

Regional Municipality of Waterloo
Administration and Finance Committee
Agenda



Date: Tuesday, December 6, 2022
Regular Session: 1:00 p.m.
Location: Council Chambers/Electronic

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

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1. Call to Order	
2. Land Acknowledgement	
3. Declarations of Pecuniary Interest under the “Municipal Conflict of Interest Act”	
4. Presentations	
5. Delegations	
5.1 Martin Levesque, Rector, and Jane Mitchell, All Saints' Anglican Church Seeking relief from development fees for the construction of a new church and community centre.	
6. Consent Agenda	
6.1 Strategic Focus - Responsive and Engaging Public Service	
6.1.1 COR-TRY-22-091, 2023 Temporary Borrowing By-laws	3
Recommended Motion: That the Regional Municipality of Waterloo authorize the Chief Financial Officer, by By-law, to borrow funds in 2023 as required on a temporary basis to meet operating and capital expenditure requirements, as set out in report COR-TRY-22-91 dated December 6, 2022.	
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Waterloo Region, dated December 6, 2022, to all Members of Provincial Parliament and all Area Municipal Councils within the Region.

7.2 Strategic Focus – Responsive and Engaging Public Service

7.2.1 CAO-SPL-22-009, Strategic Plan 2023-2027

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Recommended Motion:

That the Regional Municipality of Waterloo approve the approach, timeline and supporting principles for the development of the new Corporate Strategic Plan 2023-2027 as outlined in CAO-SPL-22-009, December 6, 2022.

8. Information/Correspondence

8.1 Council/Committee Tracking List

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9. Other Business

9.1 Councillor Michael Harris Notice of Motion

Recommended Motion:

Whereas the Council of the Regional Municipality of Waterloo deems it both appropriate and expedient to rescind and repeal a prior decision to extend post-service benefits to Regional Councillors which was passed on November 8th, 2022 (“the Decision”);

Therefore, be it resolved that the Regional Municipality of Waterloo hereby enacts as follows:

1. That the Decision be rescinded, and that staff be directed not to proceed with the implementation of a post-service continuous benefit plan for Council with the Region’s insured benefit carrier as described in report HRC-TOR-22-003 on November 8, 2022;
2. That the extension of current benefits to past service Councillors, as described in report HRC-TOR-22-003 on November 8, 2022 be ended on December 31, 2022; and
3. That staff be directed to prepare a Terms of Reference for a Citizen Advisory Committee to study and provide recommendations to Council regarding the remuneration and benefits for Members of Regional Council, including an analysis of comparator jurisdictions, to be presented to the Administration and Finance Committee.

10. Next Meeting - January 10, 2023

11. Adjourn

Recommended Motion:

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

Region of Waterloo

Corporate Services

Treasury Services

To: Administration and Finance Committee

Meeting Date: December 6, 2022

Report Title: 2023 Temporary Borrowing By-laws

1. Recommendation

That the Regional Municipality of Waterloo authorize the Chief Financial Officer, by By-law, to borrow funds in 2023 as required on a temporary basis to meet operating and capital expenditure requirements, as set out in report COR-TRY-22-91 dated December 6, 2022.

2. Purpose / Issue:

To allow for temporary borrowing in accordance with the Municipal Act as a prudent financial management practice.

3. Strategic Plan:

These bylaws support the Corporate Strategic Plan's Responsive and Engaging Public Service Focus Area Strategic Objective 5.4: Ensure the Region provides value for money and long term financial sustainability.

4. Report Highlights:

- The Municipal Act requires by-laws to be passed annually to authorize any temporary borrowing for operating or capital needs.
- The enactment of the by-laws allows the Region to act quickly in the unlikely event of a cash flow shortage.
- Staff is not expecting that such borrowing will be required in 2023 for either operating or capital purposes.

5. Background:

a) Temporary borrowing for operating needs

Section 407 of the Municipal Act permits a municipality to authorize temporary borrowing for operating expenditure until taxes are collected and other revenues

are received in an amount Council considers necessary to meet the current expenditure of the municipality. While the Region incurs operational expenditure throughout the year, the Area Municipalities remit property taxes to the Region in nine monthly instalments starting April 1. The by-law for temporary borrowing enables the Region to borrow funds if and as needed to ensure it has an adequate cash flow to meet operating commitments.

The maximum amount of borrowing at any one time set out in the Municipal Act (including amounts outstanding) is 50% of estimated revenue from January 1 to September 30th and 25% of estimated revenue from October 1 to December 31. As the 2023 operating budget has not yet been approved, the Municipal Act requires the borrowing limits to be based on estimated revenue for 2022 (approx. \$1.1 billion). As such, the limit on temporary borrowing for current expenditure is approximately \$551 million for the first nine months and \$275 million for the remaining three months.

b) Temporary borrowing for capital needs

Section 405 of the Municipal Act permits a municipality to authorize temporary borrowing for capital works to be financed in whole or in part by the issuance of debentures. Capital expenditure is on-going throughout the year (although typically lighter in Q1) while debentures to finance the works are generally issued on a semi-annual basis. A by-law for temporary borrowing enables the Region to, if required, fund certain capital project costs in advance of debenture issuance.

