



THIS MEETING WILL BE WEBCAST ON THE [CITY'S PUBLIC YOUTUBE SITE](#) (CITYWATERLOO) AND MAY BE TELECAST ON PUBLIC TELEVISION



COUNCIL MEETING AGENDA

Monday, December 11, 2023
2:00 PM

Councillor Freeman in the Chair

- 1. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**
- 2. CLOSED MEETING**

Recommendation:

That Council hold a closed meeting for the purposes of considering the following subject matter:

- a) personal matters about an identifiable individual, including municipal or local board employees (Labour Budget Impact, CUPE Update);
- b) labour relations or employee negotiations (Labour Budget Impact, CUPE Update);
- c) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board (Legal Matter Update);
- d) advice that is subject to solicitor-client privilege, including communications necessary for that purpose (Legal Matter Update); and,
- e) a matter in respect of which a council, board, committee or other body may hold a closed meeting under another Act (Legal Matter Update).

**COUNCIL MEETING WILL RECESS AND
RECONVENE AT 3:00 PM**

3. **TERRITORIAL ACKNOWLEDGEMENT**
4. **MOMENT OF REFLECTION**
5. **DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**
6. **APPROVAL OF MINUTES**

That the previous meeting minutes be approved.

- a) **November 20, 2023 – Council Meeting** **Page 14**

Recommendation:

That the minutes of the Council meeting held on November 20, 2023 be approved as printed.

7. **CONSENT MOTION**

That consent motion items (a) through (e) be approved.

- a) **Title:** **2024 Annual Debt and Financial Obligation Limit Calculation** **Page 21**
Report No.: CORP2023-048
Prepared By: Kim Reger

Recommendation:

1. That Council receives the report CORP2023-048 for information.

- b) **Title:** **Interim Spending Authority** **Page 28**
Report No.: CORP2023-053
Prepared By: Mary Zubert

Recommendation:

1. That Council approves staff report CORP2023-053
2. That Council approves 2024 interim spending authority for City of Waterloo operating expenditures in an amount not to exceed \$53,717,933 which represents 25% of the annual 2023 approved operating expenditure budget of the City.

- c) **Title:** [2024 Building Standards Fees and Charges](#) **Page 31**
Report No.: IPPW2023-061
Prepared By: Beth Maxwell

Recommendation:

1. That IPPW2023-061 be approved.
2. That Council approve a 12% increase to all Building Standards fees and charges effective January 1, 2024.
3. That Council approve the Building Standards Fees and Charges by-law updates, attached as Appendix A to IPPW2023-061, effective of the dates noted, and that the Fees and Charges by-law is updated accordingly.

- d) **Title:** [Cemetery Services 2024 Fees and Charges](#) **Page 45**
Report No.: COM2023-036
Prepared By: Derek Brick

Recommendation:

1. That Council approve report COM2023-036.
2. That Council approve the Cemetery Services Fees and Charges By-law updates, attached as Appendix A to COM2023-036, effective as of the dates noted, and that the Fees and Charges By-law is updated accordingly.

- e) **Title:** [Municipal Parking Lots By-law Amendment](#) **Page 53**
Report No.: CAO2023-027
Prepared By: Christine Tettman and Christopher Mulhern

Recommendation:

1. That Council approve report CAO2023-027.
2. That Council approve amendments to Municipal Parking Lot By-Law #2017-047, as set out in CAO2023-027.

8. ITEMS REMOVED FROM THE CONSENT MOTION

9. STAFF REPORTS

- a) **Title:** [Business Licensing By-law Update](#) **Page 57**
Report No.: COM2023-031

Prepared By: Grant Curlew

Presentation: Grant Curlew

Recommendation:

1. That Council approve report COM2023-031.
2. That Council approve the Comprehensive Business Licensing By-law.

b) Title: **Rental Housing and Business Licensing 2024-2026 Fees and Charges** **Page 132**
Report No.: COM2023-032
Prepared By: Grant Curlew, Kim Reger

Recommendation:

1. That Council approve report COM2023-032.
2. That Council approve a 4% Rental Housing rate increase for 2024 as set out in Table #2 of report COM2023-032.
3. That Council approve the 2025-2026 Rental Housing rate forecast in principle as set out in Table #2 of report COM2023-032.
4. That Council approve the Rental Housing Program Fees and Charges By-Law updates, attached as Appendix A to COM2023-032, effective as of the dates noted, and that Fees and Charges By-Law is updated accordingly.
5. That Council permits the Rental Housing Reserve to temporarily be in a deficit position extended to the end of 2030 as per the Rental Housing Reserve Forecast in Appendix B.
6. That Council approve a 5% Business Licensing Program Fees and Charges rate increase for 2024 (effective July 1st, 2024) as set out in Table #4 of report COM2023-032.
7. That Council approve the 2025-2026 Business Licensing rate forecast in principle as set out in Table #4 of report COM2023-032.
8. That Council approve the Business Licensing Program Fees and Charges By-Law updates, attached as Appendix C to COM2023-032, effective as of the dates noted, and that the Fees and Charges By-Law is updated accordingly.

- c) **Title:** 2024-2026 Staff Tabled Budget Summary
Report No.: CORP2023-055
Prepared By: Paul Hettinga, Brad Witzel

Introductory Remarks: Councillor Freeman

Presentation: Paul Hettinga and Brad Witzel

2024-2026 Staff Tabled Budget Documents and Reports will be released on December 11, 2023 at 2:00pm and can be located here:
waterloo.ca/budget

- d) **Title:** Reserves and Reserve Funds Annual Update **Page 149**
Report No.: CORP2023-043
Prepared By: Julie Koppeser

Recommendation:

1. That Council approve report CORP2023-043.
2. That Council approve that \$4,405,000 be transferred from the Northdale portion to the General portion of the Parkland Dedication Reserve Fund to provide funding to address parkland needs throughout the City.
3. That Council approve that \$100,000 in 2024, \$50,000 in 2025, and an additional \$50,000 in 2026 of the annual CRF funding allocation be redirected as a permanent source of funding for the Climate Action Reserve Fund.
4. That Council approve that the final reported property tax operating surplus annually, if any, be allocated:
 - 25% to the Tax Rate Stabilization Reserve (TRS)
 - 25% to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
 - 25% to the Climate Action Reserve Fund (CARF)
 - 25% to the Library Expansion and Rehabilitation Reserve Fund (LXPR)
5. That Council approve that when actual investment income exceeds budgeted investment income, the surplus is transferred:
 - 25% to the Climate Action Reserve Fund (CARF)
 - 25% to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
 - 25% to the Capital Reserve Fund (CRF)
 - 25% to the Library Expansion and Rehabilitation Reserve Fund (LXPR)

6. That Council approve that the RIM Park Investment Reserve (RIM) no longer receive \$200,000 from any year-end property tax operating surplus (if available).
7. That Council approve one-time transfers from the RIM Park Investment Reserve (RIM) surplus of:
 - \$1,200,000 to the Capital Reserve Fund (CRF)
 - \$750,000 to the Planning Litigation Reserve Fund (LIT)
 - \$500,000 to the Climate Action Reserve Fund (CARF)
 - \$500,000 to the Affordable Housing Reserve Fund (CCPC-AH)
 - \$400,000 to the Comprehensive Business Licensing Reserve (BUS)
 - \$100,000 to the Rental Housing Reserve (RHR)
8. That Council approve the following administrative adjustments be updated in the Reserves and Reserve Funds Policies:
 - a. That Council approve that all references to Waterloo North Hydro in the Reserve and Reserve fund policies be updated to Enova Power Corp.
 - b. That Council approve that all references to hard and soft services in the Development Charges Reserve Fund policy be updated to “engineering” and “general”, respectively.
 - c. That Council approve that the reference to WMRC lot permit revenue be removed from the Capital Infrastructure Reinvestment Reserve Fund revenue policy.
 - d. That Council approve that the Library Expansion Reserve Fund (LXP) permitted use be updated to include Library Rehabilitation.
 - e. That Council approve that the Library Expansion Reserve Fund (LXP) name be changed to the Library Expansion and Rehabilitation Reserve Fund (LXPR).
 - f. That Council approve that the Parkland Dedication Reserve Fund policy be updated to remove references that the need to upgrade is due to intensification of the surrounding neighbourhood.
 - g. That Council approve that the Sick Leave Reserve Fund Revenue policy be updated to: 100% of the net difference between Fire salary budget and actual, less 50% of vacancy related savings for Fire positions.
 - h. That Council approve that the General Operating Contingency Reserve be renamed to the General Contingency Reserve (GENCON).

- i. That Council approve that the General Operating Contingency Reserve policy be updated to include that the reserve may be used for strategic, one-time, capital contingency expenditures.
 - j. That Council approve that the reference to WMRC lot permit revenue be removed from the General Operating Contingency Reserve revenue policy.
 - k. That Council approve that the Rental Housing Reserve Council Approved Target level be updated to reference that the reserve should remain in a positive position.
 - l. That Council approve that the Tax Rate Stabilization policy be updated to reflect the exemption of Enterprise step gapping.
 - m. That the Council Approved Target Levels of the Sanitary Sewer Utility Capital Reserve (SEWCAP), Sanitary Sewer Utility Stabilization Reserve (SEWOP), Stormwater Utility Reserve (SWM), Water Utility Capital Reserve (WATCAP) and Water Utility Stabilization Reserve (WATOP), be updated to remove the word “minimum”, to provide greater clarity that these levels are target levels.
 - n. That Council approve that all references to the greenhouse gas emission reduction targets of “50% by 2030 and 80% by 2050” in the Reserve and Reserve fund policies be updated to “50% by 2030 and net zero by 2050”.
- 9. That Council approve that FC-006 Reserves and Reserve Funds Policy, attached as Appendix B, be updated for the changes required through recommendations 1 through 8, inclusive.
 - 10. That Council approve that FC-003 Surplus Allocation Policy, attached as Appendix C, be updated for the changes required through recommendations 4 and 6.

e) **Title:** **Early Approval of Capital Projects** **Page 255**
Report No.: CORP2023-049
Prepared By: Julie Koppeser

Recommendation:

- 1. That Council approve report CORP2023-049.
- 2. That Council approve:
 - a. That the 2024 non-routine project, Facilities Design & Management Services – AMCC Sportsplex & WPL McCormick Branch Library Renovations (ref #222), totaling \$7,257,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.

- b. That staff return with a report prior to February 12, 2024 to request the partial release of \$1,500,000 in non-routine funds for the AMCC Sportsplex & WPL McCormick Branch Library Renovations project (ref #222).
- 3. That Council approve:
 - a. That the 2024 routine project, Facilities Design & Management Services – Corporate Security System Upgrades (ref #223), totaling \$531,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That the funding for Corporate Security System Upgrades (ref #223) be released on January 1, 2024.
- 4. That Council approve:
 - a. That the 2024 routine project, Facilities Design & Management Services – Material Storage Building (ref #233), totaling \$1,103,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That the funding for Material Storage Building (ref #233) be released on January 1, 2024.
- 5. That Council approve:
 - a. That the 2024 non-routine project, Facilities Design & Management Services – West Side Satellite Operations Centre (ref #236), totaling \$75,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That staff return with a report prior to February 12, 2024 to request the release of non-routine funds for the West Side Mini Operations Centre project (ref #236).
- 6. That Council approve:
 - a. That the 2024 non-routine project, Parks, Forestry and Cemetery Services – Action Sports Parks-City Wide (ref #280), totaling \$796,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That staff return with a report prior to February 12, 2024 to request the release of non-routine funds for the Action Sports Parks-City Wide project (ref #280).
- 7. That Council approve:

- a. That the 2024 routine project, City Utilities-Sanitary – Inflow and Infiltration Mitigation Program (ref #517), totaling \$84,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That the funding for Inflow and Infiltration Mitigation Program (ref #517) be released on January 1, 2024.
8. That Council approve:
 - a. That the 2024 routine project, City Utilities-Water – Non-potable Water Supply Well Assessment (ref #550), totaling \$56,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That the funding for Non-potable Water Supply Well Assessment (ref #550) be released on January 1, 2024.

f) **Title:** **City Utilities – 2024 Rates** **Page 271**
Report No.: IPPW2023-060
Prepared By: Michael Pugliese, Leigh McDermott

Presentation: Leigh McDermott and Michael Pugliese

Recommendation:

1. That IPPW2023-060 be approved.
2. That Council approve the 2024 water rate at \$2.32/m³, comprised of the City portion of the rate at \$1.1150/m³ and the Regional portion of the rate at \$1.2050/m³ as set out in Table 1 of report IPPW2023-060, and that the Fees and Charges By-Law be updated to reflect the water rate effective January 1, 2024.
3. That Council approve the 2024 sanitary rate at \$2.81/m³, comprised of the City portion of the rate at \$1.3323/m³ and the Regional portion of the rate at \$1.4777/m³ as set out in Table 1 of report IPPW2023-060, and that the Fees and Charges By-Law be updated to reflect the sanitary rate effective January 1, 2024.
4. That Council approve the 2024 stormwater rates as outlined below and that the Fees and Charges By-Law be updated to reflect the stormwater rates effective January 1, 2024:
 - Residential; small \$11.19/month, medium \$16.76/month, and large \$22.88/month
 - Multi-Residential; small \$32.11/month, medium \$135.85/month, and large \$723.89/month

- Institutional; small \$52.04/month, medium \$140.64/month, and large \$287.98/month
- Commercial/Industrial; small \$43.06/month, medium \$201.08/month, large \$648.02/month, and largest \$1,641.38/month

5. That Council approve the 2025-2033 water, sanitary, and stormwater rate forecast in principle as set out in Table 1 of report IPPW2023-060.
6. That Council approve that the Fees and Charges By-Law be updated for the rates and effective dates as shown in Appendix B of report IPPW2023-060.
7. That Council approve that bi-monthly City Utilities billings no longer use a blended rate when water and sanitary volumetric charges span different years and are billed based on the previous year's rates until the next full billing period.

g) Title: Long-Term Financial Plan Update
 Report No.: CORP2023-052
 Prepared By: Michael Pugliese, Cassandra Pacey

2024-2026 Staff Tabled Budget Documents and Reports will be released on December 11, 2023 at 2:00pm and can be located here: waterloo.ca/budget

COUNCIL MEETING WILL RECESS AND RECONVENE AT 6:30 PM

10. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

11. PUBLIC MEETINGS

Formal Public Meeting

**a) Title: Official Plan Amendment No. 32,
 Zone Change Application Z-21-03,
 Draft Plan of Subdivision 30T-21401,
 65 Northfield Drive Inc., 525 & 565
 Conestogo Rd W**
 Report No.: IPPW2023-059

Prepared By: Rita Szilock
Ward No.: Ward 4, Northeast

Presentation: Rita Szilock

REPORT TO FOLLOW

b) **Title:** **Z-23-10, 155 University Ave W**
Report No.: IPPW2023-053
Prepared By: Amanda Wyszynski
Ward No.: 6 – Central Columbia

Presentation: Amanda Wyszynski

REPORT TO FOLLOW

c) **Title:** **Extension of the SOLER (Support Our Local Economic Recovery) Initiative** **Page 296**
Report No.: IPPW2023-062
Prepared By: Aminu Bello
Ward No.: City Wide

Recommendation:

1. That Council approve report IPPW2023-062.
2. That Council support the extension of the SOLER Initiative until December 31, 2024.
3. That Council approve the extension of Temporary Use Zoning By-law 2020-049 as amended, SOLER Initiative, pursuant to Section 39 of the Planning Act, as set forth in IPPW2023-062.

12. CONSIDERATION OF NOTICE OF MOTION GIVEN AT PREVIOUS MEETING

None

13. NOTICE OF MOTION

None

14. COMMUNICATIONS AND CORRESPONDENCE

None

15. UNFINISHED BUSINESS

None

16. QUESTIONS

17. NEW BUSINESS

a) Regional All-Council Meeting – December 15, 2023, 2:00pm

18. ENACTMENT OF BY-LAWS

Recommendation:

That the By-laws listed below be read a first, second and third time and finally passed, numbered sequentially commencing with By-law Number 2023-103 and that the Mayor and Clerk be authorized to sign them accordingly.

- a) By-law to Impose Fees and Charges on Persons (COM2023-036, COM2023-032, IPPW2023-060, IPPW2023-061, Council December 11, 2023)
- b) Temporary Use Zoning By-law City of Waterloo, SOLER Initiative Extension (IPPW2023-062, Council December 11, 2023)
- c) By-law to Provide for the Licensing and Regulation of Various Businesses in the City of Waterloo (COM2023-031, Council December 11, 2023)
- d) By-law to adopt Official Plan Amendment No. 42 creating a specific provision are for the lands known municipally as 83, 85 Hickory Street West and 265, 267 Hemlock Street. (OPA 42, IPPW2023-036, Council November 20, 2023, 13780520 Canada Inc.)
- e) By-law to amend By-law No. 2018-050, being a zoning by-law controlling land use in the City of Waterloo. Amending the zoning on the lands known municipally as 83, 85 Hickory Street West and 265, 267 Hemlock Street in order to apply site specific regulations. (Zone Change Application Z-22-13, IPPW2023-036, Council Nov 20, 2023, 13780520 Canada Inc.)
- f) A By-law to amend By-law 2017-047, being a By-law to Establish Certain Municipal Parking Lots in the City and to Regulate the Parking of Vehicles Therein and Thereon (CAO2023-027, Council December 11, 2023)

- g) By-law to confirm all actions and proceedings of Council, December 11, 2023

19. ADJOURNMENT



A meeting of the Council of The Corporation of the City of Waterloo was held on November 20, 2023 at 2:00 p.m. in the Council Chambers, 100 Regina Street, South, Waterloo, Ontario and streamed live via YouTube.



COUNCIL MEETING MINUTES -

DRAFT

Monday, November 20, 2023

2:01 PM

PRESENT: Councillor Sandra Hanmer, Councillor Royce Bodaly, Councillor Hans Roach, Councillor Diane Freeman, Councillor Jen Vasic, Councillor Mary Lou Roe, Councillor Julie Wright

ABSENT: Mayor Dorothy McCabe

Councillor Freeman in the Chair

1. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

No disclosure of pecuniary interest was declared by any member of Council at this point in the meeting.

2. CLOSED MEETING

Moved by Councillor Roach, Seconded by Councillor Hanmer:

That Council hold a closed meeting for the purposes of considering the following subject matter:

- a) the security of the property of the municipality or local board (unsheltered housing update).

Carried Unanimously

Council meeting recessed:
Council meeting reconvened:

(Time: 2:05 p.m.)
(Time: 3:32 p.m.)

3. TERRITORIAL ACKNOWLEDGEMENT

Councillor Freeman opened the meeting with the following Territorial Acknowledgement:

We would like to begin by acknowledging that the land on which many of us are gathered today is the land traditionally cared for by the Haudenosaunee, Anishnaabe and Neutral peoples. We also acknowledge the enduring presence and deep traditional knowledge and philosophies of the Indigenous people with whom we share this land today.

4. MOMENT OF REFLECTION

Councillor Freeman provided Council with a moment of reflection.

At the beginning of this Council meeting, we pause to think about the needs of our community. May we show wisdom and compassion in all our decisions.

Today, we pause to remember individuals and communities affected by gender-based violence. The emergence of three distinct observances to collectively grieve and call for change is a critical reminder of the increasing prevalence of this violence.

Transgender Day of Remembrance is observed each year on November 20th to acknowledge the people who have died as a result of acts of anti-trans violence. The National Day of Remembrance and Action on Violence Against Women honours the memory of the 14 young women murdered at the Ecole Polytechnique Montréal on December 6, 1989. Linking these two days are the United Nations' 16 Days of Activism Against Gender-based Violence, from November 25th to December 10.

The threats of violence feel particularly close and prevalent this year:

- Incidents of femicide are increasing in Ontario at a rate of the death of one woman per week.
- The knife attack at the University of Waterloo brought into vivid focus the local hatred felt toward those who challenge traditional gender norms.
- The racist aggression towards a Muslim woman in a local Drive Test office surrounded by countless bystanders.
- The regularity of demonstrations that denounce the rights of members of the 2SLGBTQ+ community.
- The backlash against demands to search a Winnipeg landfill for the remains of three murdered women is one of many tragic examples of our society's collective indifference to the vulnerability of Indigenous women, girls and two-spirit people in this country.

There are glimmers of hope in the midst of these threats to life and safety:

- More than 45 Ontario municipalities, including Waterloo, have declared intimate partner violence an epidemic.
- Communities across the country have rallied in support of 2SLGBTQ+ youth.

- Local organizations are working hard to provide places where women, girls, two-spirit, trans and gender-diverse people can find places of refuge when needed, as well as safe spaces in which they can work, study and play.

We know we must do more. Addressing the harm caused by centuries of patriarchy and colonialism will require collective systemic change – to improve our responses to violence and how our institutions operate as well as an unlearning of biases and long-held beliefs.

As a City, we re-commit ourselves to taking concrete steps toward stamping out gender-based violence in all its forms. We further commit to acting and speaking with boldness and conviction to create a safer community for women, girls, two-spirit, trans and gender-diverse people.

5. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

No disclosure of pecuniary interest was declared by any member of Council at this point in the meeting.

6. APPROVAL OF MINUTES

That the previous meeting minutes be approved.

a) October 16, 2023 – Council Meeting

Moved by Councillor Wright, Seconded by Councillor Bodaly:

That the minutes of the Council meeting held on October 16, 2023 be approved as printed.

Carried Unanimously

7. STAFF REPORTS

- a) Title: 2023 Asset Management Report Cards and Update**
 Report No.: CORP2023-040
 Prepared By: Cassandra Pacey

Cassandra Pacey gave a presentation outlining what asset management is, the City's asset management story, and the annual infrastructure funding gap. She then responded to questions of Council. Leigh McDermott also responded to questions of Council.

Moved by Councillor Wright, Seconded by Councillor Roach:

1. That Council receives CORP2023-040 as information.

Carried Unanimously

- b) Title: Asset Management Policy Update**
Report No.: CORP2023-039
Prepared By: Cassandra Pacey

Cassandra Pacey gave a presentation with a brief overview of the updates to the asset management policy.

Moved by Councillor Roe, Seconded by Councillor Hanmer:

1. That Council approve CORP2023-039;
2. That Council approves the revised Corporate Policy A-030 Strategic Asset Management Policy attached as Appendix A.

Carried Unanimously

- c) Title: Town and Gown Terms of Reference Update**
Report No.: COM2023-035
Prepared By: Amy McCullough

Moved by Councillor Roe, Seconded by Councillor Wright:

1. That report COM2023-035 be received as information.

Carried Unanimously

- d) Title: 2024 Interim Tax Levy**
Report No.: CORP2023-051
Prepared By: Mary Zubert

Moved by Councillor Bodaly, Seconded by Councillor Roe:

1. That Council approves staff report CORP2023-051.
2. That Council approves the 2024 Interim Tax Levy By-law, attached as Appendix "A".

Carried Unanimously

Council meeting recessed:
Council meeting reconvened:

(Time: 4:13 p.m.)
(Time: 6:30 p.m.)

8. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

No disclosure of pecuniary interest was declared by any member of Council at this point in the meeting.

9. PUBLIC MEETINGS

Formal Public Meeting

- a) **Title:** **Official Plan Amendment No. 42 and Zoning By-law Amendment Z-22-13 for 83 & 85 Hickory Street West and 265 & 267 Hemlock Street**
- Report No.: IPPW2023-036
- Prepared By: Tristin Deveau
- Ward No.: Ward 6: Central-Columbia

Tristin Deveau gave a presentation outlining the proposed development, including the official plan and the proposed zoning amendments. He then responded to questions of Council.

Jennifer Voss, JV Planning & Development Consulting and Reema Masri, Masri O Inc. Architects gave a presentation further outlining the proposed development. They then responded to questions of Council. Joel Cotter also responded to questions of Council.

As no one else was present to speak to the application, the Chair concluded the Formal Public Meeting and advised the application was now open to Council for a motion and debate.

Councillor Freeman made a note that the recommendations in Section 6 of the report had the incorrect address and should read “83, 85 Hickory Street West”.

Moved by Councillor Roe, Seconded by Councillor Roach:

1. That Council approve Staff Report IPPW2023-036.
2. That Council adopt Official Plan Amendment No. 42 pertaining to 83, 85 Hickory Street West and 265, 267 Hemlock Street, in accordance with Section 6 of Staff Report IPPW2023-036.
3. That Council request that the Regional Municipality of Waterloo approve Official Plan Amendment No. 42.

4. That Council approve Zoning By-law Amendment Z-22-13 pertaining to 83, 85 Hickory Street West and 265, 267 Hemlock Street, in accordance with Section 6 of Staff Report IPPW2023-036.

Carried Unanimously

10. NEW BUSINESS

Councillor Vasic mentioned that the Button Factory Arts held the opening reception for their Holiday Market on Saturday, November 18, 2023. The Market runs from November 17-December 23, 2023, and they have extended hours during this time. The Button Factory Arts will also be marking the retirement of their executive director, Heather Franklin, who has been with them for 14 years. Their new executive director is Emma Walker.

