0%</td>
</tr>
<tr>
<td>TOTAL INVESTMENT PORTFOLIO</td>
<td>$2,189,423</td>
<td>100.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BNS General Bank Funds</td>
<td>$982,531</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL PORTFOLIO</td>
<td>$3,171,955</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Notes:**

1. Each bond has been verified to comply with the Region's Consolidated Investment Policy at the time of purchase. Significant maturities in 2012 and 2013 result in some portfolio components appearing to exceed the policy limits. However, under the Region's Consolidated Investment Policy, compliance is required at the time of purchase. Bonds were verified to comply with the Region's Consolidated Investment Policy at the time of purchase.

2. Alternate formats available upon request.
Appendix 4 – Additional Information on Sinking Fund Investment Portfolio at December 31, 2013

Investments by Year of Maturity based on Earliest Applicable Call Date
Bond maturities have been designed to coincide with sinking fund debenture maturities.

Bond Investments by Sector
Bond investments are governed by the Region's Consolidated Investment Policy.

Note: Alternate formats available upon request.
Region of Waterloo
Finance Department
Treasury Services Division

To: Chair Tom Galloway and Members of the Administration and Finance Committee
Date: March 4, 2014
File Code: F22-00
Subject: 2014 Tax Ratios

Recommendation:
That the Regional Municipality of Waterloo establish the following tax ratios for the 2014 property tax year:

- Residential: 1.0000
- New Multi-residential: 1.0000
- Multi-residential: 1.9500
- Commercial: 1.9500
- Industrial: 1.9500
- Pipeline: 1.1613
- Farmland: 0.2500
- Managed Forest: 0.2500

And That the two necessary by-laws to implement the approved 2014 tax ratios and 2014 regional tax rates be prepared for Regional Council approval on March 19, 2014;

And Further That the Area Municipalities be notified accordingly.

Summary:
The Municipal Act requires the Region of Waterloo to establish tax ratios on an annual basis for Regional and Area Municipal purposes, even if the ratios do not change from year to year. This report recommends that the Region establish its 2014 tax ratios at the same level as those approved for 2013.
Report:

Tax Ratios

The Municipal Act sets out, in a prescriptive manner, the rules governing property taxation in Ontario. These rules include establishing tax ratios on an annual basis by an upper tier municipality. Tax ratios determine the municipal tax burden for the various property classes relative to that of the residential class. The residential class is the “benchmark” class with an established tax ratio of 1.00 and all other property class ratios are expressed in relation to the residential ratio. The Region’s ability to adjust tax ratios and redistribute the tax burden between the property classes is limited by the “fairness ranges” established by the Province. In general, legislation does not allow municipalities to move tax ratios away from the fairness ranges. Tax ratio adjustments can only be made if the ratios move towards the fairness ranges although some exceptions are allowed under specific circumstances for reassessment years. Tax ratios established by the Region also apply to the Area Municipalities.

A history of the Region’s tax ratios and the fairness ranges are shown in the following table:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
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<tr>
<td>Residential</td>
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<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td>1.0000</td>
<td><strong>1.0000</strong></td>
<td>1.0 to 1.0</td>
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<tr>
<td>New Multi-Res</td>
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<td>1.0000</td>
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<td>1.1613</td>
<td>1.1613</td>
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<td>1.1613</td>
<td><strong>1.1613</strong></td>
<td>0.6 to 0.7</td>
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<tr>
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<td>0.2500</td>
<td>0.2500</td>
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<td>0.2500</td>
<td>0.2500</td>
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<td>0.01 to 0.25</td>
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<td>0.2500</td>
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<td>0.2500</td>
<td><strong>0.2500</strong></td>
<td>0.25 to 0.25</td>
</tr>
</tbody>
</table>

*Includes recommended ratios for 2014;

Alternative format available upon request

Appendix 1 shows the 2013 tax ratios for various municipalities in Ontario including a number of the Region’s upper tier and single tier comparators.
Tax Ratios as a Tax Tool

Tax ratios are a “tax tool” which can change the distribution of taxes among the property classes. Tax ratio changes can be used to ensure that there are no capping shortfalls, better align existing ratios or align ratios with provincial averages, adjust the tax burden for the various property classes or offset reassessment impacts. The use of tax ratios to redistribute taxes among the property classes does not change the total amount of taxes collected.

The Region has in the past reduced tax ratios for the capped classes (multi-residential, commercial and industrial) to reduce the impact of capping and ensure that capping costs could be funded from within the same class, to move the Region’s ratios towards provincial averages and to equalize the commercial, industrial and multi-residential ratios. The Region has also utilized tax ratio changes to offset significant reassessment impacts. By changing the tax ratio for a particular class, the Region can change the distribution of taxes among the property classes and offset the class shifts resulting from a reassessment. Reductions in tax ratios would be used to offset reassessments where there has been a shift onto a particular class while increases in ratios would be used to counter reassessments where there has been a shift of taxation off of a particular class provided the ratio adjustments are in accordance with provincial legislation.

