

**Regional Municipality of Waterloo
Administration and Finance Committee
Addendum Agenda**



Date: Tuesday, November 8, 2022
Regular Session: 1:30 p.m.
Location: 150 Frederick Street, Kitchener, Ontario

Should you require an alternative format please contact the Regional Clerk at Tel.: 519-575-4400, TTY: 519-575-4605, or regionalclerk@regionofwaterloo.ca

Pages

1. **Call to Order**
2. **Land Acknowledgement**
3. **Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”**
4. **Presentations**
5. **Delegations**
6. **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.
7. **Request to Remove Items from Consent Agenda**
8. **Motion to Approve Items or Receive for Information**
Recommended Motion:
That the Consent Agenda items be received for information and approved.
 - 8.1. **Strategic Focus – Responsive and Engaging Public Service**
 - 8.1.1. COR-TRY-22-090, Quarterly Summary of Tenders, Quotations, RFPs and Consultant Selections For Information. 3
9. **Regular Agenda Items**
 - 9.1. **Strategic Focus - Thriving Economy**
 - 9.1.1. COR-CFN-22-027, Q3 Plan and Financial Update For Information. 7
 - *9.2. **Strategic Focus - Responsive and Engaging Public Service**
 - *9.2.1. HRC-TOR-22-003, Councillor Post Service Benefits 19

Recommended Motion:

As outlined in report HRC-TOR-22-003, dated November 8, 2022 Council may direct staff to undertake one of the following approaches:

Option 1 – Design a Post Service Benefits Plan for Council

- Design and implement a post-service benefits plan in working with the Region’s insured benefit carrier.
- Region of Waterloo to extend current benefits to past service councillors pending the set up of a new plan.

Option 2 – Continuation of Status Quo

- Past service councillors have the option to convert current benefits to a personal plan at their cost.
- Past service councillors have 30 days from their last day to decide to convert (i.e. mid December).

10. Information/Correspondence

10.1. Council/Committee Tracking List

30

11. Other Business

12. Next Meeting- December 6, 2022

13. Adjourn

Recommended Motion:

That the meeting adjourn at x:xx p.m.

Region of Waterloo

Corporate Services

Treasury Services (Procurement)

To: Administration and Finance Committee

Meeting Date: **November 8, 2022**

Report Title: Quarterly Summary of Tenders, Quotations and Proposals Approved by the Chief Administrative Officer

1. Recommendation:

For Information.

2. Purpose / Issue:

To provide Council with the details of the tenders, quotations and proposals awarded by the Chief Administrative Officer (CAO) under authority of the Purchasing By-law from July 1, 2022 to September 30, 2022.

3. Strategic Plan:

Award of these contracts meets the 2019-2023 Corporate Strategic Plan objective to ensure regional programs and services are efficient, effective and provide value for money under Strategic Focus Area 5, Responsive and Engaging Government Services.

4. Report Highlights:

The criteria for CAO approval during this reporting period are set out below:

- Administrative awards of tenders and quotations between \$1,000,000 and \$10,000,000 can occur if the following criteria are met: award to the lowest compliant bidder, the bid amount is within budget and Council approval is not required as a condition of receipt of funding from third party or senior government funding providers.
- For proposals between \$1,000,000 and \$10,000,000 can occur if the following criteria are met: proposal is compliant, that it best meets the criteria as established, and that award is made to the highest scoring bidder

- The Chief Administrative Officer By-law #20-027 (as amended and effective July 1, 2022) allows for the CAO to award tenders and RFPs when Council is not in session, providing that the terms of the Purchasing By-law have been followed.

5. Background:

The Region's Purchasing By-law (as amended and effective July 1, 2022) authorizes the Region's CAO to award certain tenders quotations and proposals based on specified criteria.

Administrative awards allow for an efficient and timely procurement process. A summary report is submitted on a quarterly basis to the Administration and Finance Committee outlining all tenders, quotations and proposals approved by the Chief Administrative Officer.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Nil

7. Financial Implications:

All awards are consistent with the procurement by-law, including sufficient funding in the approved operating and/or capital budgets, as applicable.

8. Conclusion / Next Steps:

Nil

9. Attachments:

[Appendix 1](#): CAO Tender and Quotation and Awards

[Appendix 2](#): CAO Request for Proposal Awards

Prepared By: Tina Reay, Supervisor, Procurement

Reviewed By: Cathy Deschamps, Director, Treasury Services/Deputy Treasurer

Approved By: Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer

Appendix 1: CAO Tender and Quotation Awards

Tender/Quotation Number & Name	Number of Bidders	Successful Bidder: Company Name and price (excludes HST)	Bid price range (excl. HST)	Notes
T2022-156 Well W6B and W6C Upgrades	5	Finnbilt General Contracting Limited - \$1,931,720.00	\$1,931,720.00 - \$2,312,515.00	
T2022-164 - William Street Pumping Station Well Field Improvements Waterloo, Ontario	2	Well Initiatives Limited - \$1,211,007.50	\$1,211,007.50 - \$1,335,560.00	Only two bids were received as there are a limited number of well drilling companies and a number of the companies had stated that they were too busy to submit bids at that time.
T2022-153 Waterloo WWTP – Primary Digester Upgrades Waterloo Wastewater Treatment Plant Waterloo, Ontario	3	BGL Contractors Corp. - \$2,806,017.44	\$2,806,017.44 - \$3,735,464.80	
T2022-168 - 2022 Miscellaneous Road Works and GRT Transit Pads	3	Steed and Evans Limited - \$2,739,000.00	\$2,739,000.00 - \$3,980,000.00	

Appendix 2: CAO Request for Proposal Awards

Proposal Number & Name	Number of Bidders	Successful Bidder: Company Name and price (excludes HST)	Notes
C2022-14 (Stage 2) Water Supply Strategy Update	3	C3 Water Inc. \$1,069,300.00	3 Proposals received and shortlisted

Region of Waterloo

Corporate Services

Corporate Finance

To: Administration and Finance Committee

Meeting Date: November 8, 2022

Report Title: 2022 Q3 Plan and Financial Update

1. Recommendation

For Information.