Councillor Vasic attended the Omas Holiday Market at Parkminster Church on November 12, 2023. They raise funds for the Steven Lewis Foundation, which benefits grandmothers across Africa affected by the AIDS epidemic. The local chapter has raised nearly \$1 million over the last 20 years.

Councillor Vasic also attended the Nutrition for Learning Comedy and Cocktail event on November 8, 2023 at Tapestry Hall. Councillor Vasic noted that the statistics shared surrounding food and nutrition needs in the community were hard to hear, as the situation was escalating exponentially.

Councillor Wright shared that she attended Voices Empower with Councillor Roe, a walk with Women's Crisis Services of Waterloo Region, on November 18, 2023. They walked from Uptown Waterloo Town Square to Carl Zehr Square in Kitchener and back. The event raised money and awareness for Intimate Partner Violence, with fundraising open until December 1, 2023.

Councillor Roe participated in the Santa Claus parade with Councillor Freeman and Councillor Roach on November 18, 2023. Councillor Roe mentioned that the City of Waterloo float was amazing, and the parade was a lot of fun.

Councillor Roe also attended the Senior Active Living Fair with Councillor Vasic on November 16, 2023. Over 300 people attended the event, and she offered her kudos to Jim Bowman and staff for organizing the event.

Councillor Freeman mentioned that the Waterloo Potters' Guild, and the Weavers' Guild, put on a stunning show at RIM Park this past weekend, November 17-19, 2023. It brought in people from all over the province, and tied in well with other craft shows over the weekend.

Councillor Freeman also wanted to update that the City did a great job with Remembrance Day, which was very well attended, and Councillor Wright's son played a

lament on the bagpipes. She received a personal note from Lord Bruce to say how impressed he was with the City's ceremonies. She thanked staff and everyone who participated.

11. ENACTMENT OF BY-LAWS

Moved by Councillor Roe, Seconded by Councillor Hanmer:

That the By-laws listed below be read a first, second and third time and finally passed, numbered sequentially commencing with By-law Number 2023-094 and that the Mayor and Clerk be authorized to sign them accordingly.

- | | | |
|----|-----------------|--|
| a) | By-law 2023-094 | By-law to Provide for the 2024 Interim Tax Levy and for the Payment of 2024 Interim Property Taxes (CORP2023-051, Council November 20, 2023) |
| b) | By-law 2023-095 | By-law to confirm all actions and proceedings of Council, November 20, 2023 |

Carried Unanimously

12. ADJOURNMENT

Moved by Councillor Bodaly, Seconded by Councillor Wright:

That the meeting adjourn.

(Time: 7:06 p.m.)

Carried Unanimously

READ AND APPROVED, December 11, 2023

Mayor

City Clerk



STAFF REPORT

Finance

Title: 2024 Annual Debt and Financial Obligation Limit Calculation
Report Number: CORP2023-048
Author: Kim Reger, Senior Financial Analyst
Council Date: December 11, 2023
File: N/A
Attachments: N/A
Ward No.: All

Recommendations:

That Council receives the report CORP2023-048 for information.

A. Executive Summary

The Municipal Act permits a maximum of 25% of net operating revenues to be used to fund principal and interest debt charges. In 2022, the City of Waterloo paid principal and interest charges totalling \$8.20 million. As a percentage of net operating revenues as defined under the Provincial regulation this represents 4.53%, which is under the limit. Under the Municipal Act municipalities are required to confirm available debt capacity exists within the limit before Council approval of any debt funded project, or expenditure increase to a previously approved debt funded project, that will require repayment beyond the current term of Council.

B. Financial Implications

The staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast includes the recommended 10 year debentures as listed in Table 1. These debentures are mainly a mix of development charge debt and enterprise debt, both projected to be fully recovered over time through development charge collections or user fees. The staff tabled 2024-2026 Capital Budget also includes new property tax supported debt for the Facility Transformational Projects (ref #225). This debenture project is required to assist the City in achieving its corporate greenhouse gas (GHG) emission reduction targets. Originally, the goal was a 50 per cent GHG reduction by 2030 and an 80 per cent GHG reduction by 2050. On October 16, 2023 Council put forth a motion to set a powerful new goal for the

corporation to hit net zero emissions (the point at which the amount of greenhouse gas emitted is equal to the amount that is removed from the atmosphere) by 2050.

Table 1: Recommended Debentures as per the Staff Tabled 2024 Capital Budget

REF#	Type of Debt	Project	\$	Year
590	DC	Beaver Creek Road & Conservation Drive Reconstruction-Roads	11,396,000	2024-2026
590	DC	Beaver Creek Road & Conservation Drive Reconstruction-Water	2,760,000	2024-2026
590	DC	Beaver Creek Road & Conservation Drive Reconstruction-Sanitary	43,604,000	2024-2026
590	DC	Beaver Creek Road & Conservation Drive Reconstruction-Stormwater	3,096,000	2024-2026
250	DC	Fire Rescue Expansion	11,888,000	2024
	DC Total		72,744,000	
696	WAT	Union St - King St to Moore Ave	1,723,000	2025
666	WAT	City Wide City Road Share of Regional Major Reconstruction Projects-Water	6,635,000	2025-2026
555	WAT	Structurally Deficient Watermain Rehab - City Wide	892,000	2025
N/A	WAT	Future Water Enterprise Debenture Needs	12,000,000	2027-2032
	WAT Total		21,250,000	
532	SWM	Denholm Pond Upgrades	717,000	2024
533	SWM	Forwell Creek Industrial Lands - Stormwater Management	2,721,000	2024-2026
548	SWM	SWM Pond Sediment Removal and Retrofit	980,000	2024-2025
666	SWM	City Wide City Road Share of Regional Major Reconstruction Projects-Stormwater	832,000	2025
N/A	SWM	Future Stormwater Enterprise Debenture Needs	10,450,000	2027-2032
	SWM Total		15,700,000	
N/A	SEW	Future Sanitary Sewer Enterprise Debenture Needs	6,000,000	2030-2032
	SEW Total		6,000,000	
225	CIRRFINFRA	Facility Transformational Projects	10,000,000	2024
	CIRRFINFRA Total		10,000,000	
	Grand Total		125,694,000	

*Note – principal amount only

As shown in Tables 4 and 5, with the inclusion of the projected debt charges related to these recommended debentures, the City of Waterloo will remain under the provincial limit.

C. Technology Implications

None

D. Link to Strategic Plan

(Strategic Priorities: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

- Sustainability - We plan for the long term, prioritizing sustainability and take meaningful action to address environmental, social and economic goals.
- Integrity - We operate with integrity and transparency, we strive for well-considered comprehensive, responsive, diligent and thoughtful decision-making.
- Operational excellence - We provide fiscally responsible, exceptional service that meets the needs of residents, partners and equity-deserving groups, employees and volunteers of the city.

E. Previous Reports on this Topic

- CORP2022-046 2023 Annual Debt and Financial Obligation Limit Calculation
- CORP2021-038 2022 Annual Debt and Financial Obligation Limit Calculation
- CORP2020-057 2021 Annual Debt and Financial Obligation Limit Calculation
- CORP2019-085 2020 Annual Debt and Financial Obligation Limit Calculation



2024 Annual Debt and Financial Obligation Limit Calculation CORP2023-048

The annual long term financial obligation and debt limit for all municipalities is determined under the Municipal Act, Regulation 403/02, and the Annual Debt Repayment Limit (ARL) is sent to municipalities by the Ministry of Municipal Affairs and Housing (MMAH) at the beginning of each year. The debt limit is calculated based on data in the Financial Information Return (FIR) that is submitted each year to the Ministry by the City of Waterloo.

Although the Ministry reviews and regulates the debt levels of a municipality, it is the responsibility of the municipality to calculate whether it is within its limit. Debt capacity calculations have been provided as part of the debt analysis schedules in the capital budget and debt monitoring is undertaken annually as part of the capital budgeting process.

The Municipal Act prescribes that the debt limit is to be calculated before authorizing any specific work or class of work, or any increase in expenditure for a previously authorized specific work or class of work, that would require a long-term debt or financial obligation beyond the term for which Council was elected. Therefore, with each budget process, and prior to the authorization by Council of long-term debt or financial obligations, this limit must be updated by the Treasurer in the prescribed manner. The current limit was effective January 1, 2023, and was based on the 2021 FIR.

The limit calculation that will be effective January 1, 2024 is to be based on information from the last submitted Financial Information Return, the 2022 FIR. As the current operating year (2023) is still underway at the time the debt limit is calculated and issued by the Province, the Financial Information Return from the prior year (2022) is used for the calculation.

Included for further reference are excerpts from the Capital Budget Document: Provincial Debt Policy Calculation, (updated for 2022 FIR actuals) which demonstrate the staff tabled capital budget and forecast as planned to include projects requiring debenture issues.

The Municipal Act regulation permits a maximum of 25% of net operating revenues to be used to fund principal and interest debt charges. In 2022, the City of Waterloo paid principal and interest charges totaling \$8.20 million. As a percentage of net operating revenues as defined under the Provincial regulation this represents 4.53%, which is under the limit.

Waterloo's net debt charges as a percentage of net operating revenues, at 4.53% for 2022, is slightly higher than the 2022 provincial average for lower-tier municipalities with population >50K of 3.66% (at the time of writing this report 21 of 25 municipalities had submitted their information).

The following tables provide step by step information on the calculation required under the Municipal Act. As shown in Table 2, the 2022 net operating revenue calculation is \$181.38 million. Table 3 illustrates both the existing and the recommended debt charges.

The updated repayment limit as established by the Ministry guidelines is estimated to be \$37.1 million as shown in Table 4, which calculates the difference between the maximum 25% allowable and the existing and recommended debt charges, to determine the remaining debt charges capacity. The City has not, at this point, received the final limit that will be in effect for January 1, 2024. This notification from the Ministry is usually received in the first or second quarter of each operating year, and is therefore anticipated to be received early in 2024.

The annual principal and interest costs associated with our long-term financial obligations and debt have been included in both the approved capital and operating budgets.

Chart 1: Debt Charges as compared to Net Revenues and Provincial Limit

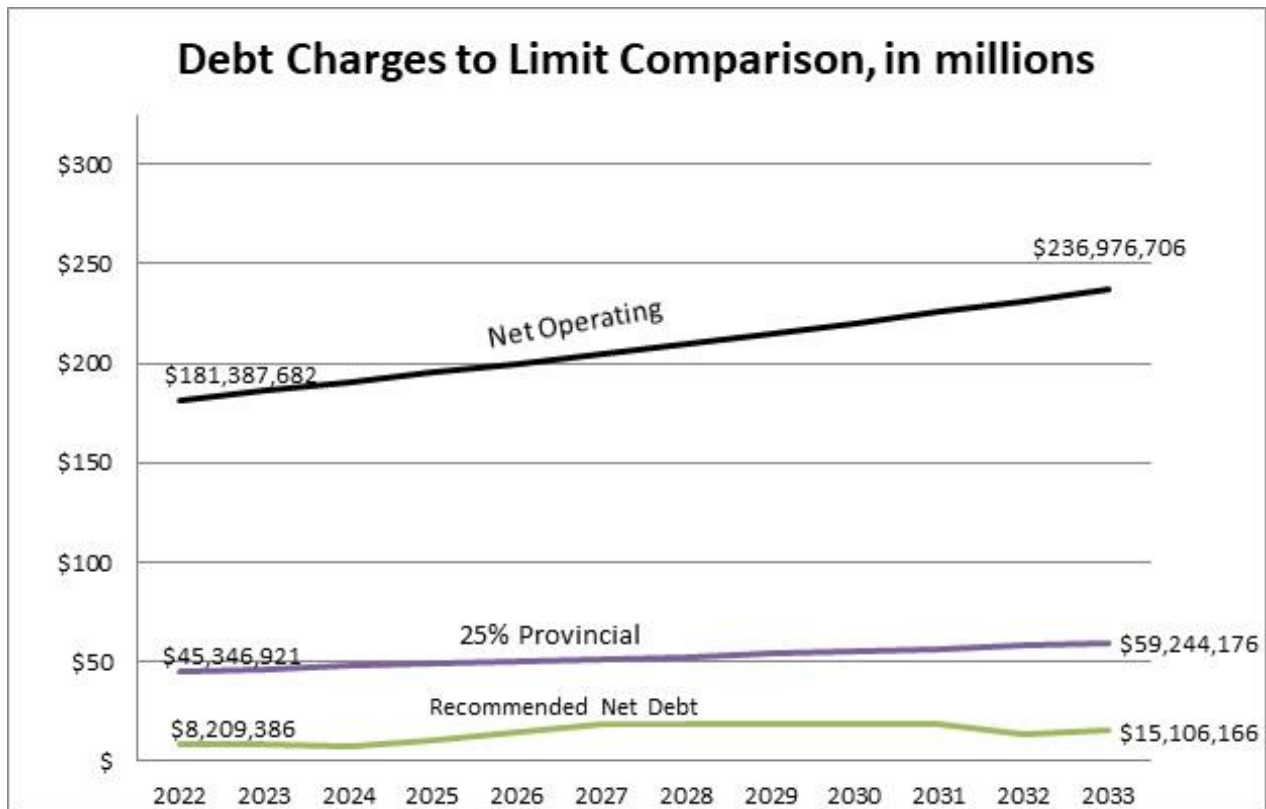


Table 2: 2022 Net Revenue Calculation

2022 Net Revenue Calculation:

	Actuals 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033
Total Revenues	\$ 325,628,695											
Less: Deferred Revenue	-18,817,447											
Less: Ontario Conditional Grants	-6,211,576											
Gain or Loss: Sale of Land and Capital Assets	85,161											
Less: Business Enterprise Equity	-113,255,636											
Less: Donated TCA	-1,536,176											
Less: Other Revenue	-1,685,473											
Less: Other Municipalities	-2,813,866											
Net Operating Revenues*	\$ 181,387,682	\$ 185,849,819	\$ 190,421,725	\$ 195,106,099	\$ 199,905,709	\$ 204,823,389	\$ 209,862,045	\$ 215,024,651	\$ 220,314,258	\$ 225,733,988	\$ 231,287,044	\$ 236,976,706

*Budgeted Net Operating Revenues based on a 2.5% increase annually, actual increase subject to budget approval

Table 3: 2022 Debt Charges and 10 Year Projection*

2022 Actual, 2023-2033 Recommended Debt Charges:

	Actuals 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033
Existing RIM Park Capital Lease Payment	5,296,932	5,365,125	5,418,935	5,473,822	5,529,807	5,586,911	5,645,158	5,704,569	5,765,169	5,826,981	-	-
Silver Lake Study - EA Addendum	454,188	454,122	454,300	453,691	454,357	453,264	-	-	-	-	-	-
Maple Hill Creek Rehab-Westvale Pond to University Ave	113,558	113,040	113,358	114,479	114,422	115,181	114,752	-	-	-	-	-
Re-Purposing of the Carnegie Library - Interior	75,191	75,280	75,148	75,154	75,258	75,295	75,263	75,353	-	-	-	-
Waterloo Memorial Recreation Complex Addition and Repurp	312,900	313,271	312,723	312,747	313,182	313,335	313,200	313,577	-	-	-	-
Development Charges-Road Projects	985,128	979,750	559,646	-	-	-	-	-	-	-	-	-
Development Charges-Sanitary Projects	866,420	861,775	403,800	-	-	-	-	-	-	-	-	-
Development Charges-Stormwater Projects	105,068	104,453	103,634	-	-	-	-	-	-	-	-	-
(Future) Other Recommended Debt Charges	\$ -	\$ -	\$ -	\$ 3,915,279	\$ 8,127,297	\$ 12,165,677	\$ 12,412,259	\$ 12,856,106	\$ 12,856,106	\$ 13,102,688	\$ 13,904,079	\$ 15,106,166
Total Existing & Recommended Debt Charges for City of Waterloo	\$ 8,209,386	\$ 8,266,815	\$ 7,441,544	\$ 10,345,172	\$ 14,614,323	\$ 18,709,663	\$ 18,560,631	\$ 18,949,605	\$ 18,621,275	\$ 18,929,668	\$ 13,904,079	\$ 15,106,166

*Based on the staff tabled 2024-2026 Capital Budget

Table 4: Remaining Debt Charges Capacity*

Remaining Debt Charges Capacity:

	Actuals 2022	Budget 2023	Budget 2024	Budget 2025	Budget 2026	Budget 2027	Budget 2028	Budget 2029	Budget 2030	Budget 2031	Budget 2032	Budget 2033
Net Operating Revenues	\$ 181,387,682	\$ 185,849,819	\$ 190,421,725	\$ 195,106,099	\$ 199,905,709	\$ 204,823,389	\$ 209,862,045	\$ 215,024,651	\$ 220,314,258	\$ 225,733,988	\$ 231,287,044	\$ 236,976,706
Maximum Allowable Under Regulation For Total Debt Charges (25% of Net Revenue Fund Revenues)	\$ 45,346,921	\$ 46,462,455	\$ 47,605,431	\$ 48,776,525	\$ 49,976,427	\$ 51,205,847	\$ 52,465,511	\$ 53,756,163	\$ 55,078,564	\$ 56,433,497	\$ 57,821,761	\$ 59,244,176
Total Existing & Recommended Debt Charges for City of Waterloo	\$ 8,209,386	\$ 8,266,815	\$ 7,441,544	\$ 10,345,172	\$ 14,614,323	\$ 18,709,663	\$ 18,560,631	\$ 18,949,605	\$ 18,621,275	\$ 18,929,668	\$ 13,904,079	\$ 15,106,166
Remaining Debt Capacity	\$ 37,137,535	\$ 38,195,640	\$ 40,163,887	\$ 38,431,353	\$ 35,362,104	\$ 32,496,184	\$ 33,904,880	\$ 34,806,557	\$ 36,457,289	\$ 37,503,829	\$ 43,917,682	\$ 44,138,011

*Based on the staff tabled 2024-2026 Capital Budget

Table 5: Debt Charges as a % of Net Operating Revenues*

Debt Charges as a % of Net Operating Revenues:

Based on FIR for Year	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Provincial Calculation	Effective 2024	Effective 2025	Effective 2026	Effective 2027	Effective 2028	Effective 2029	Effective 2030	Effective 2031	Effective 2032	Effective 2033	Effective 2034	Effective 2035
(Recommended) Debt Charges shown as a Percentage of Net Operating Revenues	4.53%	4.45%	3.91%	5.30%	7.31%	9.13%	8.84%	8.81%	8.45%	8.39%	6.01%	6.37%
(Existing) Debt Charges shown as a Percentage of Net Operating Revenues	4.53%	4.45%	3.91%	3.30%	3.25%	3.19%	2.93%	2.83%	2.62%	2.58%	0.00%	0.00%

* FIR = Financial Information Returns from Annual Financial Statements

*Based on the staff tabled 2024-2026 Capital Budget



STAFF REPORT
Finance

Title: Interim Spending Authority
Report Number: CORP2023-053
Author: Mary Zubert
Council Date: December 11, 2023
File: N/A
Attachments: N/A
Ward No.: All

Recommendations:

1. That Council approves staff report CORP2023-053
2. That Council approves 2024 interim spending authority for City of Waterloo operating expenditures in an amount not to exceed \$53,717,933 which represents 25% of the annual 2023 approved operating expenditure budget of the City.

A. Executive Summary

The purpose of this report is provide staff with interim authority to continue to operate effectively, deliver its programs and meet its financial commitments during the period in 2024 before the budget is approved (planned for February 12, 2024).

The following excerpts from the Municipal Act spell out the requirements of the City of Waterloo in respect to budgets. In summary, the City of Waterloo must prepare a budget (annually or multi-year) and that budget may be approved retroactively to January 1.

Yearly budget, local municipalities

290 (1) For each year, a local municipality shall, in the year or the immediately preceding year, prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality, including,

- (a) amounts sufficient to pay all debts of the municipality falling due within the year;
- (b) amounts required to be raised for sinking funds or retirement funds; and
- (c) amounts required for any board, commission or other body. 2001, c. 25, s. 290 (1); 2006, c. 32, Sched. A, s. 120 (1).

Exception

(1.1) Despite subsection (1), a budget for a year immediately following a year in which a regular election is held, may only be adopted in the year to which the budget applies. 2006, c. 32, Sched. A, s. 120 (2).

Multi-year budget

291 (1) Despite sections 289 and 290, a municipality may prepare and adopt a budget covering a period of two to five years in the first year to which the budget applies or in the year immediately preceding the first year to which the budget applies. 2006, c. 32, Sched. A, s. 121.

Retroactive

(3) A regulation made under this section may be retroactive to January 1 of the year in which the regulation is made. 2009, c. 18, Sched. 18, s. 4.

B. Financial Implications

The current budget schedule indicates that the Operating Budget is scheduled to receive approval February 12, 2024. This timing will leave the City without an approved Operating Budget for more than a month. Even though this budget will be retroactive to January 1, 2024 once approved, Council direction on the level of expenditures appropriate for the first few weeks of the year will help ensure that the City of Waterloo will meet its financial obligations.

C. Technology Implications

None

D. Link to Strategic Plan

(Strategic Priorities: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

Integrity - We operate with integrity and transparency, we strive for well-considered comprehensive, responsive, diligent and thoughtful decision-making.

Operational Excellence - we provide fiscally responsible, exceptional service that meets the needs of residents, partners and equity-deserving groups, employees and volunteers of the city.

E. Previous Reports on this Topic

CORP2022-056 – Interim Spending Authority (2023 budget)



STAFF REPORT
Building Standards

Title: 2024 Building Standards Fees and Charges
Report Number: IPPW2023-061
Author: Beth Maxwell, Angela Schneider
Council Date: December 11, 2023
File: N/A
Attachments: Appendix A – Building Standards Fees and Charges
Appendix B – BMA Report – Executive Summary

Ward No.: All

Recommendations:

1. That IPPW2023-061 be approved.
2. That Council approve a 12% increase to all Building Standards fees and charges effective January 1, 2024.
3. That Council approve the Building Standards Fees and Charges by-law updates, attached as Appendix A to IPPW2023-061, effective of the dates noted, and that the Fees and Charges by-law is updated accordingly.

A. Executive Summary

In 2021, BMA Management Consultants Inc. (BMA) completed a review of the City of Waterloo's Building Standards fees and charges. BMA's findings determined that Waterloo's fees were substantially lower than peer municipalities and were generally the lowest in the survey group for all new construction classifications. Through its review, BMA recommended the need to increase building permit fees to support full cost recovery and maintain long-term initiatives.

On October 18, 2021 through report IPPW2021-058, Council approved the staff recommendation to adopt BMA's option of a phased-in approach of a 12% increase to all Building Standards fees and charges in each of the next five years from 2022 to 2026. Council approved the 12% increases for 2022 and 2023 (through reports IPPW2021-058 and IPPW2022-056 respectively). This report is seeking Council approval to continue with this phased-in approach and recommends all Building

Standards fees and charges be increased by 12% effective January 1, 2024 as shown in Appendix A.

B. Financial Implications

Through modelling, staff have developed the recommended 2024 Building Standards rates along with a 2025-2033 rate forecast that aligns with the City of Waterloo staff tabled 2024-2026 Operating and Capital Budgets. As such, it is recommended that the 2024 Building Standards rates be approved as outlined in this report. The 2024 Building Standards rates have been incorporated into the overall staff tabled budget, but do not fetter any special powers and duties assigned to the Mayor under Part VI.1 of the Municipal Act, 2001. If during budget adoption, changes to the staff tabled Building Standards budget are made, staff will review the impacts to the Building Standards rates and bring forward a mid-year rate change if applicable.

Prior to the BMA review in 2021, Waterloo's building permit fees had not been increased since 2003 due to the Building Permit Reserve Fund being in a favourable position as development exceeded growth expectations. However, construction activity is cyclical and beginning in 2019, significant draws from the reserve fund were required to balance the Building Standards operating budget, necessitating a fee review. This is a standard practice to ensure the Building Standards area is able to continue to operate as a self sustaining Enterprise Model, which is fully recovered from building permit fees and is not supported by any property tax funding.

Through its analysis, BMA determined that the City of Waterloo's Building Standards fees and charges ranged between 25% to 50% below the peer municipal median used in the study. With there being reserve funds available in the short term, staff supported the BMA option to phase-in fee increases at a rate of 12% in each year from 2022 to 2026, with staff now forecasting increases in each year beyond that in the range of 5% to 12%.

At this time, staff are seeking Council approval for a 12% increase to building permit fees, effective January 1, 2024. Staff will return each year to seek approval for subsequent years, making any changes to the model forecast and recommendations as necessary, based on updated actuals, ongoing construction activity, growth projections and staffing resource needs.

Staff have developed a forward looking financial model, based on estimates of future permit activity and forecasted rates, to create a 10-year reserve projection. The projected 2023 ending Building Permit Reserve Fund balance is estimated at approximately \$6.5 million.

C. Technology Implications

NA

D. Link to Strategic Plan

(Strategic Priorities: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

- Complete Community: Achieve a high quality of life for all residents and overall community vibrancy through strategic density, diverse housing options and equitably available parks, public spaces and other recreational and cultural amenities.