The Municipal Act does not set out a specific limit for such temporary borrowing. An upper-tier municipality may authorize temporary borrowing to meet any expenditure made in connection with a capital project to be financed in whole or in part by the issue of debentures as long as the upper-tier municipality has approved the issue of debentures for the work. As such, the amount that can be borrowed under this section at any one time is the total unissued amount of Council-approved debenture authority for debt-financed projects.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Area Municipality Communication: Nil

Public/Stakeholder Engagement: Nil

7. Financial Implications:

Staff is not expecting that temporary borrowing will be required in 2023 for either operating or capital purposes. The 2023 preliminary operating budget includes a provision of \$15,000 to cover interest expenses in the unlikely event that temporary borrowing is required.

8. Conclusion / Next Steps:

The following by-laws will be presented to Council for approval on December 14, 2022:

A By-law to Authorize the Temporary Borrowing for Current Expenditures
Pending the Receipt of Revenue during the 2023 fiscal year.

A By-law to Authorize the Temporary Borrowing for Capital Expenditures
Pending the Receipt of Debenture Proceeds during the 2023 fiscal year.

9. Attachments:

Nil

Prepared By: Lori McDonald, Financial Analyst

Tricia Alpaugh, Manager, Treasury Services

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

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

Region of Waterloo
Corporate Services
Administration

To: Administration and Finance Committee
Meeting Date: December 6, 2022
Report Title: Use of Delegated Authority for Procurement Matters During the “Lame Duck” Period

1. Recommendation

For Information.

2. Purpose / Issue:

To advise Council of procurement awards made by the Chief Administrative Officer during the “Lame Duck” period from August 22, 2022 to November 14, 2022 using authority granted under by-law 22-018.

3. Strategic Plan:

The delegation supports Focus Area 5: Responsive and Engaging Public Service and specifically objective 5.4: Ensure the Region provides value for money and long term financial sustainability.

4. Report Highlights:

- The Region’s Delegation of Authority by-law 22-018 Section 4 d) (4) delegates authority to the CAO to take action during a “Lame Duck Period”, where such action is necessary to support the efficient operation of the municipal corporation and is otherwise restricted in accordance with Section 275 (3) of the Municipal Act.
- In circumstances where the proposed exercise of authority by the CAO results in the expenditure of funds in excess of an approved budget amount, the CAO is required to confer with the Regional Chair and report to Council on any actions taken under this delegation at the first regular meeting of the next term of Council.
- Such delegated authority was exercised three times during the recent lame duck period.

5. Background:

On three occasions during the lame duck period the CAO exercised authority granted under the by-law 22-018 which resulted in the expenditure of funds in excess of an approved budget amount. The three procurements were as follows:

- Request for proposal C2022-14 (Stage 2) Water Supply Strategy Update was awarded to C3 Water Inc. in the amount of \$1,069,300.23 plus all applicable taxes. The work under this contract includes developing a Water Supply Strategy to address evolving water supply and treatment needs to the planning horizon of 2051 and to align with the Region's Strategic Plan and updated Region Official Plan. The cost of the work exceeded the project budget by \$477,000 due to the incorporation of the Water Efficiency Master Plan update into the overall Water Supply Strategy. In addition, the updated residential and employment projections from the Region's Official Plan broadened the scope of some aspects of the Strategy. There are sufficient funds in 2022 to begin this work and staff will update the 2023-2032 Water Capital Program for this project to reflect the increased costs and program delivery of this contract.
- An increase to the contract with Capital Paving Inc. for T2022-128 New Parking Lot Construction, Region of Waterloo International Airport was approved in the amount of \$900,000 for a total contract price of \$6,782,000. The work under this contract includes the construction of a new parking lot, located on Airport lands with a connection onto Fountain Street, just south of the current airport development area and north of Kossuth Road. The increased costs related to additional topsoil removal, additional imported fill, and the addition of a parking lot building to be used as a small waiting area with washrooms, parking pay stations and an electrical/IT room. The additional costs will be funded from the Airport Development Charge Reserve Fund and the Airport Capital Reserve.
- Tender T2022-180 for the procurement and delivery of bulk 12% sodium hypochlorite solution from Lavo required for disinfection of treated water supplied throughout the Region was approved in the estimated amount of \$1,055,000.00 for a one (1) year term with the option to renew for three (3) additional one (1) year periods. Product supplied under this contract is in accordance with the Safe Drinking Water Act 2002 and all applicable standards and regulations. The approved 2022 Water Supply operating budget includes \$212,000 for 12% Sodium Hypochlorite. The annual tendered rate is estimated to be \$1,073,600 based on an estimated amount of chemicals to be used. The overall 2022 Water Supply operating budget can accommodate the increased costs to the end of 2022 due to savings in other areas. The preliminary 2023 Water Supply operating budget has been adjusted accordingly.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Nil.