How Reassessments / Phase-ins Impact Property Taxes

A province-wide reassessment was conducted during 2012 for the 2013 taxation year with properties valued as of January 1, 2012. Assessment increases are being phased-in over four years (2013-2016) while assessment decreases took effect in the first year (2013).

Reassessments and phase-ins do not generate additional taxes or change the amount of taxes collected. Reassessments and phase-ins simply redistribute the tax burden between property classes and between property owners. That being said, reassessments can impact tax bills in two ways - shifts within a property class and shifts between property classes. The impact to taxpayers for shifts within property classes depends on the change in the assessed value for their property relative to the average for the class. If the assessed value of a property increases by more than the change for the class, the taxpayer will likely see an increase in taxes. Conversely, if the assessed value of a property increases by less than the change for the class, the taxpayer is likely to see a decrease in taxes.

Shifts between classes will occur if the total assessed value for the various property classes increase or decrease at different rates. For the 2013-2016 reassessment and phase-in in this Region, the values for the commercial, industrial and pipeline classes have a lesser increase than the other classes. This results in a shift of taxation from those classes to the residential, multi-residential, farmland and managed forest classes as noted in Table 2 below. The shifts between property classes differ by municipality depending on the market conditions and mix of assessments in the municipality. Similarly, the shifts between the property classes for the different components of the
Regional tax levy (general, urban, rural) also vary. The shifts between classes impact all tax bills and are independent of budget increases.

Phase-In Impacts for 2014

Across the Region, total assessed values for the residential property class increased by 3.8% for the first year of the four year reassessment phase-in. The impact for the second year of the phase-in (2014) is a 3.7% increase in the assessed values for the residential class. That increases the value of the average residential property in the Region from $281,000 in 2014 to $291,500 in 2014. The change in the residential property class does vary by Area Municipality.

The following table shows the change in current value assessment for taxable properties across the entire Region at the broad class level for the second year of the four year phase-in (2014) and the shift in taxation between property classes for the Region’s general levy for 2014. The shift in taxation experienced in 2013 is also shown for comparison purposes.

Table 2: Reassessment Phase-In Impacts – Shifts Between Property Classes

<table>
<thead>
<tr>
<th>Property Class</th>
<th>Assessed Value Change for 2014</th>
<th>Shift in Taxation For 2014</th>
<th>Shift in Taxation For 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td>3.74%</td>
<td>0.25%</td>
<td>0.65%</td>
</tr>
<tr>
<td>New Multi-Res</td>
<td>7.75%</td>
<td>4.12%</td>
<td>4.58%</td>
</tr>
<tr>
<td>Multi-Residential</td>
<td>5.08%</td>
<td>1.54%</td>
<td>2.10%</td>
</tr>
<tr>
<td>Commercial</td>
<td>2.37%</td>
<td>(1.08%)</td>
<td>(2.17%)</td>
</tr>
<tr>
<td>Industrial</td>
<td>1.64%</td>
<td>(1.79%)</td>
<td>(3.29%)</td>
</tr>
<tr>
<td>Farmland</td>
<td>8.68%</td>
<td>5.02%</td>
<td>6.09%</td>
</tr>
<tr>
<td>Pipeline</td>
<td>1.90%</td>
<td>(1.54%)</td>
<td>(1.16%)</td>
</tr>
<tr>
<td>Managed Forest</td>
<td>9.70%</td>
<td>6.00%</td>
<td>4.47%</td>
</tr>
<tr>
<td>Total</td>
<td>3.49%</td>
<td>--</td>
<td>--</td>
</tr>
</tbody>
</table>

The shifts between property classes for 2014 are the same as those that occurred for 2013. However, given that assessment decreases occur in the first year while assessment increases are phased in over four years, the impact of the class shifts generally are reduced during the balance of the phase-in period.

The impact to the residential class is 0.25% for the general levy (as shown above), 0.32% for urban transit and RTMP, (0.09%) for rural transit and library combined and (0.22%) for Elmira GRT service.
In dollar terms, the Regional impacts for 2014 are relatively minor at $4.65 for an average residential property valued at $291,500 in the urban area, $3.55 for an average residential property in the townships and $3.47 for an average residential property in Woolwich.

2014 Tax Ratios

As noted previously in the report, the Region’s ability to adjust tax ratios and redistribute the tax burden between the property classes is limited by the “fairness ranges” established by the Province. Since 2014 is the second year of the reassessment phase-in, tax ratio adjustments can only be made if the ratios move towards the fairness ranges. Any reductions in the multi-residential, commercial, industrial or pipeline ratios would shift taxation on to the residential class. Additionally, the commercial and industrial classes are already benefiting from a shift of taxation off those classes due to the impact of the reassessment phase-in. Finally, changes to any of the multi-residential, commercial and industrial tax ratios would be a departure from the Region’s long term tax ratio strategy of having a common tax ratio for all the capped classes. Consequently, staff are recommending no changes to the Region’s tax ratios for 2014.