2. Purpose / Issue:

This report provides an update on the Region's progress towards achieving the 2022 Strategic Plan objectives and how the financial plan and strategic investments are tracking in the third quarter relative to this performance. This report also provides updates on:

- 2022 year-end financial projections
- Federal and provincial funding allocations
- Spending estimates with respect to significant capital projects

3. Strategic Plan:

The strategic plan quarterly reporting process provides Council with an update on the key accomplishments and challenges throughout the third quarter and progress towards Corporate Strategic Plan objectives. Over the past nine months, the organization has made progress on each of the following goals and focus areas of the Strategic Plan 2019-2023, by allocating appropriate resources to each focus area, and adjusting where required to new opportunities and community needs.

4. Report Highlights:

- The Region of Waterloo is guided by the ROW Corporate Strategic Plan 2019-2023. Each quarter, staff monitor, track and report on the key service delivery and strategic initiatives as prioritized in the Annual Business Plan and Budget for 2022. This reporting mechanism helps to focus on the key deliverables, while calibrating plans to respond to the challenges and emerging community needs. This process also supports the organization to take informative decisions as it turns its attention to planning for the 2023 strategic plan.

Some key highlights of the progress and challenges include the following:

- Accelerating affordable housing and addressing emerging needs of those experiencing homelessness
 - Growing the economy
 - Increasing climate action awareness
 - Improving community safety and wellbeing
 - Expanding active transportation network
 - Working collaboratively with community partners
 - Responding to Talent Attraction and Retention challenge
- Of the key initiatives highlighted in this quarter, the majority are on track or facing manageable deviation from plan. There is a continued focus on building longer-term foundations for complex transformation (such a Truth and Reconciliation, Equity and Digital Transformation) across all departments and divisions, while continuing to manage emerging needs due to global changes.
 - Even with significant achievement, there are still challenges that the Region, its residents and businesses continue to face. These challenges include talent attraction, fiscal pressures due to global economic trends, community growth and the continued impact of the COVID-19 pandemic and health system pressures.
 - Certain factors affecting the Region's financial position have changed since the mid-year update report, including assumptions for year-end non-tax revenues, expectations for increased supplementary tax revenues and payments in lieu (PILs) and increases in contract expenditures as a result of inflationary pressures, which overall has resulted in a slightly improved 2022 financial outlook for the Region.
 - Based on financial results to the end of September, the Region is projecting a small surplus of approximately \$1.6 million, or less than 0.5% of the property tax levy for regional services.
 - Preliminary estimates for user rates indicate projected surpluses for both water (\$3.3 million) and wastewater (\$0.8 million), primarily driven by increased flows and related revenue.

5. Background:

Updates to the 2022 Business Plan and the financial results that support this plan are presented in the following sections.

2022 Business Plan Update

a) Overall Strategic Plan Implementation Performance Update:

Overall, the organization has performed well in the third quarter of 2022 and is on track to achieve most strategic actions and initiatives in each of the strategic priority areas.

b) Thriving Economy Highlights:

- **Delivery of a Regional Official Plan growth amendment** - Regional staff have completed the growth amendment of its Official Plan that supports the goal of an equitable, sustainable and thriving community. On August 18, 2022 Regional Council adopted the growth component of the Plan which includes the addition of 121,000 housing units that support a range-and-mix of housing, development of 15-minute neighbourhoods in all cities and townships, protection of the Region's natural and agricultural resources, and ensures supply and distribution of employment lands for job growth and economic development.
- **Building Better Futures: 2,500 homes in 5 years** - The Building Better Futures initiative, a cross-departmental collaborative initiative with staff from both Economic Development and Housing Services is on track to meeting its goal for the development of new homes. The initiative is a commitment to building 2,500 new affordable homes over five years, or 500 per year. To date, 990 new affordable housing units are in progress or occupied.

c) Environment and Climate Action:

- **Climate Change & Health Vulnerability Assessment** - Following the Climate Change and Health Vulnerability Assessment report, which was published in April 2022, the Region has published additional knowledge products including a highlight report and four infographics. These informative products provide a valuable tool to Waterloo Region to inform evidence-based actions. Some of the focus areas within the assessment report include extreme temperatures and weather, air quality, ultraviolet radiation, food and water-borne illnesses, vector-borne and zoonotic diseases, and mental health. This report guides the prioritization of planning interventions to reduce the negative outcomes of climate change, particularly in more vulnerable populations such as seniors and children. All products were shared on the ROWPHE webpage, as well as with various area municipalities and the project's Expert Task Force of partners.
- **Water and Wastewater Annual Report** - The Region completed the 2022 Water and Wastewater Monitoring Report which assesses the Region's ability to accommodate water supply and wastewater treatment facilities demands as of December 31, 2021 and out as far as 2036. This annual report documents actual water consumption and wastewater flows, provides a basis for preparing the capital budget and user rates, measures the amount of treated water and how much is sent into the water distribution systems, assesses future growth demands, and becomes a valuable resource for staff when reviewing development applications. The report confirms that water supply and wastewater treatment capacity has been able to meet community demand.