7. Financial Implications:

The 2023 preliminary Water Services operating budget and 2023-2032 capital program have been drafted to include the impacts for the two Water Services related approvals. The Airport Capital Program has been amended to incorporate the additional costs associated with the contract increase for T2022-128.

8. Conclusion / Next Steps:

Nil.

9. Attachments:

Nil.

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

Approved By: Bruce Lauckner, Chief Administrative Officer

Region of Waterloo

Corporate Services

Corporate Finance

To: Administration and Finance Committee

Meeting Date: December 6, 2022

Report Title: Bill 23 Financial Impacts in Waterloo Region

1. Recommendation

That the Regional Municipality of Waterloo direct Staff to circulate report COR-CFN-22-04, Bill 23 Financial Impacts in Waterloo Region, dated December 6, 2022, to all Members of Provincial Parliament and all Area Municipal Councils within the Region.

2. Purpose / Issue:

To provide Committee members with an overview of the estimated financial impacts of the proposed amendments to the Development Charges Act (DCA) set out in Bill 23, *Building More Homes Faster Act*.

3. Strategic Plan:

This report aligns with two Corporate Strategic Plan objectives:

- Thriving Economy – 1.2. ensure an adequate and strategic supply of employment lands in the Region
- Responsive and Engaging Public Service – 5.4. to ensure the Region provides value for money and long term financial sustainability

4. Report Highlights:

- Bill 23, Building More Homes Faster Act, received Royal Assent on November 28, 2022. This is despite the public comment period on the DCA and other portions of the bill being recently extended to December 9 from the original November 24 deadline.
- The Bill reduces the amount of Development Charges (DC), Parkland Dedication (PD) fees and Community Benefits Charges (CBC) revenue needed by municipalities to fund the cost of infrastructure for new housing to be built. As municipal revenue is reduced, municipalities will need to consider delaying the construction of infrastructure needed to accommodate new housing and assume

additional risk by taking on more long-term debt and the associated debt financing costs (which require DC revenue to fund).

- There is no demonstrable evidence that reducing development charges will translate into lower home prices, as such prices are market driven. This Bill will not result in more housing being built faster. To the contrary, housing supply could be slowed as infrastructure projects are deferred due to restricted municipal cash flow.
- The Region was considering adding a housing services component to its Development Charge through the next background study to help fund the Waterloo Region Housing expansion. Eliminating housing as a DC-eligible service will require Region to fund these costs through the property tax base.
- Existing and future taxpayers will pay more for growth, which already does not pay for itself under pre-Bill 23 DCA rules. Accordingly, the total cost of housing will increase due to higher property taxes and user rates. This comes at a time when municipalities are experiencing capital cost escalation in the range of 15%-50% and the cost of borrowing is at the highest level it has been in over 10 years.
- The balance in municipal DC reserve funds will vary from year to year for many reasons including the actual pace of development and timing of capital costs, the need for water supply and wastewater treatment infrastructure to be in place before development occurs (which is often debt financed), the accumulation of DC revenues in order to have the funds available to pay for the infrastructure costs to meet community needs without the need for borrowing, and isolated increases in the issuance of building permits (e.g. in advance of an increase in DC rates due to indexing or new rate calculations) which can contribute to unexpectedly higher DC reserve fund balances on a temporary basis.
- The government amended the DCA through Bill 108, More Homes, More Choices Act, 2019 (effective January 1, 2020) resulting in the deferral of certain DC payments until 5 to 20 years from occupancy – accordingly a significant and growing portion of DC reserve balances is not actually money in the bank, but rather is shown as a receivable on municipal balance sheets.
- Any year-end DC reserve fund balance is used to pay for future debt servicing costs and to pay for new infrastructure as it is built. The Region of Waterloo had \$85 million in its DC reserve fund at the end of 2021 (of which \$58m was cash and \$27m was DC receivables), but also had \$327 million in growth-related debt outstanding, and has a capital program that requires over \$1.2 billion in DC funding over the next 10 years. DC reserve funds are allocated to future capital works and future debt servicing costs for works already in place.

5. Background:

Municipalities are responsible for the new infrastructure and increased capacity on existing infrastructure needed to allow new housing to be built (e.g. water treatment and distribution, wastewater collection and treatment, and roads) and the essential services expected by the community (e.g. public transit, parks and community centres, arenas, libraries, and emergency services such as police, fire and ambulance). Such infrastructure is to a great extent funded by development charges (upper & lower tier), parkland dedication fees (lower tier) and community benefits charges (lower tier).