2014 Subclass Rate Reductions

The Municipal Act provides for a subclass for vacant land and a subclass for excess land in both the commercial and industrial property classes, with the subclasses taxed at a lower rate than the full tax rate for the class. The Act further establishes a rate reduction of 30% for the commercial subclasses and 35% for the industrial classes but also permits the Region to establish a single rate reduction for both classes within the range of 30% to 35%. The Region had previously established a single tax rate reduction of 35% for both classes which resulted in a tax rate that is 65% of the full rate for these subclasses.

As part of the 2013 tax ratio review, Regional Council changed the single rate reduction to 30% resulting in a tax rate that is 70% of the full rate, the maximum rate allowed for these subclasses. Subclass rate reductions do not have to be approved each year so the same subclass rate reductions will continue to apply for 2014. Region of Waterloo By-law 13-008 which establishes the subclass rate reductions remains in effect until such time as it is repealed by Regional Council and the subclass rates are changed.

Area Treasurers Position

Given that tax policy decisions at the Regional level have a significant impact to all the Area Municipalities, the recommendations in this report were discussed at the January 2014 Area Treasurers meeting. The Area Treasurers are in agreement with the recommended tax ratios noted in this report.

Next Steps

Once the 2014 tax ratios are approved, the Region and the Area Municipalities can pass their 2014 tax rate by-laws and Area Municipalities can prepare their final bills for the non-capped classes.
The 2014 tax ratios will also be used to model the 2014 capping program. Capping program recommendations are currently being developed and it is anticipated that the recommended 2014 capping program will be presented to Administration and Finance Committee in late May.

The by-laws to implement the approved 2014 tax ratios and 2014 tax rates will be prepared and ready for approval at the March 19, 2014 Regional Council meeting.

**Corporate Strategic Plan:**

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

**Financial Implications:**

Tax ratios determine the distribution of taxes between the property classes. The amount of taxes collected by the Region is not impacted by tax ratio decisions.

**Other Department Consultations/Concurrence:** Nil

**Attachments:**

Appendix 1 – Comparison of 2013 Municipal Tax Ratios

**Prepared By:** Angela Hinchberger, Director of Treasury Services and Tax Policy

**Approved By:** Craig Dyer, Chief Financial Officer
### Appendix 1 - Comparison of 2013 Municipal Tax Ratios

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Multi-Residential</th>
<th>Commercial (Residual)</th>
<th>Industrial (Residual)</th>
<th>Industrial (Large)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barrie</td>
<td>1.0000</td>
<td>1.4331</td>
<td>1.5163</td>
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<tr>
<td>Belleville</td>
<td>2.5102</td>
<td>1.9191</td>
<td>2.4000</td>
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<tr>
<td>Brampton</td>
<td>1.7050</td>
<td>1.2971</td>
<td>1.4700</td>
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<td>Brockville</td>
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<td>Caledon</td>
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<td>Dufferin</td>
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<td>2.1984</td>
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<td>Durham</td>
<td>1.8665</td>
<td>1.4500</td>
<td>2.2598</td>
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<tr>
<td>Essex *</td>
<td>1.9554</td>
<td>1.0820</td>
<td>1.9425</td>
<td>2.6861</td>
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<td>2.3599</td>
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<td>1.9800</td>
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<td>3.7615</td>
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<td><strong>2.1847</strong></td>
<td><strong>3.1449</strong></td>
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<td><strong>2.8318</strong></td>
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<td><strong>1.0820</strong></td>
<td><strong>1.1000</strong></td>
<td><strong>2.2500</strong></td>
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<td><strong>Highest</strong></td>
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<td><strong>4.8165</strong></td>
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<td><strong>Provincial Threshold</strong></td>
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<td><strong>1.9800</strong></td>
<td><strong>2.6300</strong></td>
<td><strong>2.6300</strong></td>
</tr>
</tbody>
</table>

* Municipalities with one or more ratios above the Provincial Threshold

Source: BMA Management Consulting Inc.
Region of Waterloo

Finance Department

Treasury Services Division

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

Date: March 4, 2014 File Code: F08-20

Subject: Spring 2014 Regional Debenture Issue

Recommendation:

For Information

Summary: Nil

Report:

Background

Section 401 of the “Municipal Act, 2001” provides that a municipality may incur debt for municipal purposes and that an upper-tier municipality may issue debentures for or in relation to the debt incurred in respect of capital works for its own purposes and for the purposes of its area municipalities. Region of Waterloo By-law 95-020, a By-law in Respect of Proposed Debenture Issues, authorizes the Regional Treasurer, now called the Chief Financial Officer and Treasurer (CFO) to proceed with a debenture issue that best meets the requirements of the Region and then report the results of the issue to Regional Council at its next scheduled meeting. The necessary by-laws are then passed by Regional Council following the CFO’s report on the debenture issue. Debenture authority must be approved by Regional Council for each capital project that is to be funded by a Regional debenture. This is typically done through the annual budget process.