d) Sustainable Transportation:

- **Active Transportation Network** - Continued to add active transportation (AT) infrastructure such as multi-use trails, sidewalks, cycle tracks and bike lanes to the Regional network through new and ongoing construction projects and in collaboration with area municipalities. The team is engaged in pro-active planning and implementation of active transportation connections to future ION and GO stations including the King/Victoria Transit Hub. The Transportation Planning group have begun to advance the development of a new Integrated Mobility Plan (IMP), which will replace the 2018 Transportation Master Plan. This new IMP when complete will feature a transportation network that makes all forms of AT a more convenient and natural choice for more community members.
- **Opening a new multi-use Market Trail** - A new 1.5-kilometre community trail walk/run/cycle officially opened in August 2022. The trail connects the City of Waterloo and Township of Woolwich through, connecting ION light rail directly to St. Jacobs Farmers' Market and key employment areas. This first stage of Market Trail is a unique "Rail with Trail" project that gives residents and visitors more ways to travel across the Region. Market Trail is a world-class initiative that supports the Region's Strategic Plan priorities of growing a thriving economy, offering more environmentally sustainable travel choices for residents while reducing greenhouse gas emissions, and improving connections between our urban and rural community spaces.
- **Enhancing Road Safety: Automated Speed Enforcement (ASE)** - Staff continue to implement the ASE initiative. As of October 2022, site infrastructure has been added to two additional locations on Elgin Street in Cambridge and Laurelwood in Waterloo. This will bring the number of locations in the Region up to sixteen. Data collection and analysis is underway to assess the outcome in the identified school zones. Further expansion of the ASE program in the Region will require additional staff resources and budget allocation.

e) Healthy, Safe and Inclusive Communities:

- **Strategic Investment in Affordable Housing** - oneROOF's new supportive housing build, is the first youth supportive housing site in our community. It will significantly decrease the number of youth who are experiencing chronic homelessness and will open a new pathway for youth in their recovery from an experience of homelessness. Extensive work has taken place to collaborate with community partners to identify and connect with all youth who might benefit from living at this site. There are 44 units in the building. Move-ins are ongoing while some final construction is completed.
- **Upstream funds** - Community engagement events were hosted through the

summer and early fall. Over 100 applications were received with over \$12 million in requests for 2022. The community nominated decision-making committee has been selected and is currently reviewing the diverse proposals.

- **Reconciliation, Equity, Diversity and Inclusion** - Truth and Reconciliation Director, Paula Whitlow is onboard and REDI Advisor is hired and was welcomed to the organization in a community ceremony in August. Reconciliation Action Partnership group, an area municipality partnership, is working on developing a communication plan to share upcoming priorities that will make meaningful progress towards shared goals.
- **Evaluating public health work through a trauma and violence informed care lens** - The Public Health Peer Program uses a peer-to-peer approach to reduce health inequities among priority populations. With support from the Region's Equity and Indigenous Reconciliation Strategic Investment fund, the program hired Faith Juma M.Ed and Chantal Niyochuti B.S.W. with the African Community Wellness Initiative to lead an external review of the program's offerings. Juma developed a culturally anchored engagement tool that invited participants to share their personal experiences in an environment of cultural sensitivity, decolonial values, and trauma and violence informed care. This approach fostered trust and valued the unique knowledge and experience of the participants, providing a safe environment for participants to give their unguarded feedback.

Discussions about the Peer Program occurred with the Coalition of Muslim Women, African Family Revival Organization, SPECTRUM, Healing of the Seven Generations and five individual community members from diverse backgrounds. A second phase of engagement is currently underway, integrating an accessibility perspective as well as further discussion with the Indigenous community. The Peer Program is currently working on expanding to new sites while incorporating the consultation's recommendations, language and perspective shifts.

f) Responsive and Engaging Public Service:

- **Dibaajimowin | Stories from this Land** - The Ken Seiling Waterloo Region Museum has recently opened an all-new exhibition, Dibaajimowin | Stories from this Land, which highlights the Indigenous contributions to the history of this land and invites visitors to recognize how the way they look at things has been shaped. Staff worked with Anishinaabe curator Emma Rain Smith to deliver an experience that provides a point of connection to the land, to the stories and to each other. Smith's vision creates a beautiful opportunity to explore the power of culture and understand a deep connection to the land, as told through local Indigenous voices.

- **Active participation with Community Partners** - The Region of Waterloo Libraries are now active Participants on the Region of Waterloo Belong's Steering Group and working with community partners to develop a Belonging Package for newcomers to the community. These interactions are also helping to develop the Diversity Advisory Group.
- **Multi-partner, integrated programs for alternative destination critical pathways** - Paramedic Services continues to deliver training to staff on new models of care including the palliative care program. Staff hiring continues, as well as meetings with system partners to develop alternate models of care and destinations.
- **Developing a world-class model for Sunnyside Seniors' Services** - In July 2022, Sunnyside Home was accredited as a Level 1, "Outstanding" care home in the Butterfly Approach to Care. This result makes Sunnyside Home one of the highest rated homes in Canada. Efforts are underway to maintain this rating. Going forward, Sunnyside Home will be audited by Meaningful Care Matters on an annual basis and will be assigned an accreditation level each year.