Bill 23, Building More Homes Faster Act

Through this Bill the Province has amended the Development Charges Act and the Planning Act in a manner that reduces DC, PD CBC revenue. Virtually all of the changes to the Development Charges Act result in less DC revenue collected by municipalities to fund the costs of growth-related infrastructure that supports both new housing as well as commercial/industrial development. Specifically this Bill:

- Exempts certain development from the payment of DCs
- Introduces mandatory DC discounts
- Requires a mandatory discounted phase-in of new DC rates (for residential and non-residential development)
- Makes the costs associated with studies and certain land acquisitions ineligible
- Removes Housing as a DC-eligible service
- Caps the interest rate on frozen and deferred DCs
- Expands the historical service standard from 10 to 15 years, thereby generally creating a lower service standard for services, other than Public Transit which has a forward-looking service level

In addition, the Bill amends the Planning Act to exempt more growth from the payment of PDs and CBCs.

The Consequences of Passing Bill 23

The changes approved through Bill 23 will result in:

- Reduced DC, PD and CBC revenue collected and therefore less municipal

capacity to fund the cost of growth-related infrastructure

- A transfer of cost responsibility from new development onto existing and future taxpayers and ratepayers
- Delays in infrastructure projects needed to allow new housing to be built
- Deferred or cancelled infrastructure to deliver the services needed by new residents
- More long term debt and risk for municipalities
- More pressure on municipal budgets and provincially mandated municipal asset management plans at a time of very high inflation and rising costs of borrowing
- Less ability for municipalities to invest in green spaces to provide park amenities to support the increased housing density

6. Area Municipality Communication and Public/Stakeholder Engagement:

Area Municipality Communication:

Staff have worked with the Treasurers of the area municipalities within Waterloo Region to estimate the financial impacts of some of the key Bill 23 provisions.

Public/Stakeholder Engagement: Nil

7. Financial Implications:

Municipalities have limited revenue sources to fund capital investments needed to deliver essential services, and this legislation reduces municipal fiscal capacity to fund necessary capital investments to allow new housing supply to be built. The inevitable result of the legislation is that existing and future taxpayers and ratepayers will need to pay more to allow growth to happen and the emplacement of infrastructure required to support housing development will be delayed.

The financial impacts of the legislation are difficult to estimate due to the timing of the implementation of the changes. Some of the amendments come into effect upon subsequent updates to DC and CBC By-laws, while others come into effect immediately. To provide context, Regional and Area Municipal staff have utilized information available in current DC by-laws and capital programs to demonstrate the potential impacts of the legislation relating to four key areas under the *Development Charges Act*, namely the phase-in of DC rates and the removal of housing, studies, and land as eligible services.

Illustrative Financial Impact of Bill 23 in Four Key Areas Under the DCA				
All figures in \$ Millions	Phase-In of DC Rates	Removal of Housing*	Removal of Studies	Removal of Land
Region	\$45	\$260	\$40	\$100
Cities	\$30	n/a	\$28	\$20
Townships	\$5	n/a	\$2	\$5
Total	\$80 over 5 yrs	\$260 over 10 yrs	\$70 over 10 yrs	\$125 over 10 yrs

*assumes 50% DC eligible

As set out in the table above, had the phase-in provisions been in place under current DC by-laws, this would have resulted in approximately \$80 million less in DC collections over the 5 year term of the by-laws equating to a reduction in DC collections of roughly 8-10% over the life of the by-laws. This likely understates the potential impact of the phase-in moving forward as this will largely come into effect under subsequent by-laws. Based on current ten year capital programs, \$70 million in studies will no longer be eligible for DC funding and \$125 million in land may no longer be eligible for DC funding which will shift the burden onto the property tax levy and user rates. In addition, the Region has \$520 million in growth-related housing planned over the next 10 years. Removing housing as an eligible service means that the entire cost will be borne by the tax levy. Further amendments to the DCA that will reduce municipalities' ability to fund growth-related infrastructure for which estimates are not currently available include:

- Mandatory discounts for purpose built rentals
- Exemptions for affordable and attainable housing
- Caps on interest rates for frozen and deferred DCs
- Lower service standard calculation which reduces the amount of capital that is eligible for DC funding

The actual impact will be higher once new background studies are completed due to the significant capital cost escalation experienced over the last 12-24 months. This analysis excludes impacts relating to Parkland Dedication fees and Community Benefits Charges at the lower tier municipalities in Waterloo region.

In the absence of the Province developing mechanisms to offset the lost funding to keep municipalities whole from an infrastructure funding perspective, municipal Councils will be forced to make choices between maintaining existing assets and building new infrastructure with limited tax levy/user rate sources. This will ultimately lead to the

deferral of growth-related infrastructure projects which contradicts the Province's goal to build more homes faster.