Staff is currently planning a spring 2014 Regional debenture issue in the range of $62 million. This information report is being provided to Committee due to the imminent timing of the proposed Regional debenture issue and the inclusion of the Rapid Transit project.
Proposed Projects to be Financed

Appendix 1 shows the capital projects to be included in the proposed debenture issue, the maximum amount to be debentured, the maximum debenture terms and the primary funding sources for the debt servicing costs. The projects to be financed are:

1. Debentures of $8.126 million for a term of ten years for renovations to the Waterloo County Courthouse. The construction tender was approved by Regional Council on February 26, 2014. Debentures for the Courthouse renovations were also issued in 2012 and 2013. It is expected that the last of the debentures for this project will be issued in the fall of 2014 or early 2015.

2. Debentures of $2.15 million for a term of 10 years for Grand River Transit (GRT) bus replacements.

3. Debentures of $0.681 million for a term of ten years for the Emergency Medical Services (EMS) downtown station. Construction is currently underway with occupancy anticipated in late spring.

4. Debentures of $0.543 million for a term of ten years for the Service First Call Centre (SFCC). Debentures for this project were previously issued in 2012 and 2013.

5. Debentures of $50 million for a term of 30 years for the Rapid Transit project. In June 2011, Regional Council approved the Rapid Transit project with a portion of the project to be financed by the issuance of Regional debentures for a term not to exceed 30 years. The Region issued the first $50 million of debt for the Rapid Transit project in the spring of 2013. In view of interest rates, which are currently low but expected to rise, and the potential award of the Rapid Transit Project Agreement and resultant capital expenditures (per Report E-14-032/F-14-019 on the March 4th Planning and Works agenda), a second issuance of debentures is planned for the Rapid Transit project. This will allow the Region to finance this portion of the project at very favourable rates and ensure that cash flow is adequate to fund the expected capital cost outlay.

Anticipated Debenture Rates

The Region has secured very favourable debenture rates over the past 18 months. The fall 2012 debenture issue resulted in the lowest interest rates for a capital market issue in the history of the Region of Waterloo and rates for the spring 2013 debenture issue were extremely favourable at 3.81% and 3.88% for 20 and 30 years respectively. Rates for the fall 2013 fall debenture issues were slightly higher than those for the previous two years as rates increased in the latter part of the year. The all in cost for the Region for 10 year debentures issued in the fall of 2013 was 3.34%. Rates have come down since last December with current estimates provided by the fiscal agents for 10 year debentures in the range of 2.85% to 3.10%. The capital markets continue to have an appetite for longer term issues and the Region’s fiscal agents expect a high level of interest in a 30 year debenture issue from an Aaa rated municipality such as the Region of Waterloo. Current rate estimates provided by the fiscal agents for a 30 year issue
are in the range of 4.18% to 4.43%. While higher than the rates achieved in the spring of 2013, the 30 year rate remains low compared to historical rates.

**Area Municipality Participation**

The Area Treasurers were advised of the planned 10 and 30 year spring debenture issue at a recent Area Treasurers meeting and none of the area municipalities are interested in debentures at this time. The Region does expect to do a fall 2014 debenture issue and the area municipalities will, as usual, be invited to participate.

**Timing**

Staff is currently in consultations with fiscal agents and legal advisors and the intent is to be in position to launch the spring debenture issue as early as March 5, 2014. This timing allows the Region to take advantage of current low rates and opportune market conditions as they arise. Once the issue is launched, a report to Council along with the required debenture by-laws will follow. Net proceeds from the debenture issue would be received few days following Council approval of the debenture by-laws.

**Corporate Strategic Plan:**

One of the objectives of the Corporate Strategic Plan is to ensure Regional programs and services are efficient and effective and demonstrate accountability to the public. The Region’s capital financing program, excellent credit rating and prudent use of debenture financing assist in meeting this objective.

**Financial Implications:**

Although the current low interest rate environment is expected to continue through the spring, virtually all projections suggest that long term borrowing rates will be higher by the end of the year. A spring 2014 debenture issue enables the Region to take advantage of the current low interest rates and to ensure that overall cash flow is adequate to fund the planned capital expenditures.

Debt servicing costs arising from the spring debenture issue have been planned for and will be paid from the Property Tax Budget and the Regional Transportation Master Plan (RTMP) Reserve Fund as noted in Appendix 1.

**Other Department Consultations/Concurrence:**

Staff from Transportation and Environmental Services and Corporate Resources has been consulted in the preparation of this report.