Financial Update

This section provides an overview of financial performance in support of the 2022 Business Plan.

a) **The Region is projecting a small year-end surplus for the tax supported operating budget as well as for user rate budgets**

Through the 2022 Mid-Year Update report (CAO-SPL-22-05/COR-CFN-22-23 dated August 9, 2022), the Region projected a net year-end position in line with the approved 2022 Tax Supported Operating Budget. Since this time, several factors affecting the Region's financial position have changed which has resulted in a slightly improved financial outlook for 2022. Improvements from the second quarter include increased non-tax revenue projections for transit services and waste management, as well as expectations for increased supplementary tax revenues and payments in lieu (PILs) of taxes. These improvements are partially offset by lower estimates for airport revenues and increased contract expenditures relating to transportation services and waste management due to inflationary pressures.

Based on year-to-date financial results, the Region is projecting a small surplus of approximately \$1.6 million, or less than 0.5% of the property tax levy for regional services (excluding Waterloo Regional Police Services). Preliminary estimates for user rates indicate projected surpluses for water (\$3.3 million) and wastewater (\$0.8 million). A summary of year-end estimates by program area is included in [Appendix A](#).

b) Overview of significant projected variances

Estimated year-end operating financial results are highlighted as follows:

- Transit fare revenue projections have increased since the second quarter due to higher than budgeted ridership as Transit users return to pre-pandemic behaviours faster than anticipated. Revenues are expected to exceed budgeted levels by approximately \$5.6 million with ridership estimated at 97% of pre-pandemic levels for 2022.
- The year-end projection for Waste Management revenues has also increased since the second quarter, driven by significant recycling revenue due to strong market pricing. A year-end surplus of \$4.1 million is projected for Waste Management revenues, however prices in September were trending downward compared to those earlier in the year.
- Based on year-to-date results and current trends, non-tax revenue shortfalls are anticipated for Airport user fees (passenger volumes estimated at 400,000 for 2022 vs the 782,000 budget estimate) and POA fine revenue, as previously reported. A component of these shortfalls is related to COVID-19 impacts, and unallocated Safe Restart Funding and Provincial COVID-19 Recovery Funding can be used to partially mitigate these shortfalls.
- Supplementary taxes are expected to be above budget by \$3.7 million in 2022 due to MPAC being able to process new properties and improvements quicker through system efficiencies. Payments in Lieu of Taxes (PILs) are expected to be \$535,000 higher than budget; assessment based PILs are \$525,000 higher partly due to increased enrolment in universities and colleges. Property tax write-offs are anticipated to be over budget by \$2.2 million in anticipation of certain large Assessment Review Board (ARB) settlements.
- Fuel prices remain at levels much higher estimated through the 2022 budget (\$1.06/L for diesel and \$1.08/L for gasoline). Current prices are approximately \$2.04/L for diesel and \$1.41/L for gasoline, with year to date average prices of \$1.64/L for diesel and \$1.50/L for gasoline. Year-to-date fuel costs as compared to budget are outlined in [Appendix C](#).
- Contract expenditures are anticipated to be higher than budgeted in Transportation for winter and municipal maintenance (\$1.5 million), as well as for waste management due to increased fuel prices and inflationary impacts (\$2.6 million).
- The 2022 year-to-date Ontario Works monthly average caseload is 8,115, which has increased from the 2021 average of 7,693, but remains lower than the budgeted caseload size of 9,000 cases per month. This has resulted in reduced benefit expenditure and corresponding offsetting revenues (approximately \$9.6 million) as such benefits are funded 100% by the Province.
- Preliminary estimates for user rates indicate projected surpluses for both water (\$3.3 million) and wastewater (\$0.8 million), primarily driven by increased flows

and associated revenue.

c) Allocation of Unbudgeted Funding to Mitigate Operating Variances

As outlined in the 2022 Mid-Year Update report, the Region has identified uncommitted provincial funding that can be utilized to offset some of the above-noted variances. Uncommitted provincial gas tax funds from previous years in the amount of \$3.7 million are available to partially offset the GRT fuel related variance. In addition, Safe Restart Funding and Provincial COVID-19 Recovery Funding can be used to mitigate some of the ongoing COVID-19 impacts including non-tax revenue shortfalls and unbudgeted expenditures.

d) Federal and Provincial Operating Funding

There have been several funding announcements since approval of the Region's 2022 budget in December that provide additional support for the Region to assist with the ongoing financial impacts relating to COVID-19. Since the 2022 Mid-Year Update report (CAO-SPL-22-05/COR-CFN-22-23, dated August 9), additional funding has been announced for Housing, Long Term Care, Community Support Services, Children's Services, Public Health and Paramedic Services:

- **Housing** - \$3,282,000 to promote enhanced safety in emergency shelters and other congregate care settings. Deadline for spending December 31, 2022. This funding is not incremental as it was assumed in the 2022 Approved Housing Services operating budget.
- **Long Term Care:**
 - \$457,000 for June through September 2022 COVID-19 containment funding
 - \$108,000 for 2022/23 fiscal year for minor capital
- **Long Term Care & Community Support Services:**
 - Approximately \$460,000 of wage enhancement expenditures have been incurred June through September 2022
 - \$221,000 temporary retention incentive for nurses for September
- **Children's Services** - \$132,000 for Emergency Childcare Services
- **Public Health:**
 - \$398,000 for March temporary retention incentive for nurses
 - \$351,000 temporary retention incentive for nurses for September
- **Paramedic Services** - \$463,000 of COVID expenditures estimated for July through September, Ministry claim to be submitted and funding expected thereafter.

e) The Region's capital program is proceeding

[Appendix B](#) provides a summary of budget versus actual capital project spending by department, and captures all projects with amended 2022 budgets of \$1 million or more. Using this approach, approximately 84% of the capital budget is being captured in this

summary. The capital program is progressing, and based on current spending estimates approximately 65% of the 2022 capital budget is anticipated to be spent.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Nil.