DC Reserve Funds

It has been suggested by some that DC rates can be reduced without impacting property tax or water/wastewater rates due to the presence of DC reserve funds. Municipal Treasurers manage the ebb and flow of DC collections and growth-related capital costs through the DC reserve funds, which are referred to as "obligatory" and are reported as such on year-end audited financial statements, in the annual Financial Information Return, and in the prescribed annual DC transaction report.

The Provincial Government amended the DCA through Bill 108, *More Homes, More Choices Act*, 2019 (effective January 1, 2020) resulting in the deferral of certain DC payments until 5 to 20 years from occupancy – accordingly a significant and growing portion of DC reserve balances is not actually money in the bank, but rather is shown as a receivable on municipal balance sheets. Roughly 30% of the approximately \$200m reported in DC reserve balances by the Region and the area municipalities at December 31, 2021, is actually a receivable which will be paid 6-21 annual instalments following occupancy, leaving approximately \$140m available for use.

DC reserve funds are mandated under the DCA, and the balance in DC reserve funds will vary from year to year for many reasons, including:

- The actual pace of development and the actual timing of capital costs relative to the assumptions used in the DC rate calculations. The last 3 years have seen very strong building permit volumes and DC collections – and this will temporarily increase DC reserve balances. During a period of slower economic growth, DC collections will be lower and accordingly so will the DC reserve fund balances.
- In some cases (e.g. water supply and wastewater treatment infrastructure), capital costs are incurred before development takes place. This often requires municipalities to issue debt or to run a negative balance in their DC reserve funds. When debt is issued, the resulting debt servicing costs will be funded from future DCs. The balance in the DC reserve will increase initially as development occurs, and that balance will then be used to fund future debt servicing costs.
- Capital expenditure can vary from the estimates used to calculate DC rates due to the timing of environmental assessments, utility relocations, property acquisitions, etc.
- In other cases municipalities may collect DCs over a period of time in order to have the funds available to pay for the infrastructure costs to meet community needs without the need for borrowing – this will cause the DC reserve fund to increase over a period of time until such investment occurs.
- In other cases, there can be an isolated (and often dramatic) increase in the issuance of building permits (e.g. in advance of an increase in DC rates due to

indexing or new rate calculations). This can also contribute to unexpectedly higher DC reserve fund balances on a temporary basis.

Any year-end DC reserve fund balance is used to pay for future debt servicing costs and to fund new infrastructure as it is built. The Region of Waterloo had \$58 million in its DC reserve fund at the end of 2021 (the non-receivable component), but also had \$327 million in growth-related debt outstanding, and has a capital program that requires over \$1.2 billion in DC funding over the next 10 years. DC reserve funds are allocated to future capital works and future debt servicing costs for works already in place.

Finally, DC rates must be reset at least every 5 years (Bill 23 changes this to a maximum of 10 years) and the DC reserve fund balance is taken into account when calculating new DC rates - a higher reserve balance will result in lower future DC rates.

8. Conclusion / Next Steps:

Staff will review the Preliminary 2023-2032 Capital Program to assess the changes that will be needed to reflect the changes approved under Bill 23.

9. Attachments:

Nil.

Prepared By: Shane Fedy, Manager of Infrastructure Financing

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

Region of Waterloo

Chief Administrative Officer

Chief Communications and Strategy

To: Administration and Finance Committee

Meeting Date: December 6, 2022

Report Title: Strategic Plan 2023-2027

1. Recommendation

That the Regional Municipality of Waterloo approve the approach, timeline and supporting principles for the development of the new Corporate Strategic Plan 2023-2027 as outlined in CAO-SPL-22-009, December 6, 2022.

2. Purpose / Issue:

To seek direction from Council on the approach, principles and schedule to create a new Corporate Strategic Plan 2023-2027.

3. Strategic Plan:

The creation of a new Corporate Strategic Plan 2023-2027 supports the Responsive and Engaging Public Service focus area. The initiative will create new priorities for the organization based on current and future community need and aspirations.

4. Report Highlights:

- The Region of Waterloo is in the final stage of its existing Corporate Strategic Plan 2019-2023.
- The coming year will be a year of transition for the organization as new Council, staff and community work together to create a new plan while closing out the existing one.
- Staff recommend that a new Corporate Strategic Plan 2023-2027 be developed and approved by end of July 2023. This is critical to ensure funds and resources are aligned appropriately to the new priorities quickly.
- Staff recommend a strategic planning approach that is future focused and includes extensive engagement with community, area municipalities and partners.