**Attachments:**

Appendix 1 - Capital Projects, Debenture Amounts and Terms for the Spring Issue

**Prepared By:** Angela Hinchberger, Director of Treasury Services and Tax Policy

**Approved By:** Craig Dyer, Chief Financial Officer
### Appendix 1
Capital Projects, Debenture Amounts and Terms for the Spring Issue

<table>
<thead>
<tr>
<th>Project</th>
<th>Maximum Issue Amount</th>
<th>Maximum Term</th>
<th>Funding Source for Debt Servicing Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Courthouse Renovation</td>
<td>$8.126 million</td>
<td>10 years</td>
<td>Property Tax Budget</td>
</tr>
<tr>
<td>GRT Replacement Buses</td>
<td>$2.15 Million</td>
<td>10 years</td>
<td>Property Tax Budget</td>
</tr>
<tr>
<td>EMS Downtown Station</td>
<td>$0.681 million</td>
<td>10 years</td>
<td>Property Tax Budget</td>
</tr>
<tr>
<td>Service First Call Centre</td>
<td>$0.543 million</td>
<td>10 years</td>
<td>Property Tax Budget</td>
</tr>
<tr>
<td>Rapid Transit Project</td>
<td>$50 million</td>
<td>30 Years</td>
<td>RTMP Reserve Fund</td>
</tr>
</tbody>
</table>
Region of Waterloo

Human Resources

Employee Relations

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

Date: March 4, 2014  File Code: C04-50

Subject: Additions to Human Resources Policy Manual

Recommendation:

That the Regional Municipality of Waterloo approve the policy statements for the following Human Resources policies:

- Heat Stress Prevention (HR IV-30)
- Fall Protection (HR IV-31)
- Licence Suspension/Driving Prohibition (HR I-15)

as outlined in report CA-HR-14-002, dated March 4, 2014.

Summary:

Nil

Report:

In November of 1994, Regional Council approved the Human Resources Policy Manual. As new policies are developed or existing policy statements are revised, they are presented for approval.

The attached Heat Stress Prevention policy (HR IV-30) is a new policy which outlines the responsibilities of Corporate Health and Safety, management and employees relating to the hazards of heat exposure. The heat stress prevention policy has been developed to ensure the protection of employees against the hazards of heat exposure through monitoring requirements and the use of control strategies.
The attached Fall Protection policy (HR IV-31) is a new policy which outlines the responsibilities of Corporate Health and Safety, management, and employees as they relate to working at heights. The fall protection policy has been developed to ensure the protection of employees by managing fall protection hazards and the proper protection of employees working at heights.

The attached Licence Suspension/Driving Prohibition policy (HR I-15) has been revised to reflect that regional employees must ensure they maintain a licenced status for the class of vehicle or equipment they operate. The operating details have been updated and the abstract definitions clarified for ease of complying with our duty to accommodate.

**Corporate Strategic Plan:**

Nil

**Financial Implications:**

Nil

**Other Department Consultations/Concurrence:**

Consultation regarding the development of these policies has occurred with all departments, and when applicable, the Joint Health and Safety Committees and the representatives of the various bargaining units.

**Attachments:**

Human Resources Policies:

Heat Stress Prevention (HR IV-30)

Fall Protection (HR IV-31)

Licence Suspension/Driving Prohibition (HR I-15)

**Prepared By:** Cindy Blair, Manager, Corporate Health & Safety

**Approved By:** Penny Smiley, Commissioner, Human Resources
HUMAN RESOURCES POLICIES

<table>
<thead>
<tr>
<th>Section #</th>
<th>Policy #</th>
</tr>
</thead>
<tbody>
<tr>
<td>IV</td>
<td>30</td>
</tr>
</tbody>
</table>

Approval Date: Feb 2014
Revision Date: NEW

Title: HEAT STRESS PREVENTION

Applies To: All Employees

POLICY STATEMENT:

The Region of Waterloo is committed to ensuring the protection of employees against the hazards of heat exposure. In addition to providing information and education on the hazards of heat exposure, various engineering and administrative controls will be used to minimize the risk of heat related illnesses in the workplace.

DEFINITIONS:

Heat Stress – a variety of conditions caused by the total net heat load on the body as a direct result from the exposure to external sources of heat and the internal metabolic heat production resulting from physical work. Some examples of heat stress include heat rash, heat cramps, heat exhaustion and heat stroke.

Humidex – a combination of the temperature and humidity into one number to reflect the perceived temperature.

High Heat – a Humidex reading of 35 degrees centigrade or higher.

RESPONSIBILITIES:

The Region of Waterloo is responsible for:

- Ensuring a written program is developed and maintained for the management of the hazards associated with heat exposure.

Corporate Health and Safety is responsible for:

- Setting standards, interpreting and clarifying requirements of the Occupational Health and Safety Act, its Regulations, relevant standards and best practices on work in high heat environments and how they apply to specific work operations.
- Developing, reviewing and maintaining a corporate Heat Stress Management Program.
- Sending an annual reminder to management regards to managing heat stress.

Management is responsible for:

- Ensuring compliance with this Policy and the Heat Stress Management Program as it applies to their workplace.
• Identifying jobs with a potential risk of heat exposure.
• Developing and implementing workplace specific controls for heat exposure conditions
• Monitoring environmental conditions, specifically related to temperature in their workplace
during periods of high outdoor humidity and temperature.
• Implementing workplace-specific controls in conditions of heat exposure.
• Providing worker education and training, including periodic safety talks on working in hot
weather or hot environments.