7. Financial Implications:

As noted throughout the report. Year-end surpluses/shortfalls will be allocated to or be funded from reserves in accordance with Council policy, unless otherwise directed by Council.

8. Conclusion / Next Steps:

Staff will report on final 2022 year-end results in early 2023. Throughout the development of the preliminary 2023 operating budget, staff have analyzed projected year-end variances to determine the extent to which revenue and expenditure adjustments could be incorporated into the 2023 operating budget.

9. Attachments:

[Appendix A](#): Summary of Operating Budget Year End Estimates by Department

[Appendix B](#): Summary of Capital Program Year End Estimates

[Appendix C](#): Fuel Prices

Prepared By: Nivine Henin, Lead Advisor, Corporate Strategy, Business Planning & Reporting

Christopher Wilson, Manager, Corporate Budgets

Reviewed By: Jenny Smith, Director, Corporate Strategy & Performance

Cheryl Braan, Director, Corporate Finance

Approved By: Connie MacDonald, Chief Communications & Strategy Officer

Craig Dyer, Commissioner, Corporate Services/Chief Financial Officer

Appendix A

Summary of 2022 Operating Budget Year-End Estimates by Department

Tax Supported Operating Budget (\$ thousands)

Department / Program	Expenditure	Revenue	Net
Elected Office	(\$44)	\$-	(\$44)
Chief Administrator's Office	(420)	(5)	(425)
Corporate Services	(267)	(663)	(930)
Human Resources and Citizen Service	(729)	708	(20)
Planning, Development and Legislative Services	1,313	(4,498)	(3,185)
Engineering and Environmental Services	(3,479)	4,070	591
Transportation Services	(6,851)	7,650	799
Community Services	9,206	(7,454)	1,752
Public Health and Emergency Services	4,837	(4,898)	(61)
Subtotal above	3,567	(5,091)	(1,524)
Waterloo Region Crime Prevention Council	(288)	-	(288)
Immigration Partnership Council	(4)	4	-
Associated Agencies	5	-	5
Corporate Financial	(6)	1,365	1,359
RDC Exemption Financing	-	-	-
Tax Write-offs and Rebates	(2,200)	-	(2,200)
Supplementary Taxes and PILs	-	4,235	4,235
Direct Regional Services	\$1,074	\$513	\$1,587

User Rates Operating Budget (\$ thousands)

Division	Expenditure	Revenue	Net
Water Supply	(\$36)	\$3,334	\$3,298
Wastewater Treatment	280	495	775
Water Distribution	(112)	51	(61)
Wastewater Collection	(72)	41	(31)
Total User Rates Budgets	\$61	\$3,921	\$3,981