- The engagement approach includes key elements such as a Community Advisory Round table, a Youth Advisory Group and a Community Connector Outreach strategy. This will help support meaningful, equity-based dialogue, and the co-creation of priorities with the community.
- Staff have created draft process objectives and guiding principles that will support the development of the initiative for Council deliberation as follows:

Core Objectives

- Explore and redefine our mission, vision and values.
- Set strategic priorities for the organization that will shape financial and resourcing decisions.
- Identify opportunities and challenges that the future might hold for Waterloo region.
- Encourage new thinking and be alert to changing forces and trends.
- Stress test our existing plans and strategies against different scenarios.
- Increase a sense of ownership in the Region's future path with Staff and stakeholders.
- Build accountability through a foundation of performance and evaluation (including KPIs and metrics).
- Increase resident engagement and awareness of how the Region impacts their lives every day and what it aims to achieve over the coming years.

Guiding Principles

Based on engagement of close to 400 staff to date, the following draft principles have been created to shape the strategic planning process and functionality of the new strategy.

- **Show connections:** Strategic plan process to knit all the pieces together, build on existing plans and strategies
- **Build focus:** Strategy should guide prioritization
- **Find balance:** Existing vs new initiatives
- **Help clarify:** Our roles, mission & vision
- **Build strong partnerships and alliances:** Strategic connections to external partners which emphasize mutual benefit and build synergy to amplify results
- **Engage staff broadly:** Help them see themselves in the plan and values and leverage their lived experiences and identities to build the plan
- **Embed equity:** Centre the voices of those often not included
- **Build trust and credibility:** Engagement must be authentic and intentional and take the time to build relationships while being responsive to community identified needs. (*community led*)
- **Be accountable:** Sharing our progress in a transparent, relatable and engaging way that focuses on what matters to community

Highlight Engagement Plan Components

A fulsome community engagement plan will be developed to support the creation of the new Corporate Strategic Plan. It is anticipated that the plan will include the following components and will draw heavily from the expertise and experience of staff leading reconciliation, equity and inclusion portfolios at the Region.

Regional Municipality of Waterloo will be 50 years old in January 2023. The past 50 years have brought many challenges, learnings and triumphs. This journey has been made alongside many committed and inspired elected officials, staff, residents, partners and businesses. The creation of a new strategic plan for the region will start posing questions about the path we want to take for the next 50 years and ask us what we hope to achieve together along the way. The process will help identify the bold strategies needed as a community and organization to reach our collective vision and thrive through current and future challenges.

Some of the proposed components of the community engagement approach include:

- An equity and inclusion lens to design meaningful opportunities for all.
- A Community Advisory Round table including representatives from different sectors (social, business and environmental) partner institutions and grass root community leaders (with diversity of representation and identities).
- The round table would be a mutually beneficial space to engage community leaders in a dialogue about the region's collective future and to help guide the process in collaboration with the Region.
- A Youth Advisory Group and youth engagement will be an integral part of the engagement plan. Youth provide a unique and creative perspective that enables innovative ideas and strategy. Staff will also draw upon learnings from successful models, such as the Community Safety and Wellbeing Plan, SMART WR and Children and Youth Planning Table amongst other approaches.
- Engagement with existing groups and committees such as Grand River Accessibility Advisory Committee.
- Large-scale public engagement through digital and in-person outreach tactics through events, 1-1s, small group meetings and 'on the street' connections to name a few.
- Resident Community Connectors will support the outreach through their networks and help build new relationships.
- The approach will also draw upon results of recent engagement efforts from projects and initiatives such as the Community Safety and Wellbeing Plan, Regional Official Plan and many more.
- The approach will draw upon recent survey findings from projects such as the Wellbeing Waterloo Region Mini-Wellbeing Survey and the Region of Waterloo Resident Experience Survey, Youth Survey and Immigration Survey.

Draft Timeline

- November and December 2022: Laying the foundation with preliminary shorter-term priorities and foundational context as part of Plan and Budget 2023.
- January 2023 to July 2023: Setting the course through community engagement, future focused environmental scanning, strategy development workshops.
- July 2023: New Strategy approved by Council.
- August to December 2023: Implementation and aligning action. Approved Year 1 Plan and Budget.
- December 2023 and beyond: Measuring and improving our performance through ongoing implementation and reporting.

5. Background:

The Region of Waterloo is in the final stages of its existing 2019-2023 Strategic Plan. The process to create a new plan will start posing questions about the path we want to take for the next 50 years and ask us what we hope to achieve together along the way. The process will help us identify the bold strategies we will need as a community and organization to reach our collective vision and thrive through current and future challenges.

The approach will also include future focused environmental scanning and research; the mapping of existing plans and strategies to identify current targets and goals; and the creation of a performance evaluation framework that will enable ongoing tracking of organizational progress over the life of the new strategy.