Employees are responsible for:
• Following this policy.
• Adhering to any workplace-specific procedures.
• In periods of high heat, drinking water throughout the day to stay hydrated.
• Reporting any symptoms of heat stress to their supervisor.

OPERATING DETAILS:

The Region of Waterloo will use the Humidx value to determine safe workload and minimize
the possibility of heat stress under high heat conditions.

Management will monitor the weather conditions and refer to the Heat Stress Program and the
accompanying Humidx Alert Values to determine what steps are required to manage the heat
exposure potential for employees.

Management is responsible for developing and implementing engineering controls to reduce the
heat load for workers as a first consideration. Where engineering controls are not possible,
administrative controls will be used. Administrative controls will be based on altering the work,
or increasing the amount of cooling time given during the work period.

To enhance employee's knowledge, notices will be posted advising of high heat conditions,
advising of elevated risks associated with heat related illness from heat exposure and physical
exertion.

Training

Supervisors will provide information and training to staff who may be at risk of heat exposure

Documentation

Corporate Health and Safety shall review the Heat Stress Management Program on an as-
required basis, but no more than 5 years will pass without a program review.

SEE ALSO:
• Heat Stress Management Program

FOR FURTHER INFORMATION PLEASE CONTACT:
• Manager, Corporate Health & Safety, Human Resources
POLICY STATEMENT:

The Region of Waterloo is committed to providing workers with a safe workplace. The Region manages fall protection hazards and ensures proper actions are taken to ensure employees are protected while working at heights.

DEFINITIONS:

For a full listing of definitions, please refer to the Fall Protection Program.

Fall Protection Systems are designed to protect employees from the risk of falling from heights. Recognized systems include:

1. Fall Prevention/Passive Systems: these include, but are not limited to, guardrails, barriers, or covers that are erected to prevent employees from falling to a lower level.

2. Travel Restraint: prevents an employee from reaching the fall hazard (i.e. cannot reach the edge of a building, no free fall possible).

3. Fall Arrest: equipment which will stop a fall in progress before the person reaches the ground or the next surface below. Also known as personal fall arrest systems (i.e. harnesses, lanyards, etc.).

4. Safety Nets: installed below a high workplace (i.e. below a bridge) and is intended to catch an employee in the event of a fall. These vary in types and sizes.

Permanent Anchor Point is an engineered fixed support able to withstand the maximum arrest forces and a secure point of attachment for a lifeline or lanyard.

Full Body Harness is a configuration of connected straps to distribute a fall arresting force over the thighs, shoulders, and pelvis.

Lanyard is a flexible line of webbing, rope, or cable used to secure a full body harness to a lifeline or anchor.

Lifeline is a line to which an employee’s lanyard or other part of a personal fall protection system is attached.
RESPONSIBILITIES:

The Region of Waterloo is responsible for:

- complying to the requirements of the Occupational Health and Safety Act and its regulations as well as standards relevant to fall protection are complied with in the workplace;
- ensuring that a written fall protection program is developed and maintained.

Corporate Health and Safety is responsible for:

- developing, reviewing, and maintaining a corporate fall protection program.
- setting standards, interpreting and clarifying requirements of the Occupational Health and Safety Act and associated standards related to fall protection.

Management is responsible for:

- Ensuring the identification of fall hazards and completion of risk assessments.
- Ensuring that employees working at heights have full awareness of the inherent risks.
- Providing the appropriate personal fall protection equipment (ie. Self retracting lanyards, temporary life lines, etc.).
- Ensuring that employees under their supervision are competent and trained and remain competent in the safe operation of their fall protection equipment and procedures.
- Ensuring that when required, employees wear their appropriate personal protective equipment when performing work at heights.
- Involving a qualified professional when load ratings of anchorage points must be determined or are in doubt.
- Ensuring that annual inspection of personal fall systems and anchorage points are completed by a competent person and records maintained.
- Ensuring that a fall rescue plan is developed prior to a worker potentially being exposed to a fall.
- Ensuring that contractors (directly hired by the Region) have submitted their fall protection plan along with proof of training for review by the Region of Waterloo representative hiring the contractor.

Employees are responsible for:

- Working in accordance with legislative requirements, this policy, and departmental standard operating procedures (where applicable).
- Attending required fall protection training and equipment inspection program as outlined by the Region of Waterloo.
- Wearing the personal protective equipment (PPE) as outlined by this policy.
- Reporting any hazards or deficiencies in equipment or personal fall protection to their supervisor immediately.
- Consulting the supervisor for instruction on appropriate fall protection systems and processes where required.
- Ceasing work at heights and notifying the supervisor where any deficiencies exist.
- Appropriate care and use of the fall protection/fall restraint systems issued by the Region.
OPERATING DETAILS:

Workers shall be protected by an appropriate guardrail (See Fall Protection Program for detailed outline of guardrail systems) if the work area is 3 meters (approximately 10 feet) or higher and where the distance to the perimeter of the building or structure is 2 meters (approximately 6 feet) or less.