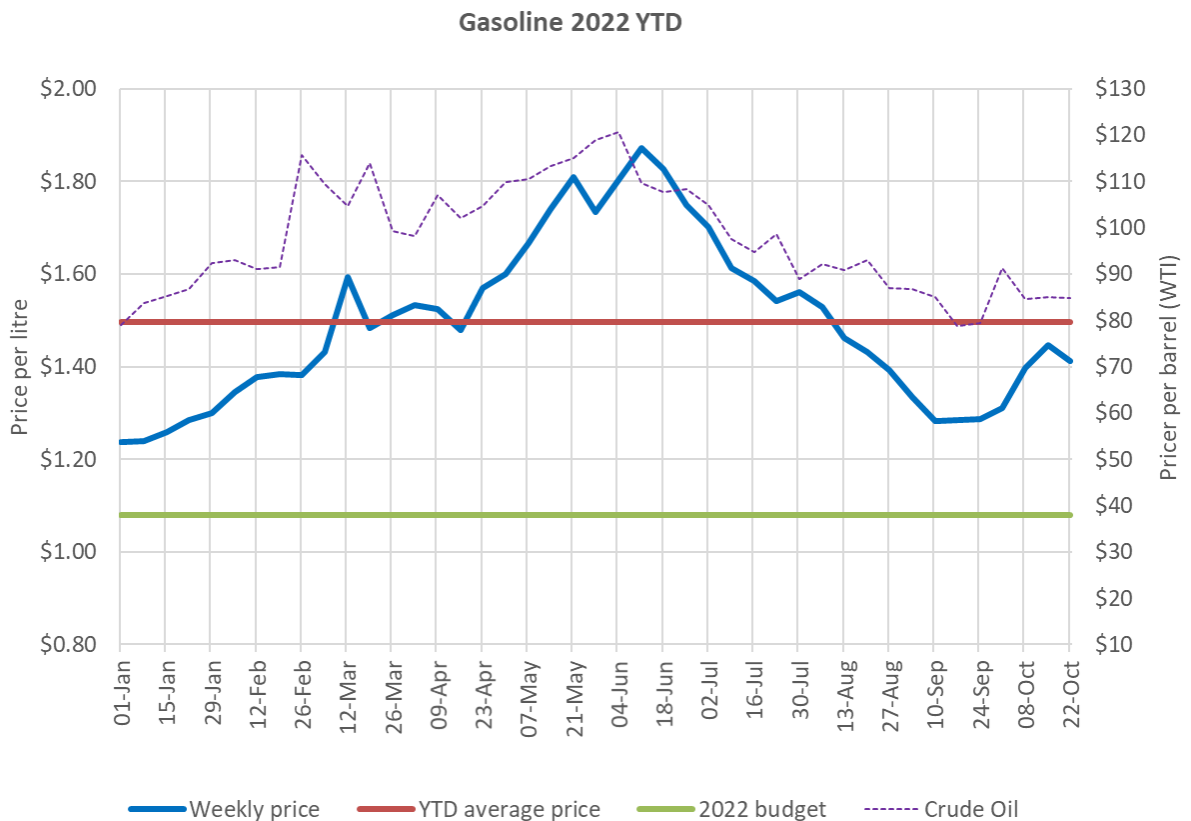
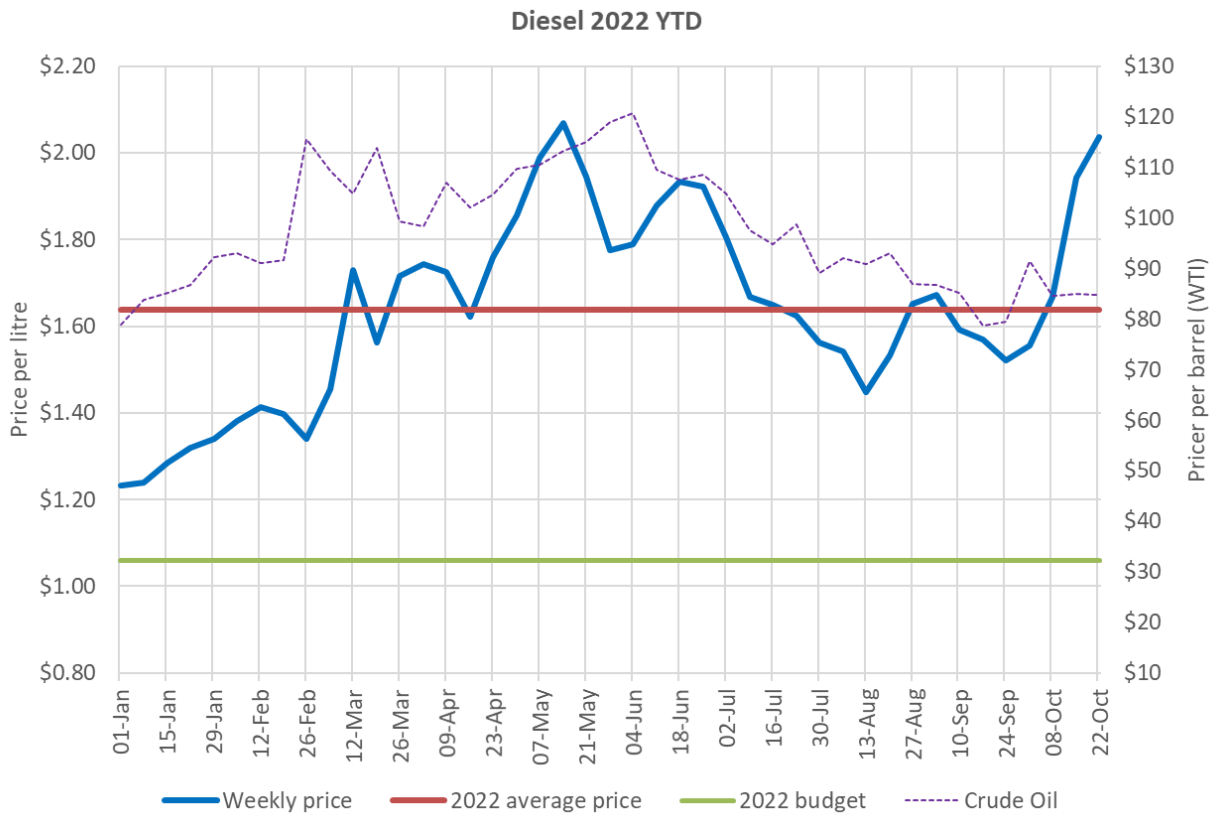
Note: Positive variances indicate a surplus; negative variances indicate a shortfall.

Appendix B

Summary of Capital Program Year-End Spending Estimates (\$ thousands)

Department / Division	Amended 2022 Budget	YTD Spent & Committed (September 30)	Estimated Spend to Yearend	Projected Yearend Variance
Corporate Services				
Facilities Management	\$44,644	\$7,819	\$8,188	\$36,456
Fleet Management	1,068	986	1,068	-
Planning, Development and Legislative Services				
Airport	41,049	26,187	26,624	14,425
Engineering and Environmental Services				
Waste Management	15,566	14,191	14,347	1,219
Water Services	67,244	55,818	55,818	11,426
Wastewater Treatment	56,932	44,900	44,900	12,032
Transportation Services				
Transportation	127,793	71,321	77,504	50,289
Public Transit	111,493	54,002	85,882	25,611
Community Services				
Housing Services	70,415	32,788	33,883	36,531
Seniors' Services	5,234	2,428	3,808	1,426
Public Health and Emergency Services				
Paramedic Services	2,525	763	763	1,763
Corporate Financial	1,000	-	1,000	-
Total	\$544,962	\$311,203	\$353,786	\$191,177

Appendix C – Fuel Prices



Region of Waterloo

Human Resources and Citizen Services

Total Rewards

To: Regional Council

Meeting Date: November 8, 2022

Report Title: Councillor Post Service Benefits

1. Recommendation

As outlined in report HRC-TOR-22-003, dated November 8, 2022 Council may direct staff to undertake one of the following approaches:

Option 1 – Design a Post Service Benefits Plan for Council

- Design and implement a post-service benefits plan in working with the Region’s insured benefit carrier.
- Region of Waterloo to extend current benefits to past service councillors pending the set up of a new plan.