6. Area Municipality Communication and Public/Stakeholder Engagement:

Extensive engagement and collaboration with area municipalities and our many shared partners will be critical to the success of the strategic planning process. Many area municipalities are also undergoing their own strategic planning processes during this time. This presents a perfect opportunity to identify our shared opportunities and challenges, and find new ways to work together within our respective roles to further the community as a whole.

Public/Stakeholder Engagement:

Creating a new Corporate Strategic Plan successfully will require significant community engagement using equitable engagement approaches. A full engagement and communications plan will be created in partnership with community members and partner organizations.

7. Financial Implications:

The draft 2023 budget includes \$200,000 for the development of the strategic plan and associated implementation activities. This includes developing supporting performance/data frameworks and organizational alignment activities as the Plan is rolled out across the organization over the coming years. This work is funded through contributions made each year from previous operating budgets placed in a reserve for the purpose of strategic plan development and implementation.

8. Conclusion / Next Steps:

The project plan and supporting community engagement plan supporting this initiative will be finalized based on Council input. Full implementation out of the project will commence in January 2023.

9. Attachments:

Appendix A - Strategic Plan Presentation Council December 6, 2022

Prepared By: Jenny Smith, Director Corporate Strategy and Performance

Reviewed By: Connie MacDonald, Chief Strategy & Communications Officer

Approved By: Connie MacDonald, Chief Strategy & Communications Officer

2023-2027 Strategic Plan

Setting Council's Vision & Strategic Direction

Administration and Finance Committee

December 6th, 2022

Growing Together: Making Critical Choices

- Close to one million people will call Waterloo Region home by 2051. This is incredible growth, the equivalent of adding a city the size of Vaughan to our community.
- It is exciting growth, and it will put pressure on our essential services.
- We will have many questions to face:
 - How will we meet these new demands?
 - Where will we choose to invest?
- We have faced some of these challenges before and know that through meaningful partnerships, we will find solutions.
- We have a talented, committed workforce eager to deliver on community priorities and build a thriving home for future generations.

GROWING TOGETHER



The Region of Waterloo provides essential services to residents across the tenth largest community in Canada.

We are known for being an ambitious, forward thinking community and we continue to attract new residents, with close to one million people expected to call this area home by 2051.

This is dramatic and exciting growth – the equivalent of adding a city the size of Vaughan to our community.

Thanks to strong leadership and solid partnerships, we have achieved great things to support residents and to take control of our future through deliberate and thoughtful planning.

We have a defined countryside line, we are the only community of its size in North America with a light rail system and our collective innovation is now allowing us to imagine a future where all of our residents can thrive.

We know that a growing population will put heightened pressure on our essential services and we know that we will face difficult questions.

How will we meet new demands? Where are investments needed most? How will we fund these investments? How will we balance short-term challenges and longer-term strategic goals?

We have faced some of these questions before and we know that through meaningful collaboration with partners from many sectors, we will find solutions.

At the Region of Waterloo, we are committed to building the best community in Canada, a community where every resident feels like they belong, a community that all people are proud to call their home.

Growth brings challenges and difficult questions – particularly in times of economic instability – but one million people can open one million doors and so many new possibilities.

As we welcome a growing population, we are committed to working together to deliver on community priorities. This includes increased access to housing, advancing equity and truth and reconciliation and prioritizing climate action, sustainable transportation and a vibrant economy.

We look forward to building this community together and to shaping the future through decision-making that will provide a welcoming home for our kids and grandkids.



Regional responsibilities

Who does what in government

Sample of services provided by the Region of Waterloo:

- Housing and Shelter
- Transit
- Region of Waterloo International Airport
- Water and Wastewater Services
- Arts, Culture and Heritage
- Public Health and Emergency Services
- Waste Management

Find out more:

Strategic Focus 2019-2023
Council Calendar
Media Releases



Region's Strategic Planning Framework – time to recalibrate

Strategic Plan

Long term goals (outcomes) and objectives

4 year horizon (overlaps with Council terms)



Annual Business Plan (Plan and Budget)

Shorter term goals (outcomes) and objectives

12-18 month horizon



Performance tracking, reporting & improvement

Objectives



Explore and redefine our mission, vision and values



Set strategic priorities to shape service levels, financial and resourcing decisions – with longer term in mind



Encourage new thinking/challenge and reflect changing forces and trends



Build accountability through a foundation of performance and evaluation (KPIs and metrics)



Embed equity in resident engagement and build trust and credibility through intentional and meaningful relationship building



Build strong partnerships and alliances with external partners

Principles

- Show connections: Strategic plan process to knit all the pieces together, build on existing plans and strategies
- Build focus: Strategy should guide prioritization
- Find balance: Existing vs new initiatives
- Help clarify: Our roles, mission & vision
- Build strong partnerships and alliances: Strategic connections to external partners which emphasize mutual benefit and build synergy to amplify results
- Engage staff broadly: Help them see themselves in the plan and values and leverage their lived experiences and identities to build the plan
- Embed equity: Centre the voices of those often not included
- Build trust and credibility: Engagement must be authentic and intentional and take the time to build relationships while being responsive to community identified needs. (community led)
- Be accountable: Sharing our progress in a transparent, relatable and engaging way that focuses on what matters to community