When a guardrail is not practical or is not present, a fall protection system must be used when work is being completed at a place from which a fall of 3 meters (approximately 10 feet) or more, distance to the perimeter of the building or structure is 2 meters (approximately 6 feet) or less, and where a fall from a lesser height involves an unusual risk of injury.

When operating elevated work platforms, aerial devices, and or work is being completed in an elevated bucket, appropriate personal fall protection equipment must be worn.

A fall protection plan including a rescue plan shall be used to control the fall hazard in compliance with the Region of Waterloo Fall Protection Program.

Fall protection equipment must be inspected prior to each use and annually by a qualified third party provider.

Basic care of fall protection equipment is required. Proper storage and cleaning after use are important and shall be completed and the manufacturer’s instructions shall be followed for each piece of fall protection equipment.

Training

Supervisors and employees who may be exposed to fall hazards shall attend corporate fall protection training. In order to maintain competency triannual retraining is recommended.

Documentation

Written records of training attendance, materials, and who provided the training shall be forwarded to Corporate Health and Safety.

Corporate Health and Safety shall review this policy and associated documentation on an needed basis but no less than five years will pass without a program review.

Business services-Facilities Management shall receive an annual copy of fixed anchor inspections and certifications.

SEE ALSO:

- Fall Protection Program
- Fall Protection Work Plan
- Fall Protection Rescue Plan
FOR FURTHER INFORMATION PLEASE CONTACT:

- Manager, Corporate Health & Safety, Human Resources
POLICY STATEMENT:

The Region of Waterloo is committed to compliance with driver and vehicle operation regulations. Regional employees must ensure they maintain the required licence for the class of vehicle or equipment they operate, including operating their personal vehicle on Regional business. Employees are treated in a fair and consistent manner if their licence has been surrendered to police, have a loss of driving privileges, and/or have an administrative or roadside suspension.

OPERATING DETAILS:

It is the responsibility of the employee to maintain a valid driver licence in the class required for their employment. This includes the requirement to ensure that they follow the renewal process for their class of licence prior to the expiry date of their licence.

Failure to be properly licenced to operate a regional vehicle, regional equipment, or operate their own vehicle for Regional business could result in disciplinary action up to and including dismissal.

The Region will not install an ignition interlock device on any regional vehicle or equipment.

Reporting of Licence Suspension and/or Driving Prohibition

An employee who:

- a) has had their driver’s licence suspended, or
- b) is prohibited from driving, or
- c) their licence status is unlicensed, or
- d) is not the holder of a valid, legal driver’s licence, or
- e) is not carrying on their person their valid driver’s licence

shall not operate any Regional motor vehicle or operate his/her own vehicle on Regional business.

An employee required to drive his/her own vehicle on Regional business and/or operate Regional vehicles or equipment, is required to immediately inform his/her supervisor of the loss of driving privileges and/or driving prohibition.
The Supervisor is to contact Corporate Health & Safety regarding the loss of driving privileges of the employee.

The Supervisor will ensure the employee does not drive his/her own vehicle on Regional business and/or operate Regional vehicles or equipment until Corporate Health & Safety has confirmed the employees driving privileges have been reinstated.

An employee whose licence or driving privileges have been suspended will be reviewed by the Employee’s Supervisor and Labour Relations.

Driver’s Abstract:

Corporate liability is increased when an improperly licenced or unlicenced driver operates Regionally owned vehicles and/or Regional equipment.

The Highway Traffic Act dictates that an owner of motor vehicles, in this case The Region, must ensure that anyone who drives their motor vehicles is properly licenced.

To confirm that Regional operators hold a valid driver’s licence, Human Resources will request a Driver’s Licence Abstract from the Ministry of Transportation Ontario (MTO) upon hire and then at least once per calendar year for every employee that operates Regional vehicles and/or equipment.

If the abstract indicates:

- A current suspension, driving prohibition or an unlicenced status, the employee will be prohibited from operating Regional vehicles or equipment, or operating their personal vehicle on Regional business.
- A past suspension, driving prohibition and/or a reduction in a required licence classification.
- A downgrade from the licence classification required for their position.

the events will be reviewed by the Employee’s Supervisor and Employee Relations.

Note:

The Region will consider the following in its efforts to accommodate an employee whose licence or driving privileges have been suspended:

- The Ontario Human Rights Code, where loss of Licence is due to medical reasons.
- The Region will not create work in order to keep an employee working.