E. Previous Reports on this Topic

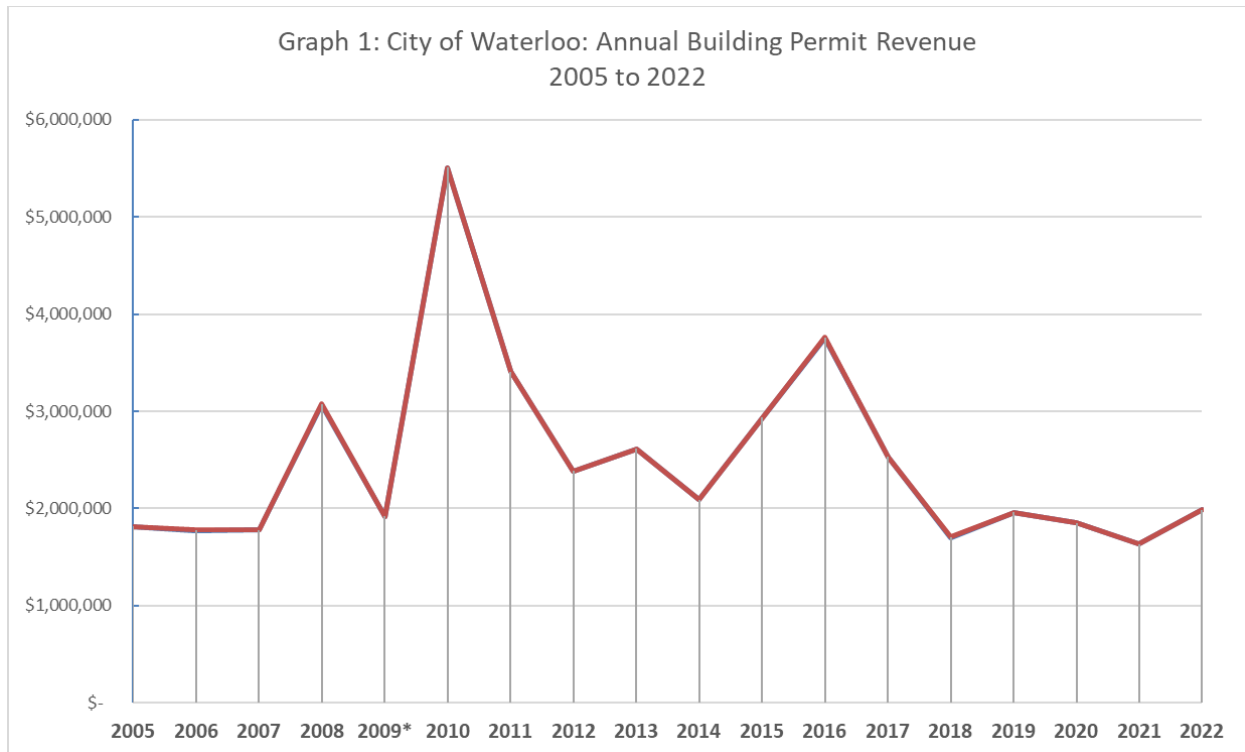
- IPPW2022-056 2023 Building Standards Fees and Charges
- IPPW2021-058 2022 Building Standards Fees and Charges
- IPPW2020-057 2021 Building Standards Fees and Charges



2024 Building Standards Fees and Charges IPPW2023-061

Background

Legislation (Bill 124) took effect in 2005, limiting municipal building permit fees to the anticipated reasonable cost to administer and enforce the Building Code. At that time, staff worked with Hemson Consulting to develop projections and set fees on a cost recovery basis. However, Building construction activity is difficult to predict and can vary based on large scale projects taking place (see Graph 1, notably 2010). These spikes in activity whereby revenues collected exceeded planned operating and capital expenses, resulted in surpluses that built up the Building Permit Reserve Fund. The Building Code Act requires that surpluses cannot be used to fund other City expenditures not related to the enforcement and administration of the building code.



**Core Area DC exemption expired in 2009; increased revenue recognized upon Building permit issuance in 2010*

Building Permit Reserve Fund - History

The Building Permit Reserve Fund (“reserve”) manages the risk associated with an economic downturn and spreads the impact of market fluctuations across an economic cycle. In anticipation of slower growth, since 2019, the Building Standards division’s operating budget has included a planned budgeted draw from the reserve to balance its budget as a self funded Enterprise. However, large draws from the reserve are not sustainable, and building permit fees need to increase over the coming years to ensure full cost recovery as recommended by the BMA review.

The following Table 1 summarizes the reserve history at a high level from 2005 to 2022, with a projection for 2023:

- a) contributions from operating surpluses from 2005 to 2017 total +\$11.8M
- b) withdrawals to cover operating deficits from 2018 to 2023* total -\$4.5M
- c) capital withdrawals for investments in technology such as electronic plans review and mobile inspections, electric fleet, and other assets total -\$4.0M
- d) interest earned total +\$3.3M
- e) Projected ending balance in 2023 is +\$6.5M

Table 1: Building Reserve Fund	2005-2014	2015-2019	2020	2021	2022	2023*	Total
a Contributions (from Op Surplus & other)	9,945,807	1,869,704	-	-	-	-	11,815,510
b Withdrawals (trf to Operating for Deficit)	-	-706,924	-712,578	-1,137,187	-825,923	-1,150,000	-4,532,612
c Net Trf to Capital	-2,228,071	-1,331,234	-320,708	-66,469	-50,000	-55,000	-4,051,482
d Interest	1,403,793	1,206,929	202,511	154,475	196,053	140,000	3,303,760
e Ending Reserve Balance **	9,121,528	10,160,003	9,329,228	8,280,047	7,600,177	6,535,177	6,535,177

* Projection: Based on Oct. actuals plus estimates for Nov. & Dec. (includes two pending mid-size projects that may not be issued until 2024)

** End of Year/Period

Building Permit Reserve Fund - Projections

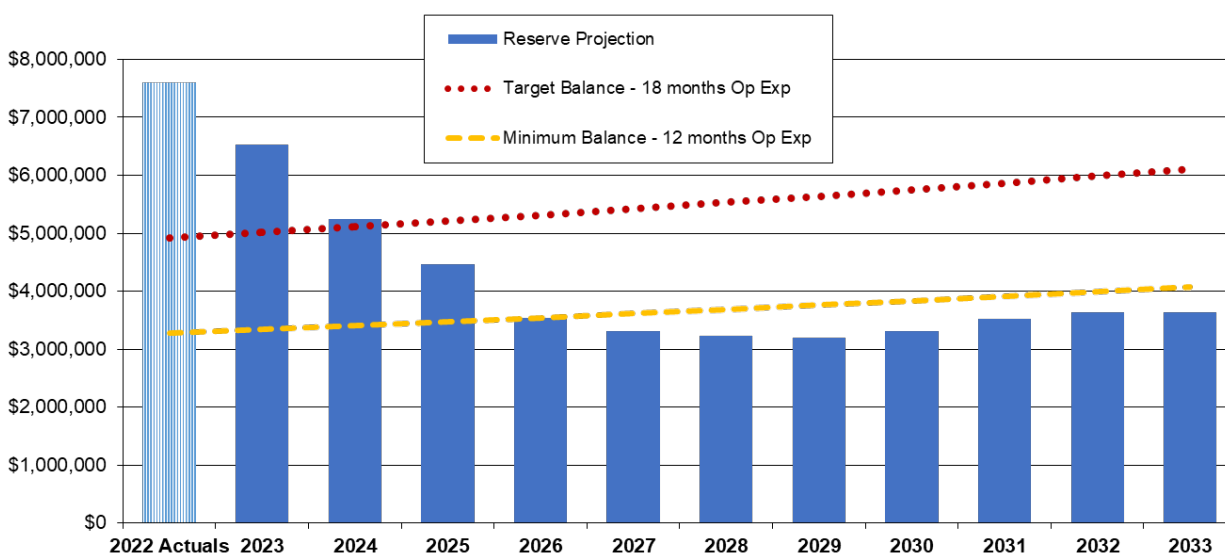
Staff have developed a forward looking financial model, based on estimates of future permit activity and forecasted rates, to create a 10-year reserve projection as shown in Graph 2.

The projections are revenue estimates based on a three-year average (2020 to 2022) of quantity of building permit type and size, with 12% fee increases in 2024, 2025 and 2026 (per the recommended phase-in approach) and increases in the range of 5% to 12% beyond that. Building construction cycles can be cyclical (refer to Graph 1) and difficult to predict. Under the present economic and market conditions of rising interest rates, high inflation, supply chain issues and skilled labour shortage, staff are using conservative figures for future building activity estimates. However, these assumptions will be monitored and evaluated each year, with the financial model being updated accordingly. Staff will make changes to the forecast and recommendations as necessary, based on updated actuals (3 year rolling average), ongoing construction activity, growth projections and staffing resource needs. Other assumptions include: inflationary increase applied to annual operating expenses and annual interest revenue earned on the reserve balance (based on annual average investment rate of return).

As shown on Graph 2, based on current estimates, in 2025 the reserve balance will drop below the minimum target balance (the equivalent of 18 months of projected operating expenses) but remain above/within the minimum balance (the equivalent of 12 months of projected operating expenses) until 2027. Beyond that, the forecasted balance could fall below the minimum reserve balance. However, there is an expectation that construction activity and intensification will resume at some point recognizing the provincial objective of building 1.5 million homes in Ontario (16,000 in Waterloo) over the next decade. Any revenue surpluses generated to budget will be allocated to the Building Permit Reserve Fund and accounted for as part of future rate reports. However, if current economic conditions continue to stagnant or worsen, future rate increases may need to be adjusted accordingly.

The reserve projections include: capital expenses (in the staff tabled 2024-2026 capital budget and 2027-2033 capital forecast) for the advancement of digital technology for building permit administration and the future replacement of the current fully electric inspection vehicles.

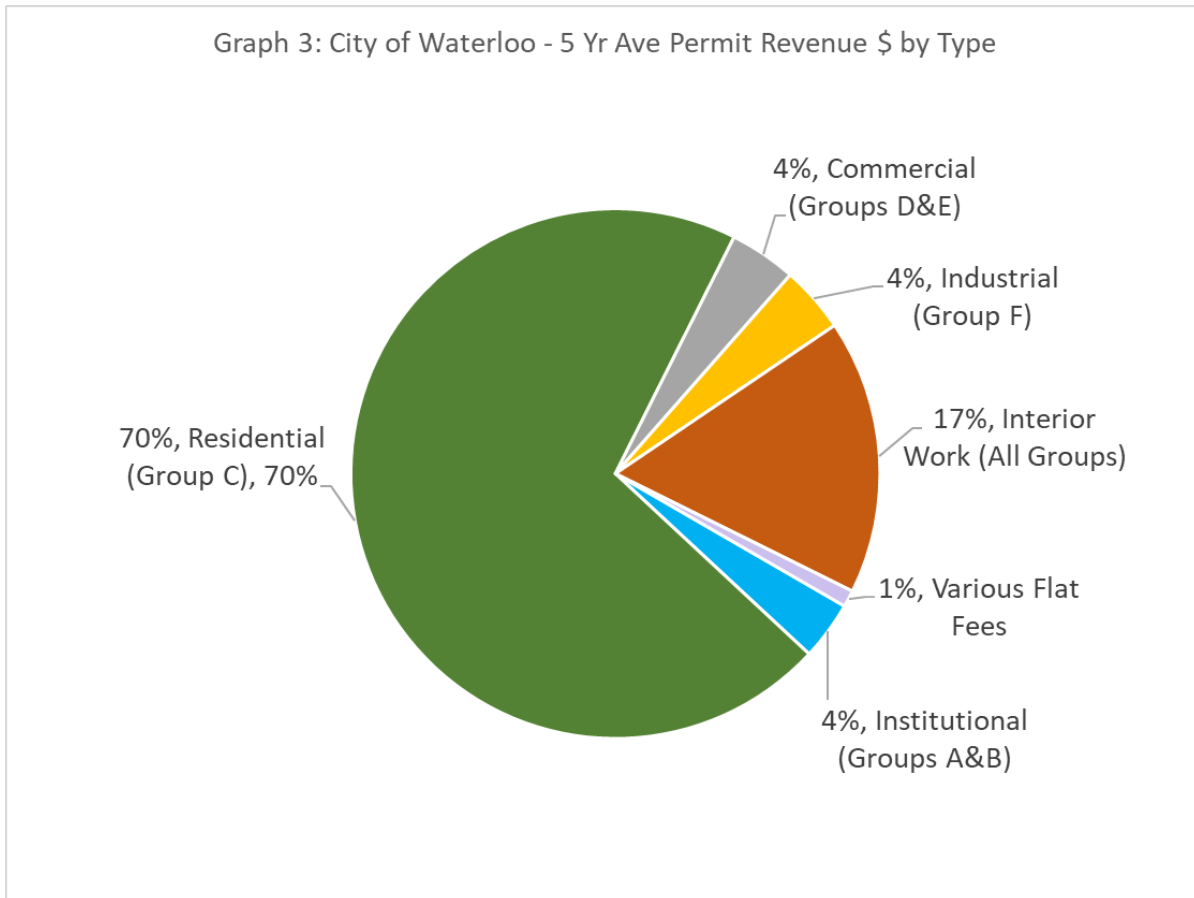
Graph 2 - Building Permit Reserve Fund - 10 Year Projection



Building Permit Fees and Charges Analysis

Through its analysis in 2021, BMA determined that the City of Waterloo's Building Standards fees and charges at that time ranged between 25% to 50% below the peer municipal median used in the study. (Appendix B contains the executive summary of the BMA report and a link to the full report for reference). In 2023, after the City of Waterloo's building fees were increased by the approved 12%, we still remained below our local comparator municipalities (Kitchener, Cambridge and Guelph).

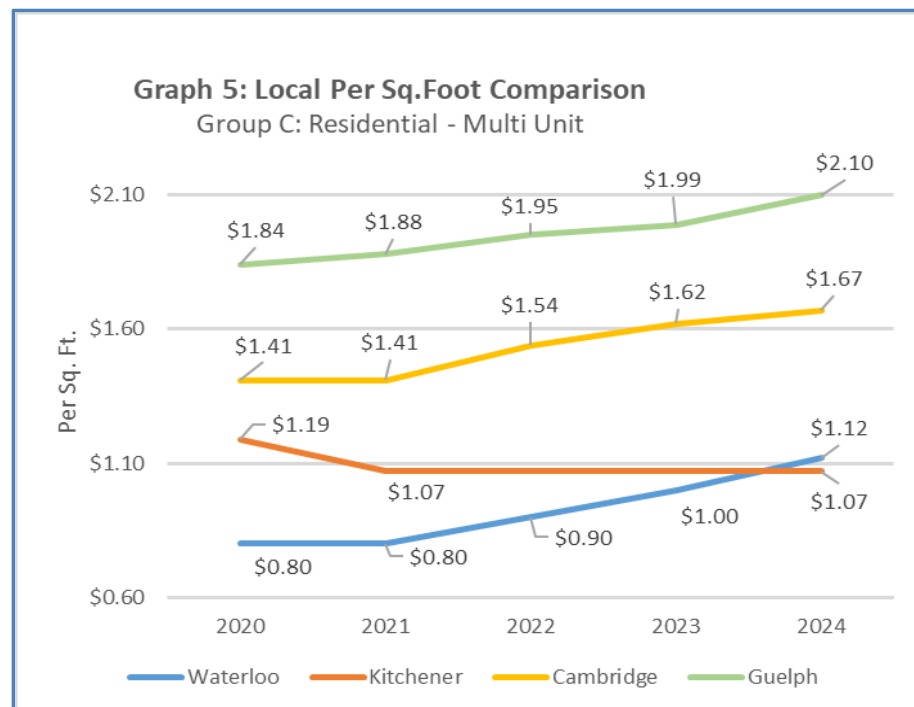
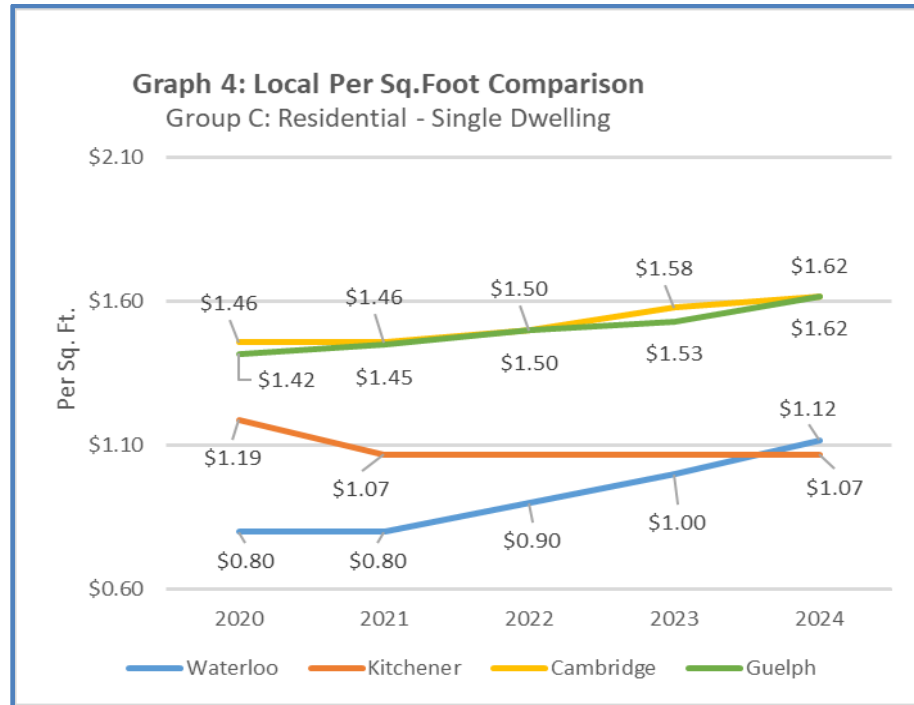
The following Graph 3 shows the breakdown by percentage of City of Waterloo building permit revenue based on group/type using a 5 year average over 2018-2022. The majority of permit revenue comes from Residential at 70%, followed by Interior permits (all groups) 17%, Institutional 4%, Commercial 4% and Industrial 4% and 1% for various other flat fees.



The following Graph 4 shows the residential per square foot fee comparison for the local municipalities from 2020-2023 and includes estimates for all recommended 2024 increases (which are subject to approval). Under the City of Waterloo's recommended 12% fee increase, Residential rates would be \$1.12/sq.ft. (Single Dwelling and Multi-Unit) and remains lower than Cambridge and Guelph who are proposing \$1.62/sq.ft. (for Single Dwelling) and respectively \$1.67/sq.ft and \$2.10/sq.ft. (for Multi-Unit).

Over the past few years, the City of Kitchener has experienced extensive development. In 2020, its residential rate (Single Dwelling and Multi-Unit) was \$1.19/sq.ft, but was reduced in 2021 to \$1.07/sq.ft, and is anticipated to remain at this level into 2024. It is important that the City of Waterloo continue its phased-in fee increase implementation plan to support full cost recovery and maintain long-term initiatives. In analyzing the 3-year average of building permit revenue (2020-2022), staff determined that for new construction (across all groups), the cost of a building permit averaged less than 1% of the construction value.

Residential Permit Fee Comparison – Local Municipalities



Impact of Recommended Increases to Permit Fees

The following Table 2 provides examples of common permits and shows what the additional cost range would be under the 2024 recommended 12% increase, based on various square footage construction value projects:

Table 2:

Group	New Construction (Finished or Shell)	Construction Value	2023 Permit Cost	2024 Proposed Increased
A&B	School, Theatre, Hospital	\$800K	\$4,500	\$540
A&B	School, Theatre, Hospital	\$3M	\$8,800	\$1,050
C	Single Family Home	\$500K	\$2,900	\$350
C	Single Family Home	\$1M	\$10,000	\$1,200
C	Apartment Building	\$12M	\$76,000	\$9,120
C	Apartment Building	\$97M	\$247,000	\$29,600
D&E	Office or Retail Building	\$1.5M	\$6,500	\$775
F	Warehouse or Factory	\$3.5M	\$3,400	\$410

For Alterations/Renovations (all groups) under a 12% recommended increase, the fee would increase from \$0.44 to \$0.49 per sq. ft. and Interior Finishes (all groups) would increase from \$0.31 to \$0.35 per sq. ft. For example, permits for Alteration/Renovation projects that ranged between 1,000, 10,000 or 30,000 sq. ft. (with construction project value upwards of \$4 million), would have increased costs respectively of \$50, \$500 or \$1,500. Common flat fees (decks, sheds, site services and small demolition) would increase by \$11 per permit, going from \$94 to \$105. See Appendix A for a full listing of 2023 and recommended 2024 rates.

Appendix A

Building Standards - Schedule A

Sale of Maps, Drawing and Reports

	Fee	Effective Date of Fee	Fee	Effective Date of Fee	% Inc.
Building Statistics – year *	\$ 66.61	1-Jan-2023	\$ 74.60	1-Jan-2024	12%
Letters of Compliance	\$ 55.51	1-Jan-2023	\$ 62.17	1-Jan-2024	12%
Letters of Compliance - "rush" premium	\$ 94.36	1-Jan-2023	\$ 105.68	1-Jan-2024	12%

* Postage Included

BUILDING PERMIT FEES - Schedule C

Construction Classification (including new buildings, additions, mezzanines)

	Fee	Effective Date of Fee	Fee	Effective Date of Fee	% Inc.
Group A					
Assembly Buildings (finished) (per square foot)	\$ 2.01	1-Jan-2023	\$ 2.25	1-Jan-2024	12%
Assembly Buildings (shell) (per square foot)	\$ 1.76	1-Jan-2023	\$ 1.97	1-Jan-2024	12%
Outdoor Patio (flat fee)	\$ 157.00	1-Jan-2023	\$ 176.00	1-Jan-2024	12%
Outdoor Public Pool (flat fee)	\$ 690.00	1-Jan-2023	\$ 773.00	1-Jan-2024	12%
Group B					
Institutional (finished) (per square foot)	\$ 2.13	1-Jan-2023	\$ 2.39	1-Jan-2024	12%
Institutional (shell) (per square foot)	\$ 1.88	1-Jan-2023	\$ 2.11	1-Jan-2024	12%
Group C: Residential					
Single Family Detached, Semi-detached, Townhouse, Duplex (per square foot)	\$ 1.00	1-Jan-2023	\$ 1.12	1-Jan-2024	12%
Garage / Carport (per bay)	\$ 94.00	1-Jan-2023	\$ 105.00	1-Jan-2024	12%
Shed (flat fee)	\$ 94.00	1-Jan-2023	\$ 105.00	1-Jan-2024	12%
Deck (flat fee)	\$ 94.00	1-Jan-2023	\$ 105.00	1-Jan-2024	12%
Apartment Building (per square foot)	\$ 1.00	1-Jan-2023	\$ 1.12	1-Jan-2024	12%
Hotels/Motels (per square foot)	\$ 1.69	1-Jan-2023	\$ 1.90	1-Jan-2024	12%
Residential Care Facility (per square foot)	\$ 1.19	1-Jan-2023	\$ 1.33	1-Jan-2024	12%
Residential Renovation (per square foot)	\$ 0.44	1-Jan-2023	\$ 0.49	1-Jan-2024	12%
Finished Basement (including renovation)	\$ 250.00	1-Jan-2023	\$ 280.00	1-Jan-2024	12%
Group D: Business and Personal Services					
Office Buildings (shell) (per square foot)	\$ 1.44	1-Jan-2023	\$ 1.62	1-Jan-2024	12%
Office Buildings (finished) (per square foot)	\$ 1.69	1-Jan-2022	\$ 1.90	1-Jan-2024	12%
Group E: Mercantile (restaurant < 30 people)					
Retail Stores (shell) (per square foot)	\$ 0.94	1-Jan-2023	\$ 1.05	1-Jan-2024	12%
Retail Stores (finished) (per square foot)	\$ 1.19	1-Jan-2023	\$ 1.33	1-Jan-2024	12%
Group F: Industrial					
Warehouse, factories (shell) (per square foot)	\$ 0.56	1-Jan-2023	\$ 0.63	1-Jan-2024	12%
Warehouse, factories (finished) (per square foot)	\$ 0.69	1-Jan-2023	\$ 0.77	1-Jan-2024	12%
Parking Garage (per square foot)	\$ 0.63	1-Jan-2023	\$ 0.70	1-Jan-2024	12%
Other					
Farm Building (per square foot)	\$ 0.31	1-Jan-2023	\$ 0.35	1-Jan-2024	12%
Foundation only (per square foot)	\$ 0.07	1-Jan-2023	\$ 0.08	1-Jan-2024	12%
Conditional Permit (Letter of Credit or certified cheque also required)			\$ -		
-Fee (plus additional square foot charge below)	\$ 376.32	1-Jan-2023	\$ 421.48	1-Jan-2024	12%
-Additional per square foot	\$ 0.07	1-Jan-2023	\$ 0.08	1-Jan-2024	12%

Interior Finishes (to previously unfinished area including finishing of residential basements and major renovations)