Meaningful Community Engagement

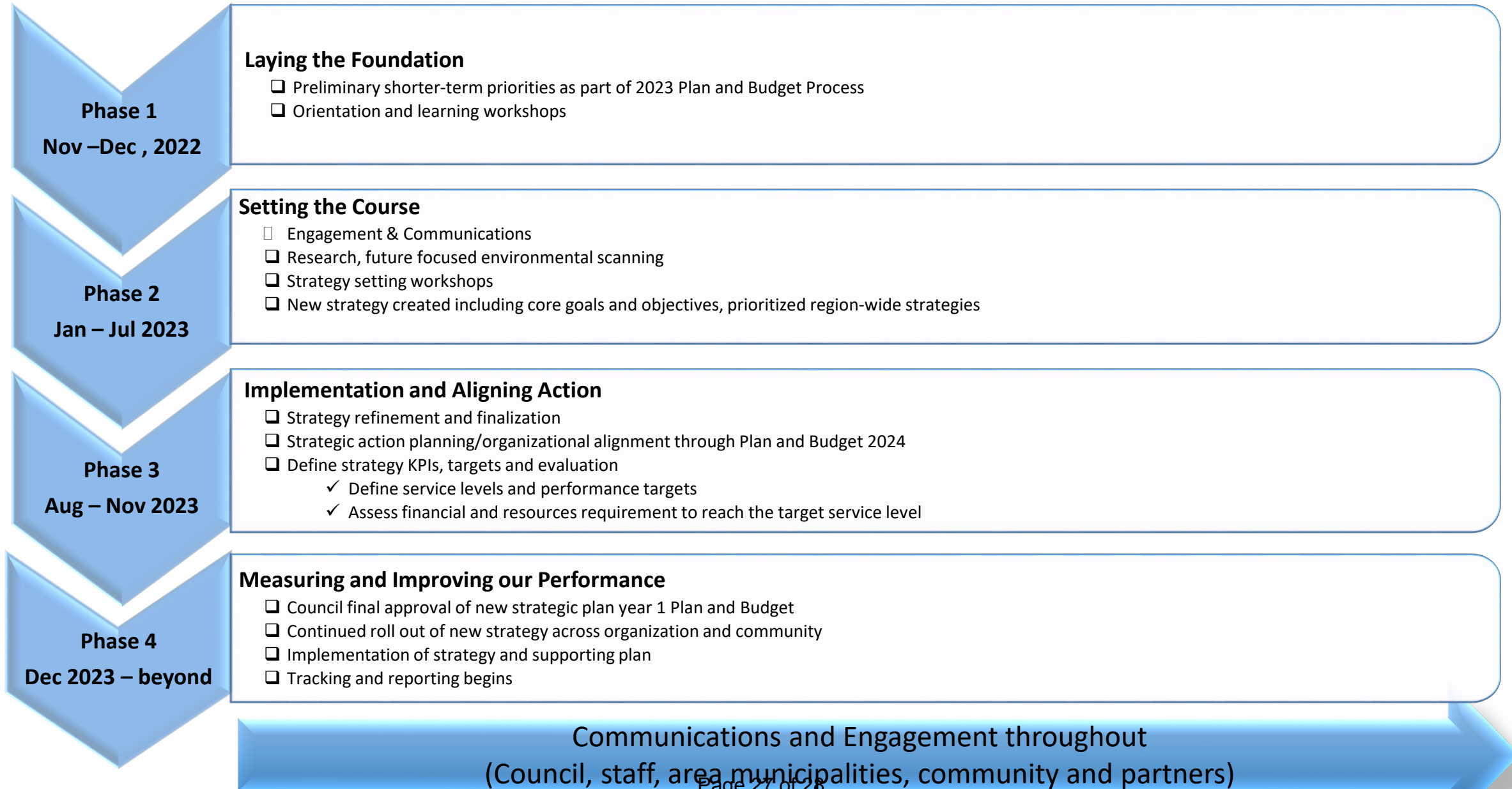
Whole community approach

- Diversity of representation
- Indigenous groups
- Community across the region
- All sectors; academic, businesses, Not-for-Profits, community grass roots, health and other institutions
- Staff from across the organization

Variety of tactics

- Accessible and equity based
- Digital and in-person
- Community Connectors
- Access through networks and build relationships
- Community advisory: Community Round table; Youth Advisory Group
- Events and workshops
- Surveys and results of other engagement

How everything fits together – a phased approach and timelines



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	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
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	