SEE ALSO:

- Driver Licensing Criteria for Job Candidates (IV-17)
- Mileage Allowance (III-10)
• Accommodation of Special Needs (III-17)
• Applicable Collective Agreement
• Release, Waiver and Indemnity Form (HR25)
• Licence/Abstract Verification Check

FOR FURTHER INFORMATION PLEASE CONTACT:

• Manager, Corporate Health & Safety
  Human Resources
To: Chair Tom Galloway and Members of the Administration and Finance Committee

Date: March 4, 2014  File Code: T16-01

Subject: Rapid Transit Project – Contribution Agreement with Her Majesty the Queen in Right of Canada by its Minister of Transport, Infrastructure and Communities

Recommendation:

That the Regional Municipality of Waterloo enter into a contribution agreement with Her Majesty the Queen in Right of Canada to provide for funding through the Building Canada Fund for the Waterloo Region rapid transit project as a next step to the federal approval in principle letter of April 17, 2012 from the Minister of Transport, Infrastructure and Communities and subject to the form and content of the agreement being satisfactory to the Chief Financial Officer and the Regional Solicitor, all as described in Report F-14-026/CR-RS-14-019 dated March 4, 2014.

Summary: Nil

Report:

In March 2012 and April 2012, the Region received approval-in-principle letters from the provincial and federal governments respectively confirming the financial support of those governments for the Region’s rapid transit project.

In March 2014, Council will consider to approve the Preferred Proponent selected to design, build, finance, operate and maintain the Light Rail Transit (LRT) Stage 1 project.
Region staff have recently concluded negotiations with Ministry of Transportation (Ontario) staff for the Provincial Transfer Payment Agreement (“the Provincial Agreement”) and signing of the agreement is expected shortly. This signed transfer payment agreement represents the final step in the provincial approval of the Region’s RT project. The execution of the Provincial Agreement was previously approved in Report F-13-046/CR-RS-13-045 dated May 8, 2013.

Region staff have engaged in discussions with staff from the federal Infrastructure Canada and Transport Canada departments regarding the Contribution Agreement (the “Agreement”) to be executed with the federal government for the provision of federal funding.

Region staff have reviewed the template Agreement and determined that while many of the provisions of the Agreement are onerous, they are standard terms and not open to negotiation by the federal government. This is similar to the agreements entered into for other federal funding regimes including Millennium projects and federal gas tax funding. Similar to those other funding arrangements, the CA will accomplish the purpose of transferring the funding from the Government of Canada to the Region subject to the Region providing evidence of eligible expenses being incurred.

In particular, Regional staff notes the following provisions of the Agreement (Canada), which are similar to the Transfer Payment Agreement with the Province:

- The Region is required to ensure that the Project is implemented in accordance with the Budget, Cost-sharing, Milestones and other obligations described in the agreement, a competitive procurement process is used and certain record-keeping requirements are met.
- Any payments due by the Government of Canada are conditional on the appropriation of funds by the Parliament of Canada in each budget year.
- The federal government may make a declaration of default if there is a failure of the Region to comply with any conditions, undertakings or material term of the CA and may suspend or terminate any obligations to contribute to the eligible costs, including any costs incurred before the default and may require the Region to reimburse the Government of Canada for all or part of any contribution already paid.
- There are insurance and bonding requirements imposed on the Region

Now that the provincial agreement negotiations are complete, it is expected that the federal negotiations will proceed in a cooperative manner and Regional staff will work towards executing the Agreement as soon as possible. The federal CA requires the approval of the Treasury Board of Canada and this application can now be completed based on the pending approval of the Preferred Proponent by the Region. Staff recommends that Council authorize the execution of the contribution agreement upon completion of the negotiations and with the final form and content of the Agreement subject to the approval of the Chief Financial Officer and the Regional Solicitor.
Corporate Strategic Plan:

This report supports Focus Area 3.1 of Council’s Strategic Focus: Implement a light rail transit system in the central transit corridor, fully integrated with an expanded conventional transit system.

Financial Implications:

In June 2011, Council approved the implementation of the RT project, including LRT and aBRT, with capital funding to be provided from the province ($300 million), the federal government (one third of eligible project costs to a maximum of $265 million) and the Region ($253 million). The execution of this Agreement confirms the terms and conditions for the federal share.

Other Department Consultations/Concurrence:

The Rapid Transit division of Transportation and Environmental Services was consulted in the negotiation of the Agreement.

Attachments: Nil

Prepared By: Calvin Barrett, Director of Financial Services and Development Financing
           Liviu Cananau, Solicitor (Rapid Transit)

Approved By: Craig Dyer, Chief Financial Officer
              Jeff Schelling, Acting Regional Solicitor
### 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>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>1-Apr-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>P.H.&amp;C.S.</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/C.A.O.’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>C.A.O.’s Office</td>
<td>May-2014</td>
</tr>
<tr>
<td>15-Jan-14</td>
<td>R. Deutschmann</td>
<td>That staff report back to Council with the scope of work for an R.F.P. for a service review and the subsequent timing will be outlined in that report.</td>
<td>C.A.O.’s Office</td>
<td>30-Jun-2014</td>
</tr>
</tbody>
</table>