	Fee	Effective Date of Fee	Fee	Effective Date of Fee	% Inc.
All Classifications (per square foot)	\$ 0.31	1-Jan-2023	\$ 0.35	1-Jan-2024	12%
Alterations / Renovations (to existing finished areas, new roof structures)					
All Classifications (per square foot)	\$ 0.44	1-Jan-2023	\$ 0.49	1-Jan-2024	12%

Appendix A – continued

Special Categories	Fee	Effective Date of Fee	Fee	Effective Date of Fee	% Inc.
Alternative Solutions (house scope)	\$ 224.00	1-Jan-2023	\$ 251.00	1-Jan-2024	12%
Alternative Solutions (part 9 scope)	\$ 560.00	1-Jan-2023	\$ 627.00	1-Jan-2024	12%
Alternative Solutions (part 3 scope)	\$ 1,680.00	1-Jan-2023	\$ 1,882.00	1-Jan-2024	12%
Special Permit I: Construction Commenced Prior to the Issuance of a Building Permit (per square foot total building area)	See Note 1	1-Jan-2023	See Note 1	1-Jan-2024	
Special Permit II: After the Fact Accessory Building Permit (including decks, sheds and any other accessory building) (flat fee)	\$ 250.88	1-Jan-2023	\$ 281.00	1-Jan-2024	12%
Minor Alterations (including beam installation, basement walkout stairs, etc)	\$ 94.00	1-Jan-2023	\$ 105.00	1-Jan-2024	12%
Air Supported Structures (per square foot)	\$ 0.38	1-Jan-2023	\$ 0.42	1-Jan-2024	12%
Temporary Tents (flat fee)	\$ 156.80	1-Jan-2023	\$ 175.75	1-Jan-2024	12%
Portables/per site (excludes port-a-pak) (flat fee)	\$ 125.44	1-Jan-2023	\$ 140.50	1-Jan-2024	12%
Demolition (> 20,000sf) (flat fee)	\$ 336.00	1-Jan-2023	\$ 377.00	1-Jan-2024	12%
Demolition (< 10,000 sf) (flat fee)	\$ 94.00	1-Jan-2023	\$ 105.00	1-Jan-2024	12%
Demolition (10,000 - 20,000sf) (flat fee)	\$ 250.88	1-Jan-2023	\$ 281.00	1-Jan-2024	12%
Interior Demolition (back to shell)	1% of construction cost	1-Jan-2023	1% of construction cost	1-Jan-2024	
Exterior Work (independent of a building permit, including retaining walls, exterior wall modifications, and any other accessory work)	1% of construction cost	1-Jan-2023	1% of construction cost	1-Jan-2024	
Heritage Exterior Work	\$ 125.44	1-Jan-2023	\$ 140.50	1-Jan-2024	12%
Change of Use (flat fee)	\$ 94.00	1-Jan-2023	\$ 105.00	1-Jan-2024	12%
Solar Panels Connected to only Electrical (small buildings)	\$ 94.00	1-Jan-2023	\$ 105.00	1-Jan-2024	12%
Solar Panels Connected to Water or Heating (small Buildings)	\$ 188.00	1-Jan-2023	\$ 211.00	1-Jan-2024	12%
Solar Panels (large buildings)	\$ 313.00	1-Jan-2023	\$ 351.00	1-Jan-2024	12%
Miscellaneous (including Fire restoration)	1% of construction cost	1-Jan-2023	1% of construction cost	1-Jan-2024	
Mechanical Work (work independent of a building permit): Sprinkler System (NFPA 13) - Commercial kitchen, spray booth, dust collector	1% of construction cost \$ 125.00	1-Jan-2023	1% of construction cost \$ 140.00	1-Jan-2024	12%
Electrical Work: (work independent of a building permit, including adding magnetic locks, fire alarm upgrades and any other electrical work)	1% of construction cost	1-Jan-2023	1% of construction cost	1-Jan-2024	
Plumbing Work: (work independent of a building permit, including adding, removing or relocating plumbing fixtures)	1% of construction cost	1-Jan-2023	1% of construction cost	1-Jan-2024	
Septic Systems - New (flat rate)	\$ 502.00	1-Jan-2023	\$ 562.00	1-Jan-2024	12%
Septic Systems - Repair (flat rate)	\$ 157.00	1-Jan-2023	\$ 176.00	1-Jan-2024	12%
Site Services	\$ 94.00	1-Jan-2023	\$ 105.00	1-Jan-2024	12%

Notes:

1. Special Permits I - where construction has commenced prior to the issuance of a Permit, the permit fee shall be doubled. Where this amount exceeds \$5,000, the fee shall incrementally decrease from 100% of original permit fee to 15% of original permit fee. The incremental decrease shall apply where the original permit fee amount is between \$5,000 and \$67,000. Fees over \$67,000 shall pay 15%.
2. Shell permits include mechanical and electrical rough-ins.
3. Foundation permits limit work to footings and foundation walls and the installation of underground plumbing, water supply piping and sewers to property line.
4. Where an Occupancy Permit is required to be issued by the Ontario Building Code, the original permit fee shall include the Occupancy Permit. An additional fee of \$63 shall be paid where an additional copy of the Occupancy Permit is requested.
5. For an affordable housing development, the City may offer a grant to cover or offset building permit fees, as approved by Council. (until such time as the City's Affordable Housing Grant policy, currently under development, comes into effect.)

REVISION TO EXAMINED PLANS:

A fee which is the greater of \$0.01 per square foot of the floor area or \$210 shall be charged for examination of revised plans.

MINIMUM FEE:

A minimum fee of \$105 shall be charged for any permit application.

Additional Inspections:

A fee of \$210 may be charged for additional inspections resulting from the inspection not being ready for a second inspection attempt.

Appendix B

The following Executive Summary is an excerpt (pages 4-7) from the [BMA report](#). (*wording in italics has been added by staff as reference information).

BMA: Executive Summary – Building Permit Fee Review

BMA Management Inc. was engaged by the City of Waterloo to undertake a review and make recommendations with respect to building permit fees, fee structure and Building Stabilization Reserve policies and to forecast revenues and expenditures over the next 10 years. This included benchmarking of all fees with 10 peer municipalities (**Ajax, Barrie, Brantford, Burlington, Cambridge, Guelph, Kitchener, Oshawa, Richmond Hill and Whitby, selected based on similar population, density and construction activity. See end of Appendix B for chart of peer municipalities comparators*). The following provides a summary of the findings and observations.

Operating and Capital Expenditures

- An analysis of the Operating budget, including cost allocations (**overhead*) was undertaken to ensure that the full cost of service was being recovered and that the methodology in allocating corporate costs was fair. BMA reviewed the methodology and confirmed that it is in accordance with leading practices.
- Over the next 10 years, Building Standards has a Capital Budget of \$2.5 million which will be funded from the Building Reserve Fund. (**modified through the 2023 capital budget and 2024-2032 capital forecast*). The Capital Budget includes new technologies to improve customer service and create efficiencies as well as vehicle replacements for building inspectors.

Benchmarking Construction, Permits and Staffing

- The operating expenditures in Waterloo are considerably lower in relation to the activity levels than the peer average which is a positive indicator of the efficiency of the operations.
- Waterloo has the highest construction value per permit, generally reflecting larger more complex projects being undertaken in the city.
- Waterloo has the second highest construction value per full-time equivalent, reflecting relatively lower staffing levels in Building Standards.

Fees and Financial Sustainability

- The City of Waterloo has not increased their fees since 2003. Given the future forecast of growth and capital requirements, it is an appropriate time to undertake a fee review. This is a standard practice to ensure the Building Standards area is able to continue to operate as an Enterprise Model, which is fully recovered from building permit fees and is not supported by property taxes.

- A comparison of fees across 10 peer municipalities was undertaken and reflects that Waterloo's fees are substantially lower than peer municipalities, generally the lowest in the survey for all new construction classifications. The fees in Waterloo, depending on the type of construction are 23%-50% below the peer municipal median.
- Most peer municipalities index fees annually which is a recommended practice.
- The City's Building Reserve Fund is currently in a healthy position. However, forecast growth is lower than been experienced in the past 10 years. Based on (*BMA's) growth forecast, the Building Reserve Fund will be in a negative position by 2026 if no fee increases were to be made.
- There is a need to increase building permit fees to support full cost recovery.
- As there are Reserve Funds available in the short term, a phase-in strategy is recommended to move to full cost recovery.

Full Cost Recovery

- A forecast with no fee increases was developed to illustrate the challenges that would be faced by the City in terms of full cost recovery. Options were created with phase-in strategies to move the City toward full cost recovery and meet reserve policy targets. The following summarizes the options
- **Option 1 - Status Quo** – No change in fees. This option is not sustainable and does not support full cost recovery.
- **Option 2** - Three year phase-in to move to achieve full cost recovery – This results in an annual increase of 18% over the first three years in the forecast and 2% indexing thereafter.
- **Option 3** - Five year phase-in to achieve full cost recovery – This results an annual increase of 12 % over the first five years in the forecast and 2% indexing thereafter (**which has been modified by Staff to be estimated at 5% thereafter based on revenue modelling that is different than growth projections used by BMA*).

Other Fees

- A detailed review of the various fees and fee structures was conducted and compared to a survey of 10 peer municipalities.
- The fees in Waterloo are consistently well below the survey averages and in many cases are the lowest.
- There are opportunities to reconsider the structure of some of the existing fees as well as the overall fee calculation.
- There are a number of specific permit fees that other municipalities employ that may be considered in Waterloo.

The following is an excerpt (page 32) from the BMA Report.

Peer Municipal Benchmarking

- Typically, municipalities have established a target range for the Building Reserve of 100%-250% of operating costs. Differences in minimum targets related to the level and type of volatility in construction cycles.

Waterloo's 100% minimum target is at the low end of the municipal comparators (**the target balance was increased to 150% through approval of IPPW2021-058*).

Peer Municipal Comparator Group *

Municipalities	2020 est population	Land Area sq.km	Population Density per sq.km	Construction Activity 3 yr average (000s)	Number of Permits 3 yr average
Ajax	129,542	67	1,931	184,888	972
Barrie	151,660	99	1,531	441,607	1,919
Brantford	105,082	102	1,030	183,549	1,042
Burlington	193,824	186	1,044	442,575	1,953
Cambridge	138,575	113	1,226	404,770	1,625
Guelph	145,920	87	1,673	493,002	2,373
Kitchener	266,110	137	1,946	700,610	2,885
Oshawa	175,202	146	1,203	456,143	1,562
Richmond Hill	207,885	101	2,056	433,739	2,064
Whitby	139,027	147	948	392,058	1,185
Waterloo	120,850	64	1,888	433,290	1,124
Average	165,283	118	1,459	413,294	1,758
Median	148,790	108	1,379	437,673	1,772

Peer Municipal Reserve Target**

Minimum Balance (Target % of Annual Operating Expenditures)	Municipalities
	Ajax
	Barrie
	Brantford
160%	Burlington
150%	Cambridge
100% to 150%	Guelph
100% to 150%	Kitchener
200%	Oshawa
	Richmond Hill
207%***	Whitby
100%	Waterloo

(BMA) Source: Population Manifold Data Mining, Land Aread Stats Canada, LMCBO 2017-2019 data as well as year end municipal reports, FIRs

Notes:

* Excerpt (Page 10) chart from BMA Report

** Excerpt (Page 32) data from BMA Report

*** (includes indirect and capital costs)



STAFF REPORT
Parks, Forestry and Cemetery Services

Title: Cemetery Services 2024 Fees and Charges
Report Number: COM2023-036
Author: Derek Brick, Manager, Parks, Forestry & Cemetery Services
Council Date: December 11, 2023
File: NA
Attachments: Appendix A-Cemetery Services 2024 Customer Information & Price List
Ward No.: City Wide

Recommendations:

1. That Council approve report COM2023-036.
2. That Council approve the Cemetery Services Fees and Charges By-law updates, attached as Appendix A to COM2023-036, effective as of the dates noted, and that the Fees and Charges By-law is updated accordingly.

A. Executive Summary

As part of the Cemetery Services business planning process, Cemetery staff have undertaken a review of the fee structure and compared it to our regional and private counterparts. Staff have assessed the impacts in our pricing with third party providers and the economic environment. Recommendations on price increases to specific services are included for Council's consideration and approval. Some pricing changes within the Price List are required to simplify our pricing structure as an ongoing area of improvement in response to customer feedback received regarding the complexity of some of our pricing structures. Most core burial and cremation services will see no price increase (0%) as the majority of these services are currently competitively priced. All other changes recommended are allowable within the Funeral, Burial and Cremations Act of 2012. This report requests that Council approve the 2024 price list for products and services offered in Parkview Cemetery and Crematorium, and Mount Hope Cemetery.

Background:

Parkview staff began our annual price review process by obtaining the price lists for cemetery services from local municipal and private cemetery operators. We then found common services and products and adjusted some of the fees to ensure that we are consistent with other community offered options. The simplification of our price list

accounts for the majority of the price adjustments and will result in an improved customer service/experience as deemed necessary by customer feedback. The changes also improve equity and inclusivity within the cemetery options by ensuring there is no economic disparity in our pricing structure, while continuing to provide fair and affordable options for all members of our community during their most difficult times. Subsidized services for those in need remain unchanged.

B. Financial Implications

The Cemetery Services enterprise is proposing certain fee increases for January 1, 2024 as outlined in Appendix A. The 2023 budgeted revenue was approximately \$1,843,000. The 2024 rate increase is on average 3.5% to align with regional comparators, but the actual increase will vary by fee type. Many of the core burial and cremation services are proposed to have a 0% increase for 2024. In response to market competition, the City has chosen to hold some prices fixed, including the cremation rates, since 2020. A number of products and services with increases are the result of material cost increases such as concrete and bronze, as well service requests outside of core hours requiring increased staffing costs. While the overall rate increases will likely result in a minor revenue increase, due to the current service disruption from upgrades to the crematorium, no revenue increase has been proposed for the 2024 budget.

The Cemetery Reserve Fund is projected to have a balance of approximately \$150,000 by the end of 2023. This reserve balance has been depleted in recent years as a result of the ongoing crematorium upgrade investment. The Cemetery Reserve Fund is required to fund any operating deficits that may be incurred and funds all capital items related to the Cemetery operations including replacement, expansion and modernization of the City's cemetery and crematorium assets. The Cemetery Reserve Fund is forecasted to slowly rebuild its balance over the next 10 years.

C. Technology Implications

None

D. Link to Strategic Plan

(Strategic Priorities: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

Sustainability & Integrity - Making the adjustments to certain items on our pricing list brings us closer to parity with our regional counterparts, ensuring we are maximizing our services at current market value.

Community-centred & Operational Excellence - By simplifying our pricing guide, we are making it easier for our customers to understand our price list and making the purchasing

experience less stressful. This also affords staff the ability to focus more time on the customers needs vs. explaining our complicated pricing guide.

E. Previous Reports on this Topic

COM2022-030- Cemetery Services 2023 Fees and Charges, December 12, 2022
COM2021-030- Cemetery Services 2022 Fees and Charges, October 18, 2021
COM2020-024- Cemetery Services 2021 Fees and Charges, December 7, 2020
COM2019-020- Cemetery Services 2020 Fee Adjustments, June 17, 2019
COM2018-016- Cemetery Services 2019 Fee adjustments, June 18, 2018
COM2017-024- Cemetery Services Bylaw Amendment, September 11, 2017

Appendix 'A'

CITY OF WATERLOO CEMETERY AND CREMATORIUM SERVICES**CUSTOMER INFORMATION & PRICE LIST JANUARY 1, 2024**

	<i>Effective Jan 1, 2023</i>	<i>Effective Jan 1, 2024</i>	HST	TOTAL	% Change
<u>MOUNT HOPE CEMETERY (Waterloo)</u>					
Single Grave - Monument Permitted (maximum 14" x 30" monument base)	\$ 3,300.00	\$ 3,400.00	\$ 442.00	\$ 3,842.00	3.03%
2 Grave Lot - Monument Permitted (maximum 14" x 48" monument base)	\$ 6,600.00	\$ 6,800.00	\$ 884.00	\$ 7,684.00	3.03%
3 Grave Lot - Monument Permitted (maximum 14" x 96" monument base)	\$ 9,900.00	\$ 10,200.00	\$ 1,326.00	\$ 11,526.00	3.03%
<u>PARKVIEW CEMETERY</u>					
<u>Interment Rights for Traditional Lots (Casket)</u>					
<u>Sections A, B, C, D, E, F & H</u>					
<u>Single Graves - Monument</u>					
Single Grave - Pillow Monument Permitted (maximum 20" x 30" monument base)	\$ 2,700.00	\$ 2,800.00	\$ 364.00	\$ 3,164.00	3.70%
Single Grave (Muslim Section) Monument Permitted (Maximum 14" x 30" monument base)	\$ 3,300.00	\$ 3,400.00	\$ 442.00	\$ 3,842.00	3.03%
Single Grave - Monument Permitted (maximum 14" x 30" monument base)	\$ 3,300.00	\$ 3,400.00	\$ 442.00	\$ 3,842.00	3.03%
Single Walkway Grave - Monument Permitted (maximum 14" x 30" monument base)	\$ 3,550.00	\$ 3,550.00	\$ 461.50	\$ 4,011.50	0.00%
<u>Single Graves - Flat Marker</u>					
Infant Grave - 6" x 12" Lawn Level Permitted (20" x 48" maximum casket size)	\$ 450.00	\$ 450.00	\$ 58.50	\$ 508.50	0.00%
Child Grave - 12" x 20" Lawn Level Permitted (29" x 63" maximum casket size)	\$ 640.00	\$ 640.00	\$ 83.20	\$ 723.20	0.00%
Single Grave (Veterans Sections) - 12" x 20" Lawn Level Memorial Permitted	\$ 2,300.00	\$ 2,300.00	\$ 299.00	\$ 2,599.00	0.00%
*Each grave permits maximum two interment rights of which one can be traditional, limited to veteran & spouse only					
Single Grave (Muslim Sections) 12" x 20" Lawn Level Memorial Permitted	\$ 2,700.00	\$ 2,800.00	\$ 364.00	\$ 3,164.00	3.70%
*Each grave permits maximum one traditional interment right					
Single Grave - 12" x 20" Lawn Level Memorial Permitted	\$ 2,700.00	\$ 2,800.00	\$ 364.00	\$ 3,164.00	3.70%
Single Grave Walkway - 12" x 20" Lawn Level Memorial Permitted	\$ 2,700.00	\$ 2,800.00	\$ 364.00	\$ 3,164.00	3.70%
Single Grave - 18" x 24" Lawn Level Memorial Permitted	\$ 2,800.00	\$ 2,800.00	\$ 364.00	\$ 3,164.00	0.00%
<u>Two Grave Lots - Monument</u>					
2 Grave Lot - Pillow Monument (maximum 20" x 48" monument base)	\$ 5,400.00	\$ 5,600.00	\$ 728.00	\$ 6,328.00	3.70%
2 Grave Lot - Monument Permitted (maximum 14" x 48" monument base)	\$ 6,600.00	\$ 6,800.00	\$ 884.00	\$ 7,684.00	3.03%
2 Grave Walkway Lot - Monument Permitted (maximum 14" x 48" monument base)	\$ 7,100.00	\$ 7,100.00	\$ 923.00	\$ 8,023.00	0.00%
<u>Two Grave Lots - Flat Marker</u>					
2 Grave Lot (Veteran's Section) - 14" x 30" Lawn Level Memorial Permitted	\$ 4,600.00	\$ 4,600.00	\$ 598.00	\$ 5,198.00	0.00%
*Each grave permits maximum one traditional or one cremation interment right, limited to veteran and spouse only					
2 Grave Lot - 14"x 30" Lawn Level Memorial Permitted	\$ 5,400.00	\$ 5,600.00	\$ 728.00	\$ 6,328.00	3.70%
2 Grave Lot - 18" x 24" Lawn Level Memorial Permitted	\$ 5,600.00	\$ 5,600.00	\$ 728.00	\$ 6,328.00	0.00%
<u>Three Grave Lots</u>					
3 Grave Lot - 14" x 30" Lawn Level Marker Permitted	\$ 8,100.00	\$ 8,400.00	\$ 1,092.00	\$ 9,492.00	3.70%
3 Grave Lot - Monument Permitted (maximum 14" x 96" monument base)	\$ 9,900.00	\$ 10,200.00	\$ 1,326.00	\$ 11,526.00	3.03%
3 Grave Walkway Lot - Monument Permitted (maximum 14" x 96" monument base)	\$ 10,650.00	\$ 10,650.00	\$ 1,384.50	\$ 12,034.50	0.00%
<u>Four Grave Lots - Monument</u>					
4 Grave Lot - Monument Permitted (maximum 14" x 144" monument base)	\$ 13,200.00	\$ 13,600.00	\$ 1,768.00	\$ 15,368.00	3.03%
<u>Estate Lot - Monument</u>					
Six Grave Lot - Monument Permitted (monument sizes are variable)	\$ 20,700.00	\$ 20,700.00	\$ 2,691.00	\$ 23,391.00	0.00%
<u>Section J & K</u>					
<u>Single Graves - Monument</u>					
Single Grave (J-Muslim Section) Monument Permitted (maximum 14" x 24" monument base)*	\$ 4,060.00	\$ 4,060.00	\$ 527.80	\$ 4,587.80	0.00%
*Each grave permits maximum one traditional interment right					
Single Grave Monument Permitted (maximum 14" x 24" monument base)	\$ 4,600.00	\$ 4,800.00	\$ 624.00	\$ 5,424.00	4.35%
Single Grave (Premium Level Red & Purple) Monument Permitted (maximum 14" x 30" monument base)	\$ 4,600.00	\$ 4,800.00	\$ 624.00	\$ 5,424.00	4.35%
Single Grave (Premium Level Pink) Monument Permitted (maximum 14" x 30" monument base)	\$ 4,600.00	\$ 4,800.00	\$ 624.00	\$ 5,424.00	4.35%
Single Grave (Premium Level Orange) Monument Permitted (maximum 14" x 30" monument base)	\$ 4,920.00	\$ 4,920.00	\$ 639.60	\$ 5,559.60	0.00%
<u>Single Graves - Flat Marker</u>					
Single Grave (J-Muslim Section) - 12" x 20" Lawn Level Memorial Permitted	\$ 3,150.00	\$ 3,300.00	\$ 429.00	\$ 3,729.00	4.76%
*Each grave permits maximum one traditional interment right					
<u>Two Grave Lots - Monument</u>					
2-Grave Lot (J-Muslim Section) Monument Permitted (maximum 14" x 48" monument base)	\$ 7,000.00	\$ 7,000.00	\$ 910.00	\$ 7,910.00	0.00%
*Each grave accommodating a maximum one traditional interment right					
2-Grave Lot (Premium Level Red & Purple) Monument Permitted (maximum 14" x 48" monument base)	\$ 7,500.00	\$ 8,000.00	\$ 1,040.00	\$ 9,040.00	6.67%
2-Grave Lot (Premium Level Pink) Monument Permitted (maximum 14" x 48" monument base)	\$ 7,500.00	\$ 8,000.00	\$ 1,040.00	\$ 9,040.00	6.67%
2-Grave Lot (Premium Level Orange) Monument Permitted (maximum 14" x 48" monument base)	\$ 8,000.00	\$ 8,000.00	\$ 1,040.00	\$ 9,040.00	0.00%