Option 2 – Continuation of Status Quo

- Past service councillors have the option to convert current benefits to a personal plan at their cost.
- Past service councillors have 30 days from their last day to decide to convert (i.e. mid December).

2. Purpose / Issue:

Regional staff have developed a report on Councillor past service benefits. This report is intended to present Council with considerations related to a decision to further explore these benefits.

3. Strategic Plan:

This report and options align to the strategic plan priority of a Responsive and Engaging Public Service by ensuring that decisions are well constructed and made in consideration of the Region’s policies and procedures.

4. Report Highlights:

- In conducting its review Regional Staff:
 - Analyzed the current approach and entitlements for employees and regional

councillors,

- Conducted a jurisdictional scan of comparator municipalities, and
- Developed options for consideration, which include preliminary advice from the carrier.

Jurisdictional Scan

- There is variation across municipalities with respect to post-service benefits for Councillors.
- Of respondents the following chart sets out differing entitlements across municipal governments:

<u>Arrangement</u>	<u>Jurisdictions</u>
Retiree benefits until death	City of Toronto
Early retirement benefits until age 65	Region of Halton (Chair only), Durham Region, City of Windsor
Employer paid benefits for a year after leaving council	Peel Region
Severance	York Region, City of Mississauga
Additional post-service benefits	Durham Region – Healthcare Spending Account to age 75 City of Windsor – opt in 100% employee paid retiree benefits
No post-service benefits	Niagara Region, City of Kingston, City of London, Chatham-Kent, Sudbury

Plan Design Analysis

- The attached presentation details both premium-sharing and plan design questions (e.g. qualification rules) that would be key in considering alternative retiree benefit models.
 - Premium sharing could be 100% Region paid, 100% member paid, or a 50%-50% Region-Member split.
 - Plan design would need to include criteria related to:
 - Age and years of service thresholds to qualify,
 - Length of eligibility for benefits (e.g. until age 65, 67, or no limit), and
 - Benefits covered (e.g. health, dental, life, and/or out of province).

5. Background:

Councillors have historically received life insurance, health, dental and out-of-province coverage during their time in office. Councillor premiums and entitlements are pooled under the same insurance plan as active management staff, with the following eligibility rules:

- 100% Region of Waterloo paid insured benefits while a member of Regional Council.
- No coverage post Council assignment.

Councillors are able to convert their current entitlements (life insurance, health, dental and out of province) to a personal benefits plan through private insurance without having to provide evidence of good health or undergoing a medical exam.

- OMERS refers those in receipt of a pension to the Municipal Retirees Organization of Ontario, which offers a discounted retiree benefits program.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Area Municipalities have not yet been engaged but Region of Waterloo staff would engage with the HR departments of area municipalities if direction is to pursue a plan further.

7. Financial Implications:

Financial implications depend on option decided and plan design. The current cost of extended health and dental is \$2,400 per single member and \$6,720 per family.

8. Conclusion / Next Steps:

Region of Waterloo may undertake one of the following approaches:

Option 1 – Design a Post Service Benefits Plan for Council

- Design and implement a post-service benefits plan in working with the Region's insured benefit carrier.
- Region of Waterloo to extend current benefits to past service councillors pending the set up of a new plan.

Option 2 – Continuation of Status Quo

- Past service councillors have the option to convert current benefits (life insurance, health, dental and out of province) to a personal plan at their cost.
- Past service Councillors have 30 days from their last day to decide to convert (i.e. mid December).

9. Attachments:

[Appendix A: Councillor Post-Service Benefits \(PowerPoint Presentation\)](#)

Prepared By:

Fraser Tibbetts, Manager, Total Rewards Strategy, Total Rewards Division, Human Resources and Citizen Services

Reviewed By:

Mike Vannelli, Director, Total Rewards, Human Resources and Citizen Services

Approved By:

Kim Bellissimo, Commissioner, Human Resources & Citizen Service, Human Resources and Citizen Service

Bruce Lauckner, CAO, Region of Waterloo



Councillor Post-Service Benefits

Total Rewards Division, Human Resources and Citizen Service

November 8, 2022

Context

- Region of Waterloo staff have been asked to review the Region's approach to post-service benefits for councillors.
- In conducting its review Region of Waterloo staff:
 - Analyzed the current approach and entitlements for regional councillors,
 - Conducted a jurisdictional scan of other municipalities, and
 - Developed options for consideration which include preliminary advice from the carrier.

Current Approach – Councillor Insured Plans

- Councillors have historically received life insurance, health, dental and out-of-province coverage during their time in office. Councillor premiums and entitlements are pooled under the same insurance plan as active management staff, with the following eligibility rules:
 - 100% Region of Waterloo paid insured benefits while a member of Regional Council.
 - No coverage post Council assignment.
- Councillors are able to convert their current entitlements (life insurance, health, dental and out of province) to a personal benefits plan through private insurance without having to provide evidence of good health or undergoing a medical exam.
 - OMERS refers those in receipt of a pension to the Municipal Retirees Organization of Ontario, which offers a discounted retiree benefits program.