	Effective Jan 1, 2023	Effective Jan 1, 2024	HST	TOTAL	% Change
Three Grave Lots - Monument					
3 Grave Lot - (Premium Level Pink) Monument Permitted (maximum 14" x 96" monument base)	\$ 12,000.00	\$ 12,000.00	\$ 1,560.00	\$ 13,560.00	0.00%
3 Grave Lot - (Premium Level Orange) Monument Permitted (maximum 14" x 96" monument base)	\$ 12,000.00	\$ 12,000.00	\$ 1,560.00	\$ 13,560.00	0.00%
Four Grave Lots - Monument					
4 Grave Lot - (Premium Level Pink) Monument Permitted (maximum 14" x 144" monument base)	\$ 16,000.00	\$ 16,000.00	\$ 2,080.00	\$ 18,080.00	0.00%
4 Grave Lot - (Premium Level Orange) Monument Permitted (maximum 14" x 144" monument base)	\$ 16,000.00	\$ 16,000.00	\$ 2,080.00	\$ 18,080.00	0.00%
Estate Lot - Monument					
Six Grave Lot - (Premium Level Orange) Monument Permitted (monument sizes are variable)	\$ 24,000.00	\$ 24,000.00	\$ 3,120.00	\$ 27,120.00	0.00%
NOTE: Each traditional grave listed above permits a maximum of one traditional and six cremation burials unless otherwise stated					
Section K - Green Burial					
Single Grave - Communal Memorial Stone Inscription Only Permitted*	\$ 4,100.00	\$ 4,200.00	\$ 546.00	\$ 4,746.00	2.44%
*Each grave permits max of one traditional and four cremation interment rights					
Communal Memorial Stone Inscription (Surname, Given Name, Birth Year, Death Year)	As Quoted	As Quoted		As Quoted	
Interment Rights for Cremation Lots					
Cremation Sections A & D					
Cremation Section - 12" x 20" Lawn Level Memorial Permitted	\$ 1,700.00	\$ 1,800.00	\$ 234.00	\$ 2,034.00	5.88%
Veterans Sections					
Veterans Sections - 12" x 20" Lawn Level Memorial Permitted	\$ 1,500.00	\$ 1,550.00	\$ 201.50	\$ 1,751.50	3.33%
*Each lot permits maximum two cremation interment rights, veteran and spouse only					
Cremation Lots					
2 Urn Cremation Lot - Monument Permitted (maximum 14" x 24" monument base)	\$ 2,500.00	\$ 2,700.00	\$ 351.00	\$ 3,051.00	8.00%
2 Urn Cremation Lot - Monument Permitted (maximum 14" x 24" monument base)	\$ 2,500.00	\$ 2,700.00	\$ 351.00	\$ 3,051.00	8.00%
Section K - 2 Urn Cremation Lot - Monument Permitted (maximum 14" x 24" monument base)	\$ 3,200.00	\$ 3,200.00	\$ 416.00	\$ 3,616.00	0.00%
4 Urn Cremation Lots - Monument Permitted (maximum 14" x 24" monument base)	NA	\$ 3,700.00	\$ 481.00	\$ 4,181.00	\$0.00
Cremains Garden					
Cremains Gardens - 18" x 24" Lawn Level Memorial Permitted	\$ 2,000.00	\$ 2,100.00	\$ 273.00	\$ 2,373.00	5.00%
Cremains Gardens - Monument Permitted (maximum 14" x 30" monument base, 4' in height)	\$ 2,500.00	\$ 2,700.00	\$ 351.00	\$ 3,051.00	8.00%
Cremation & Dedication Lots					
Memorial Path Lot	\$ 2,000.00	\$ 2,200.00	\$ 286.00	\$ 2,486.00	10.00%
Memorial Walkway Lot	\$ 2,750.00	\$ 2,750.00	\$ 357.50	\$ 3,107.50	0.00%
Memorial Path & Walkway Innocence (12" x 22" Oval) Plaque	As Quoted	As Quoted		As Quoted	
Water Feature Lot	\$ 3,000.00	\$ 3,200.00	\$ 416.00	\$ 3,616.00	6.67%
Water Feature Memorial Tribute	\$ 2,400.00	\$ 2,400.00	\$ 312.00	\$ 2,712.00	0.00%
Water Feature Memorial Granite Accolade 9" x 34"	\$ 3,300.00	\$ 3,400.00	\$ 442.00	\$ 3,842.00	3.03%
Water Feature Memorial - Additional/Future Engraving (Final Date)	As Quoted	As Quoted			
Memorial Stone including Interment Rights for burial	\$ 2,000.00	\$ 3,000.00	\$ 390.00	\$ 3,390.00	50.00%
Memorial Stone with no Interment Rights	\$ 2,000.00	\$ 2,000.00	\$ 260.00	\$ 2,260.00	0.00%
NOTE: All cremation lots permit a maximum two cremation interment rights unless otherwise stated					
Scattering					
Scattering Gardens	\$ 520.00	\$ 550.00	\$ 71.50	\$ 621.50	5.77%
*Each purchase accommodating one scattering					
Personal Columbariums					
Pedestal Niche for 4 Urns	As Quoted	As Quoted		As Quoted	
Pedestal Niche with Vase for 4 Urns	As Quoted	As Quoted		As Quoted	
Columbarium Niches					
Columbarium Feature Section F (approximately 12"x12" niche size)	\$ 3,100.00	\$ 3,300.00	\$ 429.00	\$ 3,729.00	6.45%
Columbarium Feature Walls 1,2,3&4 (approximately 12"x12" niche size)	\$ 3,100.00	\$ 3,300.00	\$ 429.00	\$ 3,729.00	6.45%
Columbarium Domes A,B,C&D (approximately 12"x12" niche size)	\$ 3,100.00	\$ 3,300.00	\$ 429.00	\$ 3,729.00	6.45%
Arbor Niches 1 - 3 - 4 - 5 'A&B' - Premium Level (approx. 13" x 13" niche size)	\$ 4,700.00	\$ 5,500.00	\$ 715.00	\$ 6,215.00	17.02%
Arbor Niches 1 - 3 - 4 - 5 'A&B' - Executive Level (approx. 13" x 13" niche size)	\$ 5,500.00	\$ 6,100.00	\$ 793.00	\$ 6,893.00	10.91%
Arbor Niche 2 'A&D' - Premium Level (approx. 13" x 13" niche size)	\$ 5,500.00	\$ 5,500.00	\$ 715.00	\$ 6,215.00	0.00%
Arbor Niche 2 'A&D' - Executive Level (approx. 13" x 13" niche size)	\$ 6,100.00	\$ 6,100.00	\$ 793.00	\$ 6,893.00	0.00%
Arbor Niche 2 'B&C' - Premium Level (approximately 13" x 13" niche size)	\$ 5,700.00	\$ 5,700.00	\$ 741.00	\$ 6,441.00	0.00%
Arbor Niche 2 'B&C' - Executive Level (approximately 13" x 13" niche size)	\$ 6,500.00	\$ 6,500.00	\$ 845.00	\$ 7,345.00	0.00%
Artistic Impression - Premium Level (approx. 13" x 13" niche size)	\$ 4,500.00	\$ 4,800.00	\$ 624.00	\$ 5,424.00	6.67%
Artistic Impression - Executive Level (approx. 13" x 13" niche size)	\$ 5,500.00	\$ 5,500.00	\$ 715.00	\$ 6,215.00	0.00%
Artistic Impression - Premium Level (approx. 13" x 19" niche size) * up to 3 Urns	\$ 5,500.00	\$ 5,500.00	\$ 715.00	\$ 6,215.00	0.00%
Artistic Impression - Executive Level (approx. 13" x 19" niche size) * up to 3 Urns	\$ 6,500.00	\$ 6,500.00	\$ 845.00	\$ 7,345.00	0.00%

	Effective Jan 1, 2023	Effective Jan 1, 2024	HST	TOTAL	% Change
<u>Chapel Wall Niches</u>					
Wall 1 & 2 with Glass Front (approximately 11" x 11" niche size) * permits one Urn	\$ 2,200.00	\$ 2,500.00	\$ 325.00	\$ 2,825.00	13.64%
Future New Walls	As Quoted	As Quoted		As Quoted	
<u>INTERMENT (BURIAL) SERVICES</u>					
<u>Traditional (casket) Interment Services</u>					
Adult Traditional	\$ 1,275.00	\$ 1,300.00	\$ 169.00	\$ 1,469.00	1.96%
Infant Traditional (up to one year of age)	\$ 240.00	\$ 240.00	\$ 31.20	\$ 271.20	0.00%
Child Traditional (two to twelve years of age)	\$ 420.00	\$ 420.00	\$ 54.60	\$ 474.60	0.00%
Suspended Vault Fee	\$ 55.00	\$ 55.00	\$ 7.15	\$ 62.15	0.00%
Weekday Committal - Additional charge for each half hour staff on duty after 3:00 pm	\$ 130.00	\$ 150.00	\$ 19.50	\$ 169.50	15.38%
Saturday Committal - Additional charge after 3:00 P.M.	\$ 450.00	\$ 500.00	\$ 65.00	\$ 565.00	11.11%
Sunday/Holiday Committal - Additional charge	\$ 450.00	\$ 500.00	\$ 65.00	\$ 565.00	11.11%
Cemetery Staff Pallbearer (per person)	NA	\$ 50.00	\$ 6.50	\$ 56.50	
<u>Cremation Interment Services</u>					
Common Ground Interment	\$ 275.00	\$ 300.00	\$ 39.00	\$ 339.00	9.09%
Standard Interment	\$ 475.00	\$ 475.00	\$ 61.75	\$ 536.75	0.00%
Columbarium Niche (per opening)	\$ 475.00	\$ 475.00	\$ 61.75	\$ 536.75	0.00%
Niche opening (no Interment)	NA	\$ 175.00	\$ 22.75	\$ 197.75	
2nd Interment at same time/place as 1st	\$ 150.00	\$ 175.00	\$ 22.75	\$ 197.75	16.67%
Scattering Interment	\$ 250.00	\$ 275.00	\$ 35.75	\$ 310.75	10.00%
Weekday Interment - Additional charge for each half hour staff on duty after 3:00 pm	\$ 130.00	\$ 150.00	\$ 19.50	\$ 169.50	15.38%
Saturday Interment - Additional charge after 3:00 P.M.	\$ 450.00	\$ 500.00	\$ 65.00	\$ 565.00	11.11%
Sunday/Holiday Interment - Additional charge	\$ 450.00	\$ 500.00	\$ 65.00	\$ 565.00	11.11%
<u>Disinterment Services</u>					
Adult Traditional with Vault	\$ 3,000.00	\$ 3,000.00	\$ 390.00	\$ 3,390.00	0.00%
Adult Traditional no Vault	NA	\$ 4,000.00	\$ 520.00	\$ 4,520.00	
Infant Traditional	\$ 475.00	\$ 475.00	\$ 61.75	\$ 536.75	0.00%
Child Traditional	\$ 830.00	\$ 830.00	\$ 107.90	\$ 937.90	0.00%
Cremated Remains - Standard	\$ 920.00	\$ 920.00	\$ 119.60	\$ 1,039.60	0.00%
Cremated Remains - From Common Ground	\$ 1,200.00	\$ 1,200.00	\$ 156.00	\$ 1,356.00	0.00%
Cremated Remains - From Columbarium Niche Wall	\$ 475.00	\$ 475.00	\$ 61.75	\$ 536.75	0.00%
<u>PARKVIEW CREMATORIUM SERVICES</u>					
<u>Cremation Services</u>					
Adult	\$ 570.00	\$ 570.00	\$ 74.10	\$ 644.10	0.00%
Child (up to 12 years of age)	\$ 230.00	\$ 230.00	\$ 29.90	\$ 259.90	0.00%
Infant (up to two years of age)	N/C	N/C		N/C	
Scheduled Cremation Chapel Rental Fee (with Lowering)	\$ 275.00	\$ 300.00	\$ 39.00	\$ 339.00	9.09%
Scheduled Viewing Fee (From back of Crematorium or with Chapel Rental)	\$ 100.00	\$ 120.00	\$ 15.60	\$ 135.60	20.00%
Scheduled Weekday Cremation Service - Additional charge after 3:00 P.M.	\$ 170.00	\$ 200.00	\$ 26.00	\$ 226.00	17.65%
Saturday Cremation Services - Additional charge	\$ 170.00	\$ 200.00	\$ 26.00	\$ 226.00	17.65%
Sunday/Holiday Cremation Service - Additional charge	\$ 450.00	\$ 450.00	\$ 58.50	\$ 508.50	0.00%
Oversized Cremation Casket Fee - Additional Charge	\$ 140.00	\$ 150.00	\$ 19.50	\$ 169.50	7.14%
Rush Cremation Surcharge (less than 48 hours)	NA	\$ 100.00	\$ 13.00	\$ 113.00	
<u>Mailing/Shipping of Cremated Remains</u>					
Courier Services - Return to Funeral Home	\$ 38.00	\$ 40.00	\$ 5.20	\$ 45.20	5.26%
Standard Courier Services (Canadian addresses only)	As Quoted	As Quoted		As Quoted	
Rush Courier Services (Canadian addresses only)	As Quoted	As Quoted		As Quoted	
<u>Mortuary Storage Fees</u>					
First Month or Part Thereof (when available)	\$ 250.00	\$ 250.00	\$ 32.50	\$ 282.50	0.00%
Each Additional Month or Part Thereof (when available)	\$ 125.00	\$ 150.00	\$ 19.50	\$ 169.50	20.00%
<u>MISCELLANEOUS SERVICES</u>					
<u>Chapel Services/Rentals</u>					
Monday thru Saturday to 3:00 p.m. (per hour, minimum 1 hour)	\$ 275.00	\$ 300.00	\$ 39.00	\$ 339.00	9.09%
Chapel with Audio Visual Services (up to 2 hour usage)	NA	NA		NA	
Chapel Overtime Charges (each half hour on duty after 3:00pm)	\$ 170.00	\$ 200.00	\$ 26.00	\$ 226.00	17.65%
<u>Administrative Fees</u>					
Transfer of Interment Rights (per grave)	\$ 250.00	\$ 275.00	\$ 35.75	\$ 310.75	10.00%
Transfer of Interment Rights requiring a Statutory Declaration (per grave)	\$ 300.00	\$ 325.00	\$ 42.25	\$ 367.25	8.33%
Refund of Interment Rights Administration Fee	NA	\$ 275.00	\$ 35.75	\$ 310.75	
Adding non decision making Interment Rights (per person)	NA	\$ 125.00	\$ 16.25	\$ 141.25	
Cemetery or Crematorium By-law (additional copies)	\$ 10.00	\$ 15.00	\$ 1.95	\$ 16.95	50.00%
Interment or Scattering Rights Certificates (additional copies)	\$ 20.00	\$ 25.00	\$ 3.25	\$ 28.25	25.00%
Replacement Chapel Fee	NA	\$ 30.00	\$ 3.90	\$ 33.90	

	Effective Jan 1, 2023	Effective Jan 1, 2024	HST	TOTAL	% Change
FLOWERBED INSTALLATIONS					
Flowerbeds are permitted 15" directly in front of most monuments or memory stones except in the Cremains Garden					
NEW BEGINNING Preparation of New Flowerbed for Planting					
Up to 30 Inches in Length	\$ 60.00	\$ 60.00	\$ 7.80	\$ 67.80	0.00%
31 Inches to 48 Inches in Length	\$ 70.00	\$ 70.00	\$ 9.10	\$ 79.10	0.00%
49 Inches to 96 Inches in Length	\$ 80.00	\$ 80.00	\$ 10.40	\$ 90.40	0.00%
Over 96 Inches in Length on Request	As Quoted	\$ 0.00		As Quoted	
ESSENTIALS PLAN Prepare Bed, Maintain, Remove in Fall (Customer Supplies & Plants Annuals)					
Up to 30 Inches in Length	\$ 100.00	\$ 100.00	\$ 13.00	\$ 113.00	0.00%
31 Inches to 48 Inches in Length	\$ 130.00	\$ 150.00	\$ 19.50	\$ 169.50	15.38%
49 Inches to 96 Inches in Length	\$ 160.00	\$ 160.00	\$ 20.80	\$ 180.80	0.00%
Over 96 Inches in Length Quoted on Request	As Quoted	As Quoted		As Quoted	
PEACE OF MIND PLAN Prepare Bed, Supply & Plant Annuals, Maintain, Remove in Fall					
Up to 30 Inches in Length	\$ 130.00	\$ 130.00	\$ 16.90	\$ 146.90	0.00%
31 Inches to 48 Inches in Length	\$ 200.00	\$ 230.00	\$ 29.90	\$ 259.90	15.00%
49 Inches to 96 Inches in Length	\$ 230.00	\$ 230.00	\$ 29.90	\$ 259.90	0.00%
Over 96 Inches in Length Quoted on Request	As Quoted	As Quoted		As Quoted	
Over 48" flat fee surcharge	NA	\$ 40.00	\$ 5.20	\$ 45.20	
MEMORIAL DEDICATION PROGRAMS					
Memorial Urns					
Cemetery Services offer a wide variety of personalized Memorial Urn and framing options. Please contact the cemetery office for more information, design options and/or quotes.	As Quoted	As Quoted		As Quoted	
Memorial Benches					
Composite Bench including (12" x 4") Bronze Plaque	As Quoted	As Quoted		As Quoted	
Additional (12" x 4") Bronze Plaque	As Quoted	As Quoted		As Quoted	
Bench Installation	\$ 300.00	\$ 325.00	\$ 42.25	\$ 367.25	8.33%
Dedicated Land (for placement of memorial benches purchased through other suppliers)	As Quoted	As Quoted		As Quoted	
Dedication Renewal (For Additional 20yr Term)	As Quoted	As Quoted		As Quoted	
Memorial Tree Dedications					
Specimen Tree including (8" x 6") Bronze Plaque	As Quoted	As Quoted		As Quoted	
Dedication Renewal (For Additional 20yr Term)	As Quoted	As Quoted		As Quoted	
Memorial Stones					
Memorial Stone including (12" x 6") Includes Bronze Plaque with one name but no interment rights Plaque options are dependant on size of Memorial Stone and stone facing. Please contact the cemetery office for more information, design options and/or quotes. Memorial Bench & Tree Dedications are provided for a 20 year term.	As Quoted	As Quoted		As Quoted	
Children's Section Memorial Feature					
Bronze 12"x4" plaque	As Quoted	As Quoted			
Bronze Lawn Level Memorials					
6" x 12" Bronze Lawn Level Memorial	As Quoted	As Quoted		As Quoted	
12" x 20" Bronze Lawn Level Memorial with Standard Border	As Quoted	As Quoted		As Quoted	
14" x 30" Bronze Lawn Level Memorial with Standard Border	As Quoted	As Quoted		As Quoted	
14" x 30" Bronze Lawn Level Memorial with Vase & Standard Border	As Quoted	As Quoted		As Quoted	
18" x 24" Bronze Lawn Level Memorial with Standard Border	As Quoted	As Quoted		As Quoted	
18" x 24" Bronze Lawn Level Memorial with Vase & Standard Border	As Quoted	As Quoted		As Quoted	
Garden of Memory Memorial					
Garden of Memory Memorial - Bronze Scroll (with interment)	As Quoted	As Quoted		As Quoted	
Garden of Memory Memorial - Bronze Scroll (as memorial only)	As Quoted	As Quoted		As Quoted	
Cemetery Services offers a wide variety of personalized Bronze Lawn Level Memorial options. Please contact the cemetery office for more information, design options and/or quotes.					
Bronze Date Scrolls & Plaques					
Current Year (Standard Scroll Size)	As Quoted	As Quoted		As Quoted	
Birth or Death Year Scroll (Standard Scroll Size)	As Quoted	As Quoted		As Quoted	
Loose Scroll (11 3/4" x 3 3/4" & under) (12"x 4" and larger as quoted)	As Quoted	As Quoted			
*Scroll prices where permitted include name, dates and up to four words or inscription (space permitting).					
Bronze Single Line Border Memorial Plaque (10"x 10" on 13"x 13" niche)	As Quoted	As Quoted		As Quoted	
Bronze Single Line Border Memorial Plaque (10"x 12" on 13"x 19" niche)	As Quoted	As Quoted		As Quoted	
Bronze Arbor Memorial Plaque (10-1/2" x 10-1/2")	As Quoted	As Quoted		As Quoted	
Bronze Wreath (11" x 7") Scroll	As Quoted	As Quoted		As Quoted	
Bronze Feature Wall Plaque (10-1/2" x 10-1/2")	As Quoted	As Quoted		As Quoted	
Bronze Pedestal (12-1/2" x 14") Feature Scroll	As Quoted	As Quoted		As Quoted	
Water Feature Memorial - Additional/Future Engraving (Final Date)	As Quoted	As Quoted		As Quoted	
Memorial Wall Bronze Plaque 12"x6" (one name) (with interment at Parkview Cemetery)	As Quoted	As Quoted		As Quoted	
Memorial Wall Bronze Plaque 12"x6" (one name) (as memorial only)	As Quoted	As Quoted		As Quoted	

	Effective Jan 1, 2023	Effective Jan 1, 2024	HST	TOTAL	% Change
<u>FLOWER VASES, MEMORY LIGHTS & ARTIFICIAL WREATHS</u>	As Quoted	As Quoted		As Quoted	
<u>Flower Vases</u>					
Manchester Octagon Plastic Flower Vase (M70/11 VC)	As Quoted	As Quoted		As Quoted	
Manchester Grey Zinc Flower Vase (M70-3)	As Quoted	As Quoted		As Quoted	
Manchester Bronze Flower Vase Zinc (M70-7)	As Quoted	As Quoted		As Quoted	
Manchester Bronze or Grey Zinc Flower Vase - Full Height	As Quoted	As Quoted		As Quoted	
Manchester Eaton Brothers Zinc Flower Vase	As Quoted	As Quoted		As Quoted	
Matthews' Grecian Bronze Flower Vase with Ring	As Quoted	As Quoted		As Quoted	
Matthews Grecian Bronze Flower Vase with Base	As Quoted	As Quoted		As Quoted	
Matthews' Plain or Hammered Doric Bronze Flower Vase with Ring	As Quoted	As Quoted		As Quoted	
Matthews Plain or Hammered Doric Bronze Flower Vase with Base	As Quoted	As Quoted		As Quoted	
Matthews Plain or Hammered Doric Bronze Flower Vase with Memory Ring	As Quoted	As Quoted		As Quoted	
Matthews Plain or Hammered Doric Bronze Flower Vase with Memory Ring & Base	As Quoted	As Quoted		As Quoted	
<u>Memory Lighs</u>					
Bronze Memory Light with Ring & Container	As Quoted	As Quoted		As Quoted	
Bronze Memory Light with Base	As Quoted	As Quoted		As Quoted	
<u>Artificial Wreaths</u>					
Traditional Wreath including Easel	\$ 65.00	\$ 75.00	\$ 9.75	\$ 84.75	15.38%
30 " Saddle Wreath	\$ 65.00	\$ 75.00	\$ 9.75	\$ 84.75	15.38%
Custom Saddle Wreaths	NA	\$ 100.00	\$ 13.00	\$ 113.00	
Custom Vase Bouquets	NA	\$ 50.00	\$ 6.50	\$ 56.50	
Cemetery Services offers a variety of personalized Flower Vase, Memory Light and Wreath options.					
Please contact the cemetery office for more information, design options and/or quotes.					
<u>INSTALLATION SERVICES</u>					
<u>Memorial & Plaque Installation</u>					
Installation of Plaque or Scroll	\$ 175.00	\$ 180.00	\$ 23.40	\$ 203.40	2.86%
Installation of a 6" x 12" Lawn Level Memorial	\$ 175.00	\$ 180.00	\$ 23.40	\$ 203.40	2.86%
Installation of a 12" x 20" Lawn Level Memorial	\$ 230.00	\$ 240.00	\$ 31.20	\$ 271.20	4.35%
Installation of a 14" x 30" Lawn Level Memorial	\$ 260.00	\$ 270.00	\$ 35.10	\$ 305.10	3.85%
Installation of a 18" x 24" Lawn Level Memorial	\$ 260.00	\$ 270.00	\$ 35.10	\$ 305.10	3.85%
Care and Maintenance Fee for Lawn Level Memorials greater than 173 sq. inc (legislated)	\$ 100.00	\$ 100.00	\$ 13.00	\$ 113.00	0.00%
Installation of a Flower Vase	\$ 70.00	\$ 80.00	\$ 10.40	\$ 90.40	14.29%
Flower Vase Maintenance and Re-Installation Services	\$ 40.00	\$ 40.00	\$ 5.20	\$ 45.20	0.00%
	As Quoted	As Quoted		As Quoted	
<u>Monument Foundation Installation</u>					
Foundation Charge per Cubic Foot of Concrete	\$ 35.00	\$ 35.00	\$ 4.55	\$ 39.55	0.00%
Care and Maintenance Fee for Monuments under 4 feet height (legislated)	\$ 200.00	\$ 200.00	\$ 26.00	\$ 226.00	0.00%
Care and Maintenance fee for Monuments over 4 feet height (legislated)	\$ 400.00	\$ 400.00	\$ 52.00	\$ 452.00	0.00%
Foundation Removal	NA	\$ 500.00	\$ 65.00	\$ 565.00	
<u>Vaults</u>					
Standard Cremation Vault (white finish)	As Quoted	As Quoted		As Quoted	
Oversize Cremation Vault (white finish)	As Quoted	As Quoted		As Quoted	
Ontario Vault Elite 106 Cremation (white finish)	As Quoted	As Quoted		As Quoted	
Ontario Vault Elite 107 Oversize Cremation (white finish)	As Quoted	As Quoted		As Quoted	
Ontario Vault Elite 108 Companion Cremation (white finish)	As Quoted	As Quoted		As Quoted	
<u>GENERAL INFORMATION</u>					
<u>OFFICE HOURS</u>					
Monday to Friday: 9:00 a.m. to 4:30 p.m.					
Saturday: 9:00 a.m. to 1:00 p.m. (Saturday Lot Sales by Appointment Only)					
<u>INVOICES</u>					
All Prices Subject to the current Harmonized Sales Tax					
Invoices may be paid directly at the Cemetery Office. Cash, Cheque, Debit Card, Visa or MasterCard accepted					
Payment Plans are Available for Interment Right (lot) and associated purchases over \$1,000.00.					
Interest in the Amount of 1.25% per month will be charged on all accounts past 30 days.					
Cemetery and Crematorium Rules & Regulations (By-Laws) are available at the Cemetery Office					
Traditional Interment Rights are Single Depth Only					
The Corporation of the City of Waterloo					
Parkview Cemetery, Chapel & Crematorium, 335 University Avenue East, Waterloo ON N2J 4A8					
Mount Hope Cemetery, 83 Roger Street, Waterloo ON N2J 4A8					
Office: 1.519.725.9280 TTY: 1.866.786.3941					
Licence # 3308029					



STAFF REPORT
Economic Development

Title: Municipal Parking Lot By-Law Amendment
Report Number: CAO2023-027
Author: Christine Tettman, Christopher Mulhern
Council Date: December 11, 2023
File: [File]
Attachments: None
Ward No.: Uptown Ward 7

Recommendations:

1. That Council approve report CAO2023-027.
2. That Council approve amendments to Municipal Parking Lot By-Law #2017-047, as set out in CAO2023-027.