Jurisdictional Scan

- There is variation across municipalities with respect to post-service benefits for councillors. Examples include:

Arrangement	Jurisdictions
Retiree benefits until death	City of Toronto
Early retirement benefits until age 65	Region of Halton (Chair only), Durham Region, City of Windsor
Employer paid benefits for a year after leaving council	Peel Region
Severance entitlements	York Region, City of Mississauga
Additional post-service benefits	Durham Region - Healthcare Spending Account to age 75 City of Windsor - opt in 100% employee paid retiree benefits
No post-service benefits	Niagara Region, City of Kingston, City of London, Chatham-Kent, Sudbury

Premium Sharing Approaches

- The following premium sharing alternatives are commonly considered in designing retiree/post service benefit programs:

	OPTION 1 Fully Region Paid Post Service Group Benefits Plan	OPTION 2 50/50 Premium Share Post Service Group Benefits Plan	OPTION 3 Allow Past member-purchased Group Benefit Plan
Financials <i>(current extended health and dental)</i>	REGION: \$2,400/single; \$6,720/family RETIREE: No Cost	REGION: \$1,200/single; \$3,360/family RETIREE: \$1,200/single; \$3,360/family	REGION: No Cost RETIREE: \$2,400/single; \$6,720/family
Cost Considerations	<ul style="list-style-type: none"> In this option, cost is estimated as the current premium paid for the plan councillors are insured under. <ul style="list-style-type: none"> Actual cost is impacted by plan design and year-over-year claim experience. 	<ul style="list-style-type: none"> In this option, cost is estimated as half the current premium paid for the plan councillors are insured under. <ul style="list-style-type: none"> Actual cost is impacted by plan design and year-over-year claim experience. 	<ul style="list-style-type: none"> In this option, retiree costs are estimated based on the current premium paid for the plan councillors are insured under. <ul style="list-style-type: none"> Actual cost for a fully retiree-paid program may be at a higher amount and is also impacted by plan design and year-over-year claim experience.



Plan Design Elements for Consideration

- Plan design typically considers premium share, qualification criteria, coverage termination, benefit entitlements in designing a retiree benefit program:

PREMIUM SHARE	QUALIFICATION CRITERIA	TERMINATION CRITERIA	BENEFIT ENTITLEMENTS
<ul style="list-style-type: none"> The premium share arrangement could be: <ul style="list-style-type: none"> Fully region paid 50/50 split Fully retiree paid 	<ul style="list-style-type: none"> Qualification criteria could be used to determine eligibility for benefits, including: <ul style="list-style-type: none"> Term based (e.g. X consecutive terms) Age based (e.g. over 55) Linked to receipt of an OMERS pension 	<ul style="list-style-type: none"> Retiree benefits could terminate at a specific age, duration or continue until death. 	<ul style="list-style-type: none"> Potential benefit entitlements include basic coverages for: <ul style="list-style-type: none"> Extended health Dental Additional coverages could also be considered for: <ul style="list-style-type: none"> Out of province Life insurance
<p><i>Considerations:</i></p> <ul style="list-style-type: none"> Premium share options each include liability and cost profile considerations. Actual benefit plan costs and possible liabilities would depend on plan design. 	<p><i>Considerations:</i></p> <ul style="list-style-type: none"> Retiree benefit plans usually include criteria designed to screen in individuals with a certain threshold of service to the organization. Examples include: <ul style="list-style-type: none"> Durham – 15 years of service Toronto – 9 years pensionable Windsor – 4 terms 	<p><i>Considerations:</i></p> <ul style="list-style-type: none"> Examples of when certain municipal councillor plans terminate include: <ul style="list-style-type: none"> Peel – 1 year after exit Toronto – until death Durham – age 65 for benefits and age 75 for Healthcare Spending Account 	<p><i>Considerations:</i></p> <ul style="list-style-type: none"> Maintaining current levels of benefits within each component of coverage could allow risk pooling for cost containment.

Next Steps

- Region of Waterloo may undertake one of the following approaches:

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Council Enquiries and Requests for Information

Administration and Finance Committee

Meeting date	Requestor	Request	Assigned Department(s)	Anticipated Response Date
September 14, 2021	COTW	Consultation results in regards to the Bunker	Planning, Development and Legislative Services	Fall 2022
May 10/22	B. Vrbanovic	That COR-TRY-22-45 (Purchasing By-Law Award Limits and Housekeeping Amendments) be referred back so that Staff can prepare additional information including comparative chart, best practices and discussions with area municipalities. Staff should also consider concerns expressed by the Committee such as financial oversight of works conducted by the Region to ensure good governance.	COR	Jun-2022
May 10/22	K. Redman	Direct staff to develop a lobbyist registry including a lobbyist policy with a Code of Conduct, Lobbyist Registry By-Law and a comprehensive online registry. And that staff develop the proposed lobbyist registry program in consultation with area municipalities and through public engagement	CAS	2023
07-Jun-22	A&F	Update the Quarterly Summary of Tenders/Quotations, Requests for Proposals and Consultant Selections Approved by the CAO to include details of how many bids are distributed, how many were submitted, as well as to identify any discrepancies or special circumstances that should be considered for each project and get Council feedback on its updated format. The Committee also requested that wording be included that the Region choose not only the lowest bid, but also one that meets the criteria set out in the Request for Proposal	Finance	next Quarterly Report

Council Enquiries and Requests for Information

Administration and Finance Committee

Meeting date	Requestor	Request	Assigned Department(s)	Anticipated Response Date
August 9, 2022	A&F	Staff to work with Union Co-operative to consider the use of a municipality capital facilities agreement to preserve rental affordability for the 475-477 Lancaster Street West property and report back to Council within a month or two, with a recommendation as to whether to proceed with this agreement and the implications	CS/Finance/Legal	
August 9, 2022	A&F	Staff include the Electronic Meeting Guidelines in a future modernized procedural by-law, and prepare procedures for members of the public to continue to participate in Regional Council and Committee meetings electronically	CAS	Nov. 8