A. Executive Summary

The proposed amendment will allow the Region of Waterloo and/or its contracted service provider to enforce the Municipal Parking Lot By-law in relation to City operated public parking, to be operated on levels 1 and 2 of the Uptown Parkade, following the transfer of property ownership of the Uptown Parkade to the Region.

B. Financial Implications

N/A

C. Technology Implications

N/A

D. Link to Strategic Plan

(Strategic Priorities: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

Infrastructure and Transportation Systems

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

Operational Excellence

E. Previous Reports on this Topic

CAO2017-015 Parking Lot By-Law and Parking Permit Occupancy Fee



**Municipal Parking Lot By-Law Amendment
CAO2023-027**

Background:

Municipal Parking Lot By-Law 2017-047 (the “Municipal Parking Lot By-law”) is the by-law which establishes certain municipal parking lots in the City and regulates the parking of vehicles therein. This by-law also designates enforcement authority within municipal parking lots. As set out in the By-law, a municipal parking lot means a lot or structure on or in which motor vehicles may be parked or left that is operated by the City.

The City of Waterloo has entered into an agreement with the Region of Waterloo, dated June 29, 2023, through which the Region of Waterloo will assume ownership of the Uptown Parkade (the “Option and Governance Agreement”).

In accordance with the Option and Governance Agreement:

- ownership of the Uptown Parkade will be transferred to the Region
- the City will continue to operate public parking on levels 1, 1.5 and 2 of the Uptown Parkade
- Parking in the remainder of the Uptown Parkade will be operated by the Region
- The Region will be responsible for parking enforcement on all levels of the Uptown Parkade following transfer of the Uptown Parkade to the Region

Since the Municipal Parking Lot By-Law applies to a lot or structure in which parking is operated by the City, this By-law will still be used to enforce parking on levels 1, 1.5 and 2 of the Uptown Parkade after property ownership transfers. However, parking enforcement responsibilities will shift to the Region of Waterloo and/or its contracted service provider. The proposed amendment will allow for the Municipal Parking Lot By-law to be enforced by the Region of Waterloo and/or its contracted service provider. The City will also retain authority to enforce the By-law (if required), and will retain the authority to issue permits, work orders, orders to discontinue and/or to tow or impound vehicles.

Proposed Amendment:

Staff are proposing that the Municipal Parking Lot By-Law be amended to add that the By-law (not including Sections 4, 5, 6, 7 and 8, which relate to the issuance of permits, work orders, orders to discontinue and/or to tow or impound vehicles) may be enforced on any level of the Parkade on which parking is operated by the City from time to time, by:

- i. Any employee of The Regional Municipality of Waterloo, whose duties include parking enforcement at the Parkade; and
- ii. Any contractor retained by The Regional Municipality of Waterloo, who is duly licensed by the City as a private property officer in accordance with By-law 2014-085, as amended from time to time, or any successor thereof, to conduct parking enforcement on Region-operated parking levels within the Parkade.

Municipal law enforcement officers appointed by the City, as well as police officers, will continue to have authority to enforce the By-law. The City will retain the authority to issue permits, work orders, orders to discontinue and to tow and/or impound vehicles pursuant to the By-law.

With respect to the remainder of the Uptown Parkade, in which parking will be operated by the Region, the Region will enforce parking pursuant to the City's Parking on Private Property By-law 08-092. In accordance with the City's Business Licensing By-law 2014-085, licensed private property enforcement officers are authorized to enforce By-law 08-92. No amendments are required to the Parking on Private Property By-law.



STAFF REPORT
Municipal Enforcement Services

Title: Business Licensing By-law Update
Report Number: COM2023-031
Author: Grant Curlew, Manager, Licensing & Standards
Council Date: December 11, 2023
File: N/A
Attachments: Appendix A – Comprehensive Business Licensing By-law
Appendix B – Business Licensing Reserve Projection
Ward No.: All

Recommendations:

1. That Council approve report COM2023-031.
2. That Council approve the Comprehensive Business Licensing By-law.

A. Executive Summary

The proposed updates to the Business Licensing Program aim to address the evolving needs of businesses and the community, ensuring safety, trust, and responsible operations. To sustain financial viability, a 5% annual fee increase from 2024 to 2026 is recommended, alongside a one-time funding contribution of \$400,000 and potential permanent tax-base funding of \$100,000 per year starting in 2027. The proposed updates reflect extensive industry feedback and consultation. The changes include introducing new licence classes, updating existing categories, and discontinuing certain licences to improve clarity and flexibility. Overall, the proposed measures are designed to foster a more accountable, safe, and business-friendly environment while addressing the program's financial deficit.

B. Financial Implications

For the program to remain financially sustainable, fee increases of 5% will be required each year from 2024 to 2026. It will also require a one-time funding contribution of \$400,000 as outlined in the Reserves and Reserve Funds Annual Update report CORP2023-043. Permanent ongoing tax-base funding of \$100,000 will be considered as early as the 2027 budget cycle to ensure the program remains viable in the long-term.

C. Technology Implications
N/A

D. Link to Strategic Plan

(Strategic Priorities: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

Guiding Principle: Community-centred - We support strong and liveable neighbourhoods, prioritizing community engagement grounded in empathy and understanding.

E. Previous Reports on this Topic

COM2023-032 - Rental Housing and Business Licensing 2024-2026 Fees and Charges



Business Licensing By-law Update COM2023-031

Importance of Business Licensing

The business licensing program plays an important role in safeguarding the interests of both businesses and consumers. It serves as a mechanism for enhancing customer safety by ensuring that businesses adhere to a set of standards and regulations. This includes measures such as health and safety guidelines, fire code, and industry best practices. By enforcing these standards, licensing adds a layer of consumer protection, assuring customers that the services they receive are meeting a minimum community standard. Additionally, business licensing helps to mitigate the potential nuisances created by businesses operating in residential or commercial areas. It regulates operating hours, locations, and other factors that could be impactful to the community. Furthermore, licensing serves as a proactive way to check for zoning compliance and minimum insurance standards. Business licensing is a valuable tool that promotes safety, consumer trust, community standards, and responsible business operations.

Background

In 2015, the current business licensing program was passed, which combined a number of outdated individual licensing by-laws into one comprehensive by-law. In 2016, construction of the LRT began in the Uptown and the majority of proactive enforcement was strategically put on pause due to the pressures on the business community. In 2018 and 2019 the by-law began to be enforced more proactively and observed a notable increase in compliance rates. During the pandemic, the role of business licensing staff was crucial, as they were redeployed to support multi-agency compliance inspections under the Reopening Ontario Act (ROA) and coordination of the Supporting Our Local Economic Recovery (SOLER) program, which was well received by the business community. This work was essential in supporting businesses through challenging economic times, while balancing the safety of the public.

Since the program's launch in 2015, staff have had the opportunity to work closely with the Small Business Centre, Uptown BIA, the Greater Kitchener Waterloo Chamber of Commerce, industry groups, and individual business owners. This has allowed staff to get a thorough understanding of what licensing requirements are working well and what changes could be made to provide better overall service and regulation. Staff have also had many conversations with other area municipalities on best practice and alignment of certain regulations. Additionally, there have been many changes to the business landscape and the needs of the community over the past eight years that should be reflected in our regulatory requirements. Staff believe that an updated business licensing

by-law will assist with improved customer service, better regulation of businesses, and an overall improvement in the business landscape in the City of Waterloo.

Consultation

Staff have been conducting on-going consultation with interested parties, industry groups, individual business owners, and other government agencies since the program's inception in 2015. Some of the notable consultation that has been completed over the past eight years are:

- Engage Waterloo survey seeking both public and business opinion on the licensing program (2018)
- Engage Waterloo survey seeking licensed business opinion on the licensing program (2023)
- Attended a Landscape Ontario local chapter meeting
- Consultation with the President of Landscape Ontario
- Attended a Waterloo Regional Electrical Association meeting
- Consultation with local food truck industry group
- Consultation with various contracting business owners individually
- On-going consultation with the Small Business Centre and the Uptown BIA
- Consultation with the President/CEO of the Greater Kitchener Waterloo Chamber of Commerce
- On-going consultation with Fire Prevention, Planning, Public Health, AGCO, and Waterloo Regional Police
- Consultation with local nightclub owners

Based on the significant consultation and feedback that staff have received, the following are the top five items that staff have identified as being important to business owners:

1. Keep licensing fees as low as possible
2. Make the application process more streamlined
3. Reduce “red tape” – ensure that the regulations that are in place are truly required and are simple to understand
4. Ensure that non-compliant businesses are held to the same standards as compliant businesses
5. Ensure that enforcement is carried out in a equitable and reasonable manner

These five key areas of feedback are what staff used to guide the review and updates to the by-law. Staff also worked with the City of Kitchener to look at areas that could be more closely aligned with their licensing by-law, especially in cases in which businesses may need to be licensed in both jurisdictions (contractors, food vehicles, mobile business operations).

Highlights of the Significant Changes

The following section highlights the significant proposed changes to the licensing requirements. These items are what staff believe are of interest to the community. We note, within the proposed by-law update Appendix A, there are administrative changes (i.e. updated section numbers, minor definition changes) that enhance the by-law.

Retail and Service Business

Under the current by-law, any business that is not captured under a specific licence class requires a one-time general business licence. Staff believe that this current general licence is too broad in nature, capturing some businesses that may not require additional regulations, such as medical offices or non-customer facing office space. Therefore, staff are proposing a Retail and Service class of licence. This class of licence will still capture the retail and service type businesses that are used by the public. This licence class will remain as a one-time licence.

Contractors

The current business licensing by-law regulates contractors through seven different licensing classes, often with identical regulations. Contractors can fall into multiple licence categories (i.e. building renovator and fence installation contractor). This technically requires multiple licences and can be confusing to the business and the public. To streamline this category, staff are proposing a single “Contractor” class of licence, which contains the regulations for all types of contractors.

Staff are also proposing the removal of a criminal background check for the business owner applying for this class of licence, as the owner is often not actually doing the work at a property. Staff have not denied a licence based on a criminal background check over the past eight years and believe this is a “red tape” regulation that can be removed making the process more efficient with little impact to customers.

Lastly, staff are proposing that a requirement of proof of Workplace Safety and Insurance Board (WSIB) coverage be extended to all businesses requiring a Contractor class of licence. This is consistent with the requirements of the Ontario Workplace Safety and Insurance Act.

Landscape Contractors

Staff are also proposing the addition of landscape businesses into the contractor licence class. Landscape work can come at a considerable expense to a homeowner, can cause significant damage to a property if done incorrectly, and often can impact public sidewalks and roadways due to debris and materials related to the project. Staff have consulted with Landscape Ontario, which is the province’s largest professional landscape association. They offer a level of oversight and professional education for their members. Landscape Ontario has indicated that they welcome the licensing of landscape contractors as a

method of insuring a higher level of accountability and professionalism within the industry. Staff have also heard from individual business owners who have expressed a concern with “fly-by-night” contractors who do not properly register their business or have insurance coverage. These businesses are often able to undercut the businesses who are operating in a responsible and legal manner.

To recognize the additional oversight and training that Landscape Ontario offers, staff are proposing a 25% discount to the normal licence fee for Landscape Ontario members.

Food Vehicles

As with the Contractor class of licence, food trucks, food trailers, and refreshment vehicles are all licensed separately under the current by-law. Staff are proposing one “Food Vehicle” class of licence for all mobile food service operations. This would allow for more flexibility in how these vehicles choose to operate, while still ensuring their operation does not impact stationary businesses or residential areas. It will also make licensing more clear and understandable for both businesses and the public. The general regulations for all of the business regulated under this new class of licence will remain relatively unchanged.

Mobile Business

Over the past eight years, staff have observed a growing industry offering mobile services. Some of these businesses include cleaning, car detailing, pet grooming, dog walking, hair/spa services, and personal services. As with contractors, having a business operate on a residential property comes with an elevated level of risk of both safety and impacts on the surrounding neighbourhood. Staff are proposing a “Mobile Vendor” class of licence. This licence class would ensure minimum liability insurance, require a criminal background check, and set various standards for how and when a mobile business can operate.

Nightclubs

Based on the community impacts that can be caused by nightclub operations, staff’s experiences in dealing with nightclubs, feedback from other enforcement agencies, and in consultation with local nightclub owners, staff are recommending more comprehensive regulations in this licence category. Changes include the addition of more accountability for the establishment to monitor the behaviour of their patrons and a requirement for at least one security guard when the establishment has 100 or more people in attendance.

Food Shops

A number of Food Shops, particularly in the Uptown area, operate as a traditional restaurant during the day and then transition to a bar or nightclub atmosphere during the evening hours. To address the additional public safety and nuisance concerns that come with this change in operation, staff are proposing that Food Shops that offer music,

entertainment, and/or dancing meet some of the same standards set out in the Nightclub licence class. This includes the requirement to manage lines outside of the establishment and for security if the establishment has 100 or more people in attendance.

Pet Services

Staff are proposing an update to the current Pet Shop class of licence to a Pet Services licence class. These proposed changes have little impact on the type of businesses currently licensed as Pet Shops, but instead more accurately reflect the variety of services offered to pets in our community.

Flyer Distributer

Staff are proposing an update to this licence category to include regulation around the distribution of graphic materials. Staff are proposing a definition for graphic materials as “an image or photograph showing, or purporting to show, a fetus or any part of a fetus”. The proposed regulations would require the delivery of graphic materials to occur in a sealed envelope with notification on the exterior of the content.

Temporary Vendor Licensing

Staff are proposing updates to the current Temporary Vendor Licence class. These updates would combine the current vendor licence for businesses operating on City property and private property. The proposed updates would also create a Vendor Market Licence, allowing for multiple vendors to operate under one licence. Staff are also proposing allowances for the Director of Municipal Enforcement Services to waive certain licence requirements or licensing fees. In partnership with Community and Neighbourhood Services, staff are supporting the development of a new policy that formalizes available supports for neighbourhood-led initiatives. Proposed supports will include waived fees for Temporary Vendor Licences and Vendor Market Licences. This proposed update is aimed at reducing barriers for neighbours and encourage initiatives that support the City's strategic commitment to fostering strong, connected, and complete communities.

Licence Appeal

Staff are proposing a significant update to the business licence appeal process. Currently, an appeal for licensing conditions, licence denial, licence suspension, licence revocation, or an order to comply, are heard by a council appointed licence appeal tribunal. Under the tribunal model, it can often be difficult to recruit qualified candidates and staff have seen challenges with scheduling. Also, tribunal member may not have the expertise required to make informed decisions on legal matters. Staff are proposing that licence appeals now be heard by a Council appointed Hearings Officer. These Hearing Officers would be from the same pool of Hearing Officer currently used for the Administrative Monetary Penalties System. They have been selected by a panel of city staff, including the City Solicitor, City Clerk, Director of Human Resources, and Director of READI, or their designates. Council has final approval of the candidates selected for this role. The

fees related to an appeal have also been updated to more accurately reflect the costs associated with the appeal process. Staff will be proposing amendments to the current Screening and Hearing Officer By-law to formalize this transition at a later date.

Fire Safety

In consultation with the Fire Prevention team, staff are proposing a change to the requirements to include a Fire Safety Plan as a part of the licence application process. The current requirements are based on wording directly from the Ontario Fire Code, but are missing many of the nuanced exceptions also found in the Fire Code. Therefore, staff are proposing updated language to ensure any business owner can clearly understand when a Fire Safety Plan is required for the purpose of licensing and when it is not. The language is based on easy to understand limits, typically tied to the occupancy load of a business. This update may result in some businesses that require a Fire Safety Plan under the Ontario Fire Code not being captured through the business licensing application. Fire Prevention staff feel confident that the small number of businesses who are not captured can still be made compliant through their normal enforcement regime.

Discontinued Licence Categories

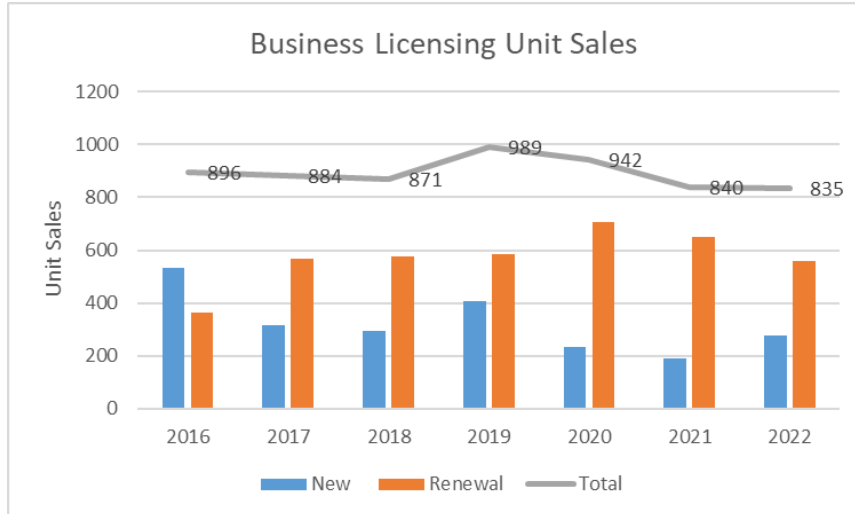
Staff are proposing the discontinuation of the following licence categories. Staff believe that businesses that would fall into these categories are already sufficiently regulated by another regulatory body, or are captured by another category of licence within the licensing by-law.

- Flea Market (replaced by Vendor Market)
- Group Home (sufficiently regulated elsewhere)
- Tobacconist (regulated by Regional government / through other licence class)
- Old Gold Shop (regulated by Regional government / through other licence class)

Financial Impact

As seen in Graph 1 below, historical unit sales have seen an overall average of 894 per year. Staff believe that the proposed updated by-law will increase this slightly, but is not likely to significantly increase revenues. Due to an initial over-estimation of the number of businesses operating in Waterloo that would require a licence, impacts from the LRT construction, and significant impacts from the pandemic, the program has been operating at a deficit since 2020. It is forecasted that the program will run a deficit of approximately \$100,000 in 2023 and will continue to do so without changes to the fee structure and additional tax-base support.

Graph 1 – Historical Business Licensing Unit Sales



Forecast Future Unit Sales

Through further review and analysis, staff believe that the number of active business licenses will peak at roughly 1,050 units in the long-term, which is what staff have used to model revenue generating capacity for the program.

Table 1 – Unit Forecast

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
New	280	246	216	200	169	152	107	107	107	107	1691
Renewal	582	628	674	703	762	825	939	939	939	939	7930
Total Licences	864	876	892	905	933	977	1046	1046	1046	1046	9621

To fully fund the program with licence fee revenue and no tax-base financial assistance, it would take a 125% fee increase in 2024. As an example, a fee increase of that magnitude would take the current \$178.00 for a new Beauty Salon and Barber Shop licence to \$401.00. Through consultation, staff heard clearly from businesses that significant fee increases could not be sustained. Since a fee increase of that magnitude is not feasible, staff are proposing a hybrid solution of a lower fee increase along with supplemental tax-base funding. Staff believe that tax-base support of the licensing program is justifiable, given the benefits that the greater community receives from business licensing regulations and enforcement that support a safe and vibrant community. The consideration of ongoing tax base support will be considered as part of the 2027 budget process.

Staffing Model

The current licensing program was launched in 2015 with a staffing model consisting of one Compliance and Standards Officer, one Licensing and Standards Officer, and one

Municipal Enforcement Clerk. These positions were never fully implemented, based on the challenges with revenue generation that the program has experienced since 2016. If approved, the updated fee model would support one Licensing and Standards Officer and one Municipal Enforcement Clerk, which is the model that has been in place since 2018. This is the minimum staffing required to support the program delivery.

Fee Increase

The method on how to raise fees per licence was discussed. A wholesale change was tested based on hours to complete the applications, however, it would leave “losers/winners” from the anchored licence price. To avoid this issue, a flat increase was applied to all licence fees in the same way. That way all licence fees will increase by the same amount and avoid unfair outcomes for certain business types. A 5% fee increase will be required each year, from 2024-2026. This is forecasted to reduce to 3%, each year, from 2027 to 2033. It is important to note that licence fees remained unchanged between 2015 and 2022, which resulted in fees not keeping up with inflationary cost increases. These fee increase requests/schedules will be included in the Rental Housing and Business Licensing Fees and Charges report COMM2023-032.

Tax Base Funding

To address the revenue shortfall in the program, staff are recommending one-time tax base assistance of \$400,000 as part of the Reserves and Reserve Funds Annual Update report CORP2023-043 and plan to seek consideration for permanent tax base funding of \$100,000 per year as early as the 2027 budget cycle. Please refer to Appendix C for reserve projection.

Conclusion

The recommended changes to the business licensing program reflect a response to the evolving needs of businesses and the community. They aim to streamline processes, enhance accountability, and ensure public safety. These changes are based on extensive industry feedback and consultation, making the program more business-friendly, transparent, and applicable. The functions of the licensing program serve to benefit the greater community and demonstrate why it would be appropriate to have a portion of the program supported through tax-base funding. The tax-base support of the program will ensure that licensing fees are maintained at a reasonable level for businesses. Staff anticipate that these updates will foster a more responsible, accountable, and safe business environment in the City.



THE CORPORATION OF THE CITY OF WATERLOO

BY-LAW NO.

BY-LAW TO PROVIDE FOR THE LICENSING AND REGULATION OF VARIOUS BUSINESSES IN THE CITY OF WATERLOO

WHEREAS pursuant to the provisions of Part IV of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, (the "*Municipal Act*") the Council of The Corporation of the City of Waterloo ("Council") may provide for a system of licences with respect to businesses;

WHEREAS Section 436 of the *Municipal Act* authorizes a municipality to pass by-laws providing that the municipality may enter on land at any reasonable time for the purpose of carrying out an inspection to determine whether or not there is compliance with a by-law, a direction or order, or a condition of a Licence;

WHEREAS Sections 390 to 400 of the *Municipal Act* authorize a municipality to pass by-laws imposing fees or charges for services or activities provided or done by them;

AND WHEREAS Sections 23.2, 23.3 and 23.5 of the *Municipal Act, 2001* authorizes a municipality to delegate its administrative and hearing powers in certain circumstances; and,

WHEREAS Council deems such a system of licences appropriate to address health and safety, well-being of Persons, consumer protection and nuisance control.

THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE CITY OF WATERLOO ENACTS AS FOLLOWS:

Definitions

"Accredited Program" means a Food Handler training and certification program recognized by Region of Waterloo Public Health;

"Administrative Penalty By-law" means the Administrative Penalty By-law of the City, as amended from time to time, or any successor thereof;

"Adult" means an individual eighteen years of age or older;

“Amusement Devices” means a machine, contrivance, structure or vehicle used in a Fair to entertain members of the public by moving them or causing them to be moved;

“Animals for Entertainment” mean members of the animal kingdom, other than a human, used to act or perform for the enjoyment of humans;

“Annual Fire Inspection” means an inspection that was conducted on a Fire Safety System by a qualified Person to ensure compliance with the Ontario Fire Code;

“Applicant” means the Person applying for a Licence or renewal of Licence under this By-law;

“Application” means an application for a Licence under this By-law;

“Application Premises” means the premises the Applicant is seeking to Licence;

“Auctioneer” means any Person selling or putting up for sale goods, wares, merchandise or effects by public auction;

“Barber Shop” means the same as “Beauty Salon”;

“Beauty Salon” means an establishment which provides beauty treatments for hair, face, hands, feet and includes waxing, tanning, body and ear piercing, micro-pigmentation, electrolysis and tattooing, but shall not include a body rub parlour;

“Bed and Breakfast Establishment” means a single detached dwelling in which guest rooms are rented or hired out for the purposes of providing temporary overnight accommodation not exceeding 28 consecutive days for the travelling or vacationing public, but does not include a hotel, motel, group home, lodging house or restaurant;

“Business” means any business wholly or partly carried on within the City even if the business is being carried on from a location outside the City and includes:

- a) trades and occupations;
- b) exhibitions, concerts, festivals and other organized public amusements held for profit or otherwise;
- c) the sale or hire of goods or services on an intermittent or one-time basis and the activities of a transient trader; and,
- d) the display of samples, patterns or specimens of goods for the purpose of sale or hire;

“Certificate of Insurance Form” means a form prescribed by the Director, which is required to be completed by an insurance provider, confirming that the subject Business holds the minimum insurance required by this By-law;

“Certified Food Handler” means a Food Handler who holds a valid Food Handler Certificate recognized by Region of Waterloo Public Health;

“Chief Building Official” means the Chief Building Official of the City or their designate;

“Chief Fire Official” means the Chief Fire Official of the City or their designate;

“Chief of Police” means the Police Chief for the Waterloo Regional Police Service or their designate;

“City” means The Corporation of the City of Waterloo or the geographical area of the municipality, as the context requires;

“City Property” means property owned by the City;

“Cleaning Service” means cleaning and sanitation services conducted at homes, offices, commercial buildings, or other facilities. This may including dusting, vacuuming, mopping, disinfecting, organizing spaces, carpet cleaning, window washing, or deep cleaning;

“Community Organization” means a non-profit group of Persons organized for the advancement of activities of a civic, cultural or recreational nature;

“Combustible Liquid” means “combustible liquid” as defined in the Ontario Fire Code;

“Contractor” means a Person engaged in the Business of providing services or performing work maintaining, altering, repairing, renovating, or constructing buildings, structures or properties, and may include, but is not limited to Drain Laying Contractor, Driveway Paving Contractor, Fence Installation Contractor, Fire Safety Contractor, H.V.A.C. Contractor, Landscape Contractor, Plumbing Contractor, and Pool Installation Contractor, but does not include a Person whose principle Business is the construction of new buildings or structures and who is registered with the Tarion Warranty Corporation, or any electrician, master electrician, or electrical contractor;

“Criminal Record Check” means a criminal record check issued to the Person(s) carrying on the Business by a Canadian police service either directly or through a third-party service provider or a police service in whose jurisdiction the Applicant resides;

“Declaration of Compliance” means a written statement, in the form prescribed by the Director and signed by the Applicant, confirming that the establishment is in compliance with the *Fire Protection and Prevention Act, 1997*, S.O. 1997, c. 4, or any regulation made under it;

“Designated Provision” means any section of this by-law designated in accordance with section 14.7;

“Director” means the Director of Municipal Enforcement Services, or their designate;

“Donation Box” means any receptacle used for the purpose of collecting clothing, donated by the public, on an ongoing basis and as part of the regular activity of the operator;

“Donation Box Operator” means a Person engaged in the Business of operating a Donation Box;

“Drain Laying Contractor” means a Person engaged in the Business of Drainage Work;

“Drain Layer” means a Person who is skilled in the planning, superintending, installing, replacing or maintenance of Drainage Work, including the laying of pipe into trenches to form sanitary sewers, storm sewers, storm drainage management systems and removal of obstructions from drains, and who is familiar with the laws, rules and regulations of governing same;

“Drainage Work” means the installing, replacing, repairing or maintenance of drains and drainage systems inside or outside of the buildings;

“Driveway Paving Contractor” means a Person engaged in the Business of Paving or sealing paved driveway surfaces on privately owned property;

“Dry Cleaner” means a Person engaged in the Business of dry-cleaning, dry-dyeing, cleaning, pressing, and spot or stain removal, or other similar applications to clothing or fabric;

“Dwelling Unit” means two or more rooms designed or intended to be occupied by and for the use of an individual or household with separate cooking and sanitary facilities;

“Fair” means an exhibition, circus, menagerie and other like show, and may include Amusement Devices;

“Fees and Charges By-law” means a by-law passed by Council pursuant to section 391 of the *Municipal Act* establishing the fees and charges for services or activities provided by or on behalf of the City, as amended or replaced from time to time;

“Fence” means a protective, enclosing or visual barrier of posts, wire, boards, rails, pickets, pilings, wood, metal, fiberglass, plastics, masonry or similar materials or any combination thereof and includes a wall or partition that is not an integral part of a building but does not include trellis or arbour, nor does it include temporary fencing;

“Fence Installation Contractor” means a Person engaged in the Business of installing Fences on privately owned property;

“Fire Safety Plan” means a document approved by the Chief Fire Official that is required under, and meets all the provisions of, Division B, section 2.8 of the Ontario Fire Code;

“Fire Safety Contractor” means a Person engaged in the Business of design, installation, inspection, or maintenance of Fire Safety Systems;

“Fire Safety Systems” includes, but are not limited to, fire alarms, emergency power, emergency lighting, sprinklers, standpipes, commercial cooking hoods, commercial cooking suppression systems, special extinguishing systems, fire extinguishers, private fire hydrants and other water supply systems used for the purpose of fire suppression;

“Flammable liquid” means “Flammable liquid” as defined in the Ontario Fire Code;

“Flyer” means advertising or promotional materials for distribution to the public, including circulars, handbills and leaflets, but does not include materials provided by a Registered Charity, Community Organization or political organizations;

“Flyer Distributor” means a Person engaged in the distribution of Flyers in the City, whether under contract or otherwise, or who employs other Persons to distribute Flyers in the City, but does not include a Registered Charity, Community Organization or a Person who distributes political advertisements;

“Food Shop” means a place where food products intended for human consumption are prepared, made for sale, offered for sale, stored or sold but does not include a place which sells only bottled or canned beverages or pre-packaged candies other than those required to be kept frozen;

“Food Vehicle” means a motorized or non-motorized food vending facility from which food products are sold or offered for sale and includes a food truck, food trailer, canteen truck, or food cart;

“Graphic Image” means an image or photograph showing, or purporting to show, a fetus or any part of a fetus;

“Health Approval” means the written approval of the Region of Waterloo Public Health;

“Hearing Officer” means a Person designated by Council for the purpose of hearing appeals under this By-law;

“Highway” includes a common and public highway, street, avenue, parkway, driveway, square, place, bridge, viaduct or trestle, any part of which is intended for or used by the general public for the passage of vehicles and includes the area between the lateral property lines thereof, which is under the jurisdiction of the City;

“H.V.A.C. Contractor” means a Person engaged in the Business of installing, replacing, repairing or maintenance of a heating, ventilating or air conditioning system;

“Home Occupation” means “Home Occupation” as defined in the Zoning By-law;

“Landscape Contractor” means a Person engaged in the Business of the design, installation, and maintenance of outdoor spaces and may include lawn care, planting, pruning, irrigation, hardscaping, and landscape lighting;

“Launderette” means an establishment with automatic washing machines for the public use;

“Licence” means a licence to engage in a Business issued under this By-law, and the term “licenced” shall have a corresponding meaning;

“Licenced Premises” means the premises referred to in a Licence;

“Licensee” means a Person who has been issued a Licence under this By-law;

“Medical Officer of Health” means the Medical Officer of Health for the Region of Waterloo Public Health, or his or her designate;

“MLEO” means a Person appointed as a Municipal Law Enforcement Officer by Council pursuant to section 15 of the *Police Services Act*, R.S.O. 1990, c. P.15, as amended;

“Mock Auction” means an auction during which:

- a) any goods are sold to a Person at a price lower than the highest bid offered for the same;
- b) part of the bid price is repaid or credited to the bidder;
- c) the right to bid is restricted to those Persons who have bought or agreed to buy one or more goods at auction; or,
- d) any goods are given away or offered as gifts.

“Mobile Vendor” means a Person engaged in the Business of offering place-to-place services, often using a vehicle or portable equipment to bring their products or services directly to customer’s home, including Cleaning Services, but does not include a Contractor, Food Vehicle, or Temporary Vendor;

“Motor Vehicle” means an automobile, motorcycle, truck, trailer or motor assisted bicycle unless otherwise indicated in this By-law and any other vehicle propelled or driven otherwise than by muscular power but does not include a street car or other motor vehicle running only upon rails or a motorized snow vehicle, traction engine, farm tractor, self-propelled implement of husbandry or road-building machine;

“Motor Vehicle Dealership” means a building or place where a Person engages in the Business of buying or selling Motor Vehicles;

“Motor Vehicle Repair Shop” means a building or place where a Person engages in the Business of working on or repairing Motor Vehicles;

“Motor Vehicle Facility” means a new or used Motor Vehicle Dealership, Motor Vehicle Service Station, Motor Vehicle Repair Shop, suppliers of new and used Motor Vehicle parts, Motor Vehicle inspection and insurance appraisal, Motor Vehicle rental and leasing, and Motor Vehicle Specialty and Service Shop;

“Motor Vehicle Service Station” means a building or place of business where all activities are related or incidental to the prime function of selling motor vehicle fuels and products with or without the provision of a motor vehicle repair shop and maintenance to motor vehicles but shall not include a motor vehicle dealership or a motor vehicle repair shop;

“Motor Vehicle Specialty and Service Shop” means a building or place where a Person engages in the Business of servicing and maintenance of the interior or exterior of a Motor Vehicle, including, but not limited to, brakes, tires, transmissions and upholstery, and shall include car wash and paint spray facilities;

“Municipal Enforcement Services” means the Municipal Enforcement Services of the City;

“Newspaper Vending Box” means any box, receptacle or machine, located on City Property, from which newspapers, magazines or other publications are intended to be dispensed, distributed or disseminated to the general public;

“Newspaper Vending Box Operator” means a Person who operates a Newspaper Vending Box;

“Nightclub” means an establishment with the primary function of providing commercial entertainment with an open floor area and where seating is not provided for the majority of the patrons; the principal function of which is dancing and/or listening to pre-recorded or amplified music, viewing live musical performances, and/or viewing other forms of live entertainment. Food and beverages may be offered for sale as an ancillary use;

“Obscene Show” means any show of which a dominant characteristic is the undue exploitation of sex, or of sex and any one or more of the following subjects, namely, crime, horror, cruelty and violence;

“Occupancy Load” means the number of persons for which a building or part thereof is designed;

“Ontario Fire Code” means the Ontario Fire Code in force and effect under the *Fire Protection and Prevention Act, 1997*;

“Owner” means the owner or tenant of a building;

“Operator” includes a proprietor or any other Person who, alone or with others, operates, manages, supervises, runs or controls a Business, and “operate” and “operation” has a corresponding meaning;

“Parking Enforcement” means the activity of enforcing municipal parking by-laws and regulation, including the issuance of a certificate of parking infraction and parking infraction notice under Part II of the *Provincial Offences Act*, R.S.O. 1990, c. P.33 or the issuance of Penalty Notices under the City’s Administrative Monetary Penalties By-law, as amended;

“Paving” means the act of laying asphalt, concrete, interlocking stone paving and other similar material;

“Person” means an individual, firm, corporation, association or partnership;

“Pet Care Centre” means a building or place where a Person engages in the Business of providing a supervised environment for pets and may be offered for dogs, cats, or other pets, and may include a range of activities and amenities designed to provide mental and physical stimulation;

“Pet Grooming Salon” means a Business which offers a range of services to pet owners for the care and maintenance of their pets' appearance and hygiene and may include bathing, grooming, hair trimming, nail trimming, and ear cleaning, among others;

“Pet Service” means a Business establishment which operates as a Pet Care Centre, Pet Grooming Salon, or Pet Shop;

“Pet Shop” means a Business where animals are sold, kept, groomed or offered for sale as pets, excluding veterinary practices;

“Plumbing” means “plumbing” as defined in the *Building Code Act, 1992*, S.O. 1992, c. 23, as amended, and “plumbing work” has a corresponding meaning;

“Plumbing Contractor” means a Person engaged in the business of Plumbing;

“Police Officer” means a police officer with the Waterloo Regional Police Service;

“Pool Installation Contractor” means a Person engaged in the Business of installing pools on privately owned property;

“Portable Sign” means “portable sign” as defined in the City’s Sign By-law;

“Portable Sign Lessor” means a Person engaged in the Business of installing, leasing or renting to others Portable Signs;

“Portable Sign Permit” means a sign permit issued under the City’s Sign By-law, as amended, for the display of a Portable Sign;

“Private Property Enforcement Officer” means an individual who, on behalf of a Private Property Enforcement Contractor, engages in Parking Enforcement on private property;

“Private Property Enforcement Contractor” means a Person engaged in the Business of providing Parking Enforcement services on private property;

“Public Hall” means a building or part of a building, including a portable building or tent, with a seating capacity of over 100 Persons, that is offered for use or used as a place of

public assembly but does not include a theatre licenced under the *Film Classification Act, 2005*, S.O. 2005, c.17, or a building, except a tent, used solely for religious purposes;

“Qualified Plumber” means a person who holds a certificate of qualification from the Province of Ontario as a plumber, who is qualified in the planning, superintending and installation of plumbing, is familiar with the laws, rules and regulations governing the same, and who alone, or by journeyman and/or apprentice plumbers under his or her supervision, performs Plumbing work;

“Registered Charity” means:

- a) a charitable organization, private foundation or public foundation, within the meanings assigned by subsection 149.1(1) of the *Income Tax Act*, RSC 1985, c. 1 (5th Supp), that is resident in Canada and was either created or established in Canada; or,
- b) a branch, section, parish, congregation or other division of an organization or foundation described in paragraph (a), that is resident in Canada and was either created or established in Canada and that receives donations on its own behalf.

“Regulated Health Professional”, means a health profession governed under the *Regulated Health Professions Act, 1991* and health profession Acts;

“Retail and Service Shop” means an establishment where a Person is engaged in the Business of selling goods or services directly to a consumer and is not regulated by another Schedule to this By-law;

“Salvage Yard” means “Salvage Yard” as defined in the Regional Municipal of Waterloo By-law No. 05-063 or its predecessors;

“Screening and Hearing Officer By-Law” means By-Law No. 2019-11, or its predecessor, passed by the City to provide for the appointment of Screening and Hearing Officers in the City;

“Second Hand Good Shop” means “Second-Hand Good Shop” as defined in the Regional Municipal of Waterloo By-law No. 05-062 or its predecessors;

“Secretary of Licensing Appeals” means a City employee who is assigned to the roll by the Director;

“Sign” means an identification, description, illustration, object or device illuminated or non-illuminated, that is visible from any public or private street and directs attention to a product, place, activity, Person, institution, business, or solicitation, but does not include:

- a) the display of goods placed inside a window;
- b) gravestones or other markers placed for historical or memorial purposes;

- c) private celebratory or holiday decorations;
- d) murals; or,
- e) traffic control devices;

“Significant Community Festival” means a designated festival or event approved by City Council;

“Support Our Local Economic Recovery (SOLER) - Temporary Patio Licence” means a patio using off street parking areas, certain open spaces, or City Property for commercial purposes for a limited time period;

“Special Event” means an event not exceeding three (3) consecutive days and not occurring more than six (6) times in a calendar year;

“Special Sale” means any sale that offers to sell or dispose of goods, wares or merchandise in a manner that is not in the ordinary course of retail business, including, but not limited to, liquidation sales and bankruptcy sales;

“Temporary Vendor” means a Person engaged in the Business of selling or offering for sale goods or services for a period of time less than ninety (90) days;

“Tradeshow” means a gathering of members of a trade industry for the exhibition of products or technologies;

“Uptown Waterloo Business Improvement Area” means the area of the City as shown in Schedule 30 of this By-law;

“Vendor Market” means a marketplace where multiple Temporary Vendors, typically small businesses or independent sellers, sell their products or services in a shared physical space. Vendor markets may take many different forms, including farmer's markets, craft fairs and pop-up shops;

“Zoning By-law” means all by-laws passed by Council pursuant to section 34 of the *Planning Act*, R.S.O. 1990, c. P. 13, as amended, that restricts the use of land in the City, as amended;

Prohibitions.

2.1 No Person shall:

- a) carry on a Business, permit a Person to carry on a Business or hold themselves out as being licenced to carry on a Business:
 - i. without a Licence, as applicable;
 - ii. at a location other than the Licenced Premises;

- iii. under any other name than the one identified on the Licence;
 - iv. except in accordance with the regulations set out in this By-law; or,
 - v. without complying with any and all conditions or restrictions placed on the Licence;
 - b) transfer or assign a Licence to any other Person or to any other location other than the Licenced Premises; or,
 - c) obtain a Licence by providing mistaken, false or incorrect information.
- 2.2 Where a Person sells or transfers ownership of a Business to another Person, including the sale or transfer of shares in the Business or a corporation that owns shares in the Business, the Licence issued for that Business shall be void upon transfer.
- 2.3 Section 2.1 above shall not apply to a Business that is regulated by:
- a) the Rental Housing Licensing By-law; or,
 - b) the Adult Entertainment Parlour By-law.
- 2.4 Section 2.1 above shall not apply to the following Businesses:
- a) taxi cabs;
 - b) Second Hand Good Shops; and,
 - c) Salvage Yards
 - d) Office space not intended to service the general public;
 - e) a Business that is operated by a licensed lawyer or paralegal, except when operated as a Home Occupation; and,
 - f) a Business operated by a Regulated Health Professional, except when operated as a Home Occupation.
- 2.5 Notwithstanding anything to the contrary, a SOLER -Temporary Licence may be conditionally issued if a zoning by-law amendment application to permit the temporary use of the Lands is being processed or has been approved pursuant to the Planning Act.

Licencing requirements

3.1 For a Licence, an Applicant shall submit the following to the Director:

- a) a complete Application in the form prescribed by the Director, which shall include:
 - i. the Applicant's name;
 - ii. the Applicant's residential and mailing address;
 - iii. the address for the Business; and,
 - iv. the telephone number, and e-mail address for the Business;
- b) the applicable fees in accordance with the Fees and Charges By-law, which are not prorated or refundable;
- c) unless provided otherwise in this By-law, a Certificate of Insurance Form, as provided in Schedule 1 to this By-law;
- d) where the Applicant is a corporation, Articles of Incorporation or a copy of a corporate profile/entity report and a list of the names and addresses of the current directors and officers of the corporation;
- e) where the Applicant is a partnership, a list of the names and addresses of the partners and, if a registered partnership, a copy of the registered declaration of partnership, and any changes or corrections thereto;
- f) where the Applicant is an individual, a copy of a piece of government issued photo identification;
- g) any other documents as prescribed in the schedules.
- i) where the Applicant is applying for a SOLER - Temporary Licence and would be seeking a licence to operate on Private Property, prior written consent of the property owner is required.

3.2 For a renewal of a Licence, an Applicant shall submit to the following to the Director:

- a) a renewal application in the form prescribed by the Director;
- b) the applicable fees in accordance with the Fees and Charges By-law, which are not prorated or refundable; and,
- c) such documents as the Director may require including but not limited to the documents set out in section 3.1 above.

3.3 Every Licensee shall:

- a) post the Licence in a conspicuous place at the Licenced Premises;
- b) carry the Licence on their Person when engaged in a Business where the Licensee travels from place to place to perform their Business;
- c) produce the Licence for inspection and otherwise permit any MLEO, or any other Persons authorized to enforce this By-law, to enter the Licenced Premises to conduct an inspection as may be deemed necessary in order to ascertain whether or not the provisions of the By-law are being complied with;
- d) notify the Director within seven (7) days of any change in their Business or residential address, email address or facsimile number;
- e) comply with the provisions of this By-law and all applicable laws, including, but not limited to, the Zoning By-law; and,
- f) comply with the conditions and restrictions placed on the Licence.

Issuance of Licence and grounds for refusal

- 4.1. The Director shall receive and process all completed Applications for Licences and Licence renewals.
- 4.2. The Director shall issue a Licence or renew a Licence to any Person who meets the requirements of this By-law, except where:
 - a) the past conduct of the Applicant affords the Director reasonable grounds to believe that the Applicant has not or will not carry on their Business in accordance with the applicable law or with integrity and honesty;
 - b) the Director reasonably believes that the carrying on of the Business may be adverse to the public interest;
 - c) the Application Premises is subject to an order, or orders, made pursuant to or by:
 - vi. the City's Property Standards By-law;
 - vii. the *Building Code Act, 1992*, S.O. 1992, c. 23, or any regulations made thereunder;
 - viii. the *Fire Protection and Prevention Act, 1997*, or any regulations made thereunder, including the Ontario Fire Code; or,
 - ix. the Medical Officer of Health;

- d) the Application Premises is not in compliance with the Zoning By-law; or,
 - e) the Applicant is indebted to the City by way of fines, penalties, judgments, outstanding property taxes, or any other amounts owing.
- 4.3. The Director may deny the issuance or renewal of a Licence where the Applicant has been convicted within the past five (5) years of:
 - a) a criminal offence for which a pardon has not been granted; or,
 - b) a regulatory offence in any way related to the Business.
- 4.4. For the purposes of sections 4.2 and 4.3 above, the term “Applicant” shall include any director, officer, partner or principal of a partnership or corporation, or any shareholder of a corporation that holds at least fifty percent (50%) of the shares of that corporation.
- 4.5. The Director shall generally perform all administrative functions conferred upon them by this By-law.
- 4.6. Licences issued pursuant to this By-law are conditional on compliance by the Licensee with all municipal by-laws and other applicable laws.

Term Of Licence

- 5.1 Unless renewed or revoked, a Licence issued or renewed under this By-law shall expire annually in accordance with Schedule 3, except where provided otherwise in the schedules.

Revocation And Suspension

- 6.1 The Director may revoke or suspend a Licence at any time where:
 - a) the Director is of the opinion that the Business carried on by the Licensee poses a threat to the health and safety of the public;
 - b) the Licensee has violated any of the provisions of this By-law or any other applicable laws;
 - c) the Licence was issued because false or misleading information was provided to the City;
 - d) a Licence was issued in error; or,
 - e) as otherwise authorized in accordance with this By-law.
- 6.2. If the Director is satisfied that the carrying on of the Business poses an immediate danger to the health or safety of any Person or to any property,

the Director may, for the time and on such conditions as they consider appropriate, without a hearing, suspend a Licence subject to the following:

- a) before suspending the Licence, the Director shall provide the Licensee with the reasons for the suspension, either orally or in writing, and an opportunity to respond to them; and
 - b) the suspension shall not exceed fourteen (14) days.
- 6.3. The Director shall provide notice of intention to revoke or suspend a Licence and shall advise the Licensee of his or her right to appeal along with the final date for giving notice of appeal.

Appeal

- 7.1. Any Person who has been denied a Licence, or the renewal of a Licence, has had their Licence suspended or revoked or has had terms or conditions imposed on a Licence, may appeal the decision of the Director to a Hearing Officer as appointed under the Screening and Hearing Officer By-Law.
- 7.2. Section 7.1 of this By-law does not apply to Licence suspensions under section 6.2 above.
- 7.3. The Director shall designate a Secretary for Licensing Appeals.
- 7.4. The Secretary of Licensing Appeals shall keep on file the records of all official business of the Hearing Officer hearing appeals under this section, including records of all Applications and minutes of all decisions respecting those Applications.
- 7.5. All appeals shall be submitted:
- a) within twenty-one (21) days of the decision of the Director to deny issuing or renewing a licence or suspending or revoking a licence or imposing terms or conditions on a licence;
 - b) in writing;
 - c) to the Secretary of Licensing Appeals;
 - d) setting out, in detail, the grounds for the appeal; and,
 - e) along with the applicable fee, as outlined in the Fees and Charges By-Law.
- 7.6. Where an appeal is not submitted within the time set out in subsection 7.5 a), the decision of the Director shall be deemed to be confirmed and no appeal shall be allowed.

- 7.7. Upon receipt of an appeal in accordance with section 7.5, the Secretary of Licensing Appeals shall endeavour to schedule a hearing within 45 working days of receipt of the request for an appeal hearing, or as soon thereafter as possible. Notice of the Hearing shall be issued a minimum of 21 days prior to the hearing date.
- 7.8. The Hearing Officer shall hear all appeals.
- 7.9. On an appeal, the Hearing Officer has all the powers and functions of the Director who made the decision and the Hearing Officer may do any of the following things if, in the Hearing Officer's opinion, doing so would maintain the general intent and purpose of the by-law:
- a) confirm, modify or rescind the decision of the Director to deny issuing or renewing a licence or suspending or revoking a licence or to impose terms or conditions on a licence.
- 7.10 Section 7.1 of this By-law shall not apply to a SOLER Temporary Patio.

Notices

- 8.1. Any notice pursuant to this By-law may be given in writing in any of the following ways and is effective:
- a) on the date on which a copy is delivered to the Person to whom it is addressed;
 - b) on the fifth day after a copy is sent by mail to the Person's last known address;
 - c) upon the conclusion of the transmission of a copy by facsimile to the Person's last known facsimile number; or
 - d) upon the sending of a copy by email transmission to the Person's last known email address.
- 8.2. For the purpose of section 8.1 above, the Person's last known address, last known facsimile number and last known email address shall be deemed to be those provided pursuant to Section 3.1 a) of this By-law.

Inspection

- 9.1 The City may enter on land at any reasonable time for the purpose of carrying out an inspection to determine whether or not the following are being complied with:
- a) this By-law;
 - b) an order of the City made under this By-law;

- c) a condition of a Licence issued under this By-law; or,
 - d) an order made under section 431 of the *Municipal Act*.
- 9.2 For the purposes of conducting an inspection pursuant to section 9.1 of this By-law, the City may:
- a) require the production for inspection of documents or things relevant to the inspection;
 - b) inspect and remove documents or things relevant to the inspection for the purpose of making copies or extracts;
 - c) require information from any Person concerning a matter related to the inspection; and,
 - d) alone or in conjunction with a Person possessing special or expert knowledge, make examinations or take tests, samples or photographs necessary for the purpose of the inspection.
- 9.3 No Person exercising a power of entry on behalf of the City shall enter or remain in any room or place actually being used as a dwelling unless:
- a) the consent of the occupier is obtained, the occupier first having been informed that the right of entry may be refused and, if refused, may only be made under the authority of an order issued under section 438 of the *Municipal Act*, a warrant issued under section 439 of the *Municipal Act* or a warrant issued under section 386.3 of the *Municipal Act*;
 - b) an order issued under section 438 of the *Municipal Act* is obtained;
 - c) a warrant issued under section 439 of the *Municipal Act* is obtained;
 - d) a warrant issued under section 386.3 of the *Municipal Act* is obtained;
 - e) the delay necessary to obtain an order under section 438 of the *Municipal Act*, to obtain a warrant under section 439 of the *Municipal Act* or to obtain the consent of the occupier would result in immediate danger to the health or safety of any Person; or,
 - f) the City has first given notice of its intention to enter the occupier of the land as required under subsection 435(2) of the *Municipal Act* and the entry is authorized under sections 79, 80 or 446 of the *Municipal Act*.
- 9.4 No Person shall hinder or obstruct, or attempt to hinder or obstruct, any Person who is exercising a power or performing a duty under this By-law. For more certainty:

- a) a refusal to consent to enter or remain in a room or place actually used as a dwelling does not constitute hindering or obstruction within the meaning of this section unless the City is acting under an authority set out in section 9.3 above.

Order to discontinue activity

- 10.1. Where the Director has reasonable grounds to believe that a contravention of this By-law has occurred, the Director may make an order requiring the Person who contravened this by-law, or who has caused or permitted the contravention, or the Owner or occupier of the land on which the contravention occurred, to discontinue the contravening activity.
- 10.2. An order under section 10.1 of this By-law shall set out:
 - a) reasonable particulars of the contravention adequate to identify the contravention and the location of the land on which the contravention occurred; and,
 - b) the date by which there must be compliance with the order.
- 10.3. Any Person who contravenes an order under section 10.1 of this By-law is guilty of an offence.

Work order

- 11.1. Where the Director has reasonable grounds to believe that a contravention of this By-law has occurred, the Director may make an order requiring the Person who contravened this By-law, or who caused or permitted the contravention, or the Owner or occupier of the land on which the contravention occurred, to do work to correct the contravention.
- 11.2. An order under section 11.1 of this By-law shall set out:
 - a) reasonable particulars of the contravention adequate to identify the contravention and the location of the land on which the contravention occurred; and,
 - b) the work to be done and the date by which the work must be done.
- 11.3. An order under section 11.1 of this By-law may require work to be done even though the facts which constitute the contravention of this By-law were present before this By-law came into force.
- 11.4. Any Person who contravenes an order under section 11.1 of this By-law is guilty of an offence.

Remedial action

- 12.1. If a Person fails to do a matter or thing, including comply with an order under this By-law, as directed or required by this By-law, the City may, in default of

it being done by the Person directed or required to do it, do the matter or thing at the Person's expense. The City may recover the costs of doing a matter or thing from the Person directed or required to do it by action or by adding the costs to the tax roll and collecting them in the same manner as municipal taxes.

- 12.2. The costs outlined in 12.1 of this By-law shall include interest calculated at a rate of 15 percent, calculated for the period commencing on the day the City incurs the costs and ending on the day the costs, including interest, are paid in full.
- 12.3. The amount of costs, including interest, constitutes a lien on the land upon the registration in the proper land registry office of a notice of lien. The lien is in respect of all costs that are payable at the time the notice is registered plus interest accrued to the date the payment is made. Upon receiving payment, the City shall register a discharge of the lien in the proper land registry office.

Enforcement

- 13.1. This By-law may be enforced by MLEO's, Police Officers or the Medical Officer of Health.
- 13.2. Every person shall, upon request by a Municipal Law Enforcement Officer, a Police Officer, or the Medical Officer of Health for the purpose of commencing a proceeding pursuant to this by-law, provide identification, including full name and address, to the Officer.

Penalties

- 14.1. Every Person who contravenes any of the provisions of this By-law is guilty of an offence pursuant to section 429 of the *Municipal Act* and all contraventions of this By-law are designated continuing offences.
- 14.2. Every Person, excluding a corporation, who is convicted of an offence, is liable to a minimum fine of Three Hundred and Fifty Dollars (\$350.00) and a maximum fine of Twenty-Five Thousand Dollars (\$25,000.00) for the first offence and a maximum fine of Fifty Thousand Dollars (\$50,000.00) for a subsequent offence.
- 14.3. Every corporation who is convicted of an offence is liable to a maximum fine of Fifty Thousand Dollars (\$50,000.00) for the first offence and a maximum fine of One Hundred Thousand Dollars (\$100,000.00) for a subsequent offence.
- 14.4. In addition to the fine amounts set out in sections 14.2 and 14.3 above, for each day or part of a day that an offence continues, the minimum fine shall be Three Hundred and Fifty dollars (\$350.00) and the maximum fine shall be Ten Thousand Dollars (\$10,000.00). The total of all daily fines for the offence is not limited to One Hundred Thousand Dollars (\$100,000.00).

- 14.5. Pursuant to section 447 of the *Municipal Act*, where an Owner is convicted of knowingly carrying on or engaging in a trade, business or occupation on, in or in respect of any premises or any part of any premises without a Licence required by this By-law, the Court may order that the premises or part of the premises be closed to any use for a period not exceeding two (2) years.
- 14.6. Where a Person is convicted of a contravention of this By-law, other than a conviction described in section 14.5 above, and the Court determines that the Owner or tenant of the premises or part of the premises in respect of which the conviction was made knew or ought to have known of the conduct which formed the subject-matter of the conviction or of any pattern of similar conduct, the Court may order that the premises be closed to any use for a period not exceeding two (2) years.
- 14.7. Sections 2.1(a), 2.1(c), 3.3(a), 3.3(c), 3.3(d), 3.3(f), 9.4, 10.3, and 11.4, of this By-law, inclusive of all subsections thereunder, are hereby designated as parts of this by-law to which the Administrative Penalty By-law applies.
- 14.8. Any person who contravenes any Designated Provision of this by-law shall, upon issuance of a penalty notice in accordance with the Administrative Penalty By-law, be liable to pay an administrative penalty and any administrative fees.

Collection of unpaid fines

- 15.1. Pursuant to section 441 of the *Municipal Act*, if any part of a fine for a contravention of this By-law remains unpaid after the fine becomes due and payable under section 66 of the *Provincial Offences Act* including any extension of time for payment ordered under that section, the Director may give the Person against whom the fine was imposed a written notice specifying the amount of the fine payable and the final date on which it is payable, which shall be not less than twenty one (21) days after the date of the notice.
- 15.2. If the fine remains unpaid after the final date specified in the notice, the fine shall be deemed to be unpaid taxes for the purpose of section 351 of the *Municipal Act*.

Schedules

- 16.1. The schedules which are attached to this By-law shall form part of this By-law.

Short title

- 17.1. This By-law shall be known as the “Comprehensive Licensing By-law”.

Severability

- 18.1. If a Court of competent jurisdiction should declare any section or part of a section of this By-law to be invalid, such section or part of a section shall not

be construed as having persuaded or influenced Council to pass the remainder of this By-law and it is hereby declared that the remainder of this By-law shall be valid and shall remain in full force and effect.

Repeal/transition

- 19.1. The following by-laws, as may have been amended, are repealed on the day this By-law comes into force and effect:
 - a) By-law No. 2014-085 Comprehensive Business Licensing By-law;
- 19.2. Reference to the repealed by-law numbers in any documentation shall be deemed to be reference to this By-law.
- 19.3. Notwithstanding section 19.1 above, the provisions of these by-laws, as amended, shall be deemed to continue in force and effect with respect to any and all order, appeals or prosecutions issued, filed or commenced under these by-laws, and any assessment, rate, charge, tax, fee, liability or penalty outstanding under these by-law may be collected as if this by-law had not been repealed.
- 19.4. A licence issued under any by-law listed in sections 19.1 or 19.2 above, as amended, shall be deemed a Licence under this By-law and shall be subject to all provisions of this By-law, but shall expire on the earlier of the following dates:
 - a) the date stated on the licence; or,
 - b) December 31, 2023

Coming into force

20.1 This By-law shall come into force and effect on July 1, 2024.

Enacted this _____ day of _____, 2023.

D. McCabe, Mayor

J. Finley-Swaren, City Clerk

SCHEDULE 1 INSURANCE REQUIREMENTS

1. This Schedule shall apply to those Persons seeking to carry on a Business.

Indemnification

2. Upon submitting an Application, the Applicant shall execute the following indemnity to the satisfaction of the City

The Licensee both during and after the term of the Licence or renewed Licence, shall at all times, and at its own cost, expense and risk, defend, indemnify and hold harmless the City, its elected officials, officers, employees, volunteers, agents, and all respective heirs, administrators, executors, successors and assigns from any and all losses, damages (including, but not limited to, incidental, indirect, special and consequential damages, or any loss of use, revenue or profit by any Person, organization or entity), fines, penalties and surcharges, liabilities (including, but not limited to, any and all liability for damage to property and injury to Persons, including death), judgments, claims, demands, causes of action, contracts, suits, actions or other proceedings of any kind (including, but not limited to, proceedings of a criminal, administrative or quasi criminal nature) and expenses (including, but not limited to, legal fees on a substantial indemnity basis), which the indemnified Person or Persons may suffer or incur, howsoever caused, provided such losses, damages, fines, penalties and surcharges, liabilities, judgments, claims, demands, causes of action, contracts, suits, actions or other proceedings of any kind and expenses as defined above are due or claimed to be due to the negligence, breach of contract, and/or breach of law of the Licensee.

General Liability Insurance

3. The Licensee shall maintain liability insurance acceptable to the Director throughout the term of their Licence.
4. The liability insurance shall consist of a comprehensive policy of public liability and property damage insurance in an amount of not less than \$2,000,000.00 per occurrence.
5. The liability insurance shall name the City as additional insured with a cross liability endorsement and severability of interests provision. If food is being served, Product and Completed Operations is required on the liability insurance policy.

Automobile Liability Insurance

6. Where the Licensee uses or requires a Motor Vehicle to carry on their Business, the Licensee shall obtain and maintain, in full force and effect for the term of their Licence, automobile liability insurance in the amount of \$2,000,000.00 per occurrence covering all Motor Vehicles owned or leased by the Licensee. As per the Provincial Regulations for Ontario under the OAP1.

General Provisions

7. The Licensee shall submit a Certificate of Insurance Form.
8. In the event of a claim, any deductible or self-insured retention under the insurance shall be the sole responsibility of the Licensee and that the coverage shall preclude subrogation claims against the City and any other Person insured under the policy and be primary insurance in response to claims. Any insurance or self-insurance maintained by the City and any other Person insured under the policy shall be considered excess of the Licensee's insurance and shall not contribute with it. The minimum amount of insurance required herein shall not modify, waive or otherwise alter the Licensee's obligation to fully indemnify the City.

SCHEDULE 2
CRIMINAL RECORD CHECK REQUIREMENTS

1. This Schedule shall apply to those Persons who are required to provide a Criminal Record Check with their application for a Licence.
2. The Criminal Record Check accepted by the Director shall meet the following requirements:
 - a) must be an original copy;
 - b) if the Person(s) carrying on the Business is a sole proprietor, a completed Criminal Record Check must be obtained for the Person who owns the Business;
 - c) if the Person(s) carrying on the Business is a partnership, a completed Criminal Record Check must be obtained for each partner;
 - d) if the Person carrying on the Business is a corporation, a completed Criminal Record Check must be obtained for each director and officer of the corporation and for any shareholder who holds more than 30% of the issued shares in the corporation; and,
3. The Criminal Record Check shall be completed by a Canadian Police Service, or by a police service in the country where the Person currently resides.

SCHEDULE 3

BUSINESSES REQUIRING A LICENCE, ANNUAL RENEWAL DATE

Business	Expiry	Regulations
Retail and Service Shop	Per Location	SCHEDULE 4
Animals for Entertainment	31-Jan	SCHEDULE 5
Auctioneer	31-Jan	SCHEDULE 6
Barber Shop & Beauty Salon	31-Aug	SCHEDULE 7
Bed & Breakfast	31-Aug	SCHEDULE 8
Contractor	30-Jun	SCHEDULE 9
Donation Box Operator	1-Feb	SCHEDULE 10
Dry Cleaner & Launderette	31-Aug	SCHEDULE 11
Fair	Per Event	SCHEDULE 12
Flyer Distributor	31-Jan	SCHEDULE 13
Food Shop	31-Jan	SCHEDULE 14
Food Vehicle	30-Apr	SCHEDULE 15
Food Vehicle (Temporary)	Per Event	SCHEDULE 16
Home Occupation	30-Jun	SCHEDULE 17
Motor Vehicle Facility	31-Aug	SCHEDULE 18
Mobile Vendor	1-Nov	SCHEDULE 19
Newspaper Vending Box Operator	1-Nov	SCHEDULE 20
Nightclub	31-Aug	SCHEDULE 21
Pet Shop	30-Jun	SCHEDULE 22
Portable Sign Lessor	31-Dec	SCHEDULE 23
Private Property Enforcement Contractor	31-Jan	SCHEDULE 24
Private Property Enforcement Officer	31-Jan	SCHEDULE 25
Public Hall	30-Jun	SCHEDULE 26
SOLER – Temporary Patio Licence	31-Dec	SCHEDULE 27
Special Sale	Per Event	SCHEDULE 28
Temporary Vendor	Per Event	SCHEDULE 29
Vendor Market	Per Event	SCHEDULE 30

SCHEDULE 4
RETAIL AND SERVICE SHOP LICENCE

1. A Retail and Service Shop Licence is required for all Persons carrying on a Business that is not regulated by:
 - a) a schedule to this By-law;
 - b) the Rental Housing Licensing By-law; or,
 - c) the Adult Entertainment Parlour By-law.
2. The following Businesses do not require a Licence:
 - a) taxi cabs;
 - b) Second Hand Good Shops;
 - c) Salvage Yards;
 - d) Office space not intended to service the general public;
 - e) a Business that is operated by a licensed lawyer or paralegal, except when operated as a Home Occupation; and,
 - f) a Business operated by a Regulated Health Professional, except when operated as a Home Occupation.

SCHEDULE 5 ANIMALS FOR ENTERTAINMENT

1. This schedule shall apply to those Persons carrying on a Business using Animals for Entertainment.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a Criminal Record Check;
 - b) a description of the proposed use;
 - c) a description of the type and number of animals being used;
 - d) proof the Kitchener-Waterloo and North Waterloo Humane Society is aware of the number and type of animals being used; and,
3. In addition to the grounds for refusal in Section 4 of the By-law, no Licence shall be issued:
 - a) where the animal is, or is likely to be taunted, goaded, baited, provoked, injured or distressed;
 - b) where spectators or other members of the public are likely to be injured by the animal or the use of the animal, including being trampled, gored, crushed, thrown or bitten; or,
 - c) where the animal is at risk of escaping or otherwise being at large.
4. No Person using an Animal for Entertainment shall:
 - a) taunt, goad, bait, provoke, injure or distress the animal or permit it to be taunted, goaded, baited, provoked, injured or distressed; or,
 - b) restrain the animal in a manner that causes pain, injury or distress.
5. Every Person using an Animal for Entertainment shall ensure that spectators and other members of the public are protected from being injured by the animal, and ensure that the animal is prevented from escaping or being at large.
6. If Animals for Entertainment are being used at a Fair, a Licence for the Fair is also required.

SCHEDULE 6 AUCTIONEER

1. This schedule shall apply to those Persons seeking to carry on a Business as an Auctioneer.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a Criminal Record Check.
3. In addition to the grounds for refusal in Section 4 of the By-law, no Licence shall be issued where, at any time within three years prior to the Application, the Applicant has been convicted of any offence relating to fraudulent practices, stolen goods, theft or burglary under the *Criminal Code*, R.S. C. 1985, c. C-46.
4. Notwithstanding the prohibitions set out in Section 2 of the By-law, a sheriff or bailiff offering for sale goods or chattels seized under an execution or detained for rent, or a Person selling land by public auction, is not required to be Licenced under this By-law.
5. No Licensee shall:
 - a) permit disorder in the auction room or offices;
 - b) conduct or permit a Mock Auction;
 - c) make or permit a misrepresentation as to the quality or value of the goods offered for sale;
 - d) use the services of or act in concert with Persons known in the trade as “beaters”, “boosters”, or “shills” for the purpose of raising or stimulating bids; or,
 - e) give false statement to the owner of the goods or to a purchaser of the goods as to the sale.
6. Every Licensee shall keep proper books showing:
 - a) the names and addresses of the owners of the goods auctioned;
 - b) a description of the goods;
 - c) the price at which they were sold;
 - d) the amount of any commission or fee;
 - e) the names and addresses of the purchasers; and,
 - f) the date of payment and amounts paid to the owners for the goods sold, or the date of return of unsold goods to the owners.

SCHEDULE 7
BEAUTY SALON OR BARBER SHOP

1. This schedule shall apply to those Persons to carry on a Beauty Salon or Barber Shop.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) Health Approval,
3. Every Licensee shall:
 - a) ensure that the Licenced Premises are kept in a clean and sanitary condition;
 - b) ensure that all Persons performing Beauty Salon or Barber Shop treatments on the Licenced Premises are appropriately qualified;
 - c) ensure that all equipment used in the Licenced Premises are sterilized or disinfected;
 - d) comply with the Personal Services Settings Protocol under the Infection Control Program of the Mandatory Health Programs and Services Guidelines, January 1998, published by the Minister of Health as authorized by the *Health Protection and Promotion Act*, as amended and replaced from time to time; and,
 - e) comply with the requirements of the Medical Officer of Health and the Personal Services Protocol provided by the Region of Waterloo Public Health.

SCHEDULE 8
BED AND BREAKFAST ESTABLISHMENT

1. This schedule shall apply to those Persons seeking to carry on a Bed and Breakfast Establishment.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) for a Class “A” Licence:
 - i. a Criminal Record Check;
 - ii. a Declaration of Compliance;
 - iii. a floor plan, which indicates the units of measurement for the area; and,
 - iv. a parking plan.
 - b) for a Class “B” Licence:
 - i. the documents listed in section 2a) above; and,
 - ii. a Fire Safety Plan.
3. Other than those establishments identified in section 4, below, a Class “A” Licence shall be required for all Bed and Breakfast Establishments.
4. A Class “B” Licence shall be required for an establishment with a total Occupancy Load of eleven (11) or more Persons. For greater certainty, “Occupancy Load” includes any permanent residents of the establishment and employees.
5. In addition to the licensing requirements set out in section 2 above, a Health Approval, shall accompany a completed Application for a Class “A” or “B” Licence where the Bed and Breakfast Establishment can hold a total number of ten (10) guests or more.
6. The Licensee or Operator of a Bed and Breakfast Establishment shall reside on the Licensed Premises.
7. A Licence for a Bed and Breakfast Establishment shall not be issued to a property holding a licence issued under the City’s Rental Housing Licensing By-law.

SCHEDULE 9 CONTRACTOR

1. This schedule shall apply to those Persons seeking to carry on as a Contractor;
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) proof of WSIB Registration, unless self or independently employed; and,
 - b) a description of the type of work that the Licensee typically conducts.
3. Every Licensee shall:
 - a) have printed or otherwise displayed on the driver and passenger sides of all vehicles owned, leased or used on a regular basis by the Contractor in the course of Business, in figures no less than ten (10) centimetres in height, the Contractor's name;
 - b) have printed or otherwise impressed on all business stationery, forms, invoices, statements and advertising materials, the Contractor's name, Business address and telephone number;
 - c) give a copy of the contract referred to in subsection 3c) above to the Person for whom the work is being done;
 - d) where required, obtain all necessary permits prior to the commencement of any work, and upon completion, procure an inspection from the City; and,
 - e) ensure that all debris, mud garbage or stone tracked onto the roadway as result of operations completed is removed before 9pm of each day.
4. Every Licensee performing Drain Laying Drainage system design work shall:
 - a) employ a qualified sewage installer; and,
 - b) obtain a building permit, if required, along with all required inspections before backfilling or covering any Drainage Work.
5. Every Licensee performing Plumbing shall:
 - a) employ one or more Qualified Plumbers
6. Every Licensee performing Pool Installation shall:
 - a) ensure a pool enclosure permit is obtained before work begins; and,
 - b) obtain an inspection of the pool enclosure before the pool is filled with water

SCHEDULE 10 DONATION BOX OPERATOR

1. This schedule shall apply to those Persons seeking to carry on as a Donation Box Operator.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a list of the number and locations of all of Donation Boxes owned by the Licensee within the City; and,
3. Every Donation Box Operator shall obtain from the Director a permit for each Donation Box operated in the City.
4. An application for a permit referenced in section 3 above shall be accompanied by:
 - a) a site plan of the location of the Donation Box, showing where on the property the Donation Box is to be located; and,
 - b) written permission of the Owner of the property consenting to the placement of the Donation Box on their property.
 - c) the applicable fees in accordance with the Fees and Charges By-law, which are not prorated or refundable.
5. Every Donation Box Operator shall:
 - a) ensure the Donation Boxes are located on private property;
 - b) only operate a Donation Box at the location for which a permit has been issued;
 - c) display the name of the Donation Box Operator in a conspicuous place on the Donation Box, in lettering of a contrasting colour and no smaller than 100 millimetres x 75 millimeters;
 - d) if not a Registered Charity, display the words: "NOT a Registered Charity" immediately below the name of the operator, in lettering no smaller than 80 millimeters x 60 millimeters, and of a contrasting colour;
 - e) ensure that the Donation Box is clean, in good repair and is free of graffiti and shall ensure that all areas immediately adjacent to the Donation Box are clean and free of litter and other debris.
6. No Person shall allow a Donation Box without a permit to remain on their property.
7. No Donation Box shall be located on any property in the City if the Donation Box or the Donation Box Operator fails to comply with the terms of this schedule.

SCHEDULE 11
DRY CLEANER OR LAUNDERETTE

1. This schedule shall apply to those Persons seeking to carry on as a Dry Cleaner or carry on a Launderette.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a Declaration of Compliance

SCHEDULE 12

FAIR

1. This schedule shall apply to those Persons seeking to carry on a Fair.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) written permission of the Owner of the property consenting to the use of their property for the Fair;
 - b) a Criminal Record Check;
 - c) evidence that all employees of the Fair are protected by the *Workplace Safety and Insurance Act, 1997*, S.O. 1997, c. 16, Schedule A, to the extent required by such statute;
 - d) a list of all exhibits, Amusement Devices, games, shows and stalls to be set up or held at the Fair; and,
 - e) evidence of the approval from the Technical Standards and Safety Authority, issued within twelve (12) months prior to the date of the Application, to carry on Business of operating Amusement Devices.
3. In addition to the requirements set out in Section 2 of this Schedule, the following shall accompany an Application for a Licence or renewal of a Licence for a Fair that provides the sale of food or the use of Animals for Entertainment:
 - a) Health Approval,
4. No Licensee shall:
 - a) permit any illegal gambling, illegal drinking, prostitution, Obscene Show or the short-changing or cheating of the public;
 - b) permit any Person while operating an Amusement Device to smoke or hold lighted tobacco; or,
 - c) operate a Fair before 8:00 a.m. and after 11:00 p.m.

SCHEDULE 13
FLYER DISTRIBUTER

1. This schedule shall apply to those Persons seeking to carry on as a Flyer Distributer.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
3. Subsection 3.1(f) of the By-law shall not apply to Flyer Distributer.
4. No Licensee shall leave Flyers on doorsteps, entrances, on windshields of Motor Vehicles or in any place where they are likely to litter public or private property.
5. No Licensee shall deliver a Graphic Image to any residence, unless:
 - a) the Graphic Image is fully concealed within a sealed envelope or package; and,
 - b) the sealed envelope or package containing the Graphic Image is marked with the following notice and information:
 - i. the name and address of the person who is responsible for Delivery of the Graphic Image; and,
 - ii. a warning that the envelope or package “contains a Graphic Image that may be offensive or disturbing to some people”.
6. All Flyers distributed shall be placed only in mail slot or like receptacle.
7. Sections 4 and 5 of this Schedule are not applicable to the Flyers contained within newspapers subscribed to the occupant or owner of the property.

SCHEDULE 14 FOOD SHOP

1. This schedule shall apply to those Persons seeking to carry on a Food Shop.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) for a Class “A” Licence:
 - i. Health Approval,
 - ii. Declaration of Compliance; and,
 - iii. proof of an Annual Fire Inspection.
 - b) for a Class “B” Licence:
 - i. the documents listed in section 2 a) above; and,
 - ii. a Fire Safety Plan.
3. Other than those Food Shops identified in Section 4, below, a Class “A” Licence shall be required for all Food Shops.
4. A Class “B” Licence shall be required for a Food Shop with an Occupancy Load of more than 60 persons.
5. Every Licensee shall:
 - a) employ a minimum of one Certified Food Handler;
 - b) maintain the premises in a clean and sanitary condition;
 - c) ensure adequate measures for the storage and disposal of garbage and waste;
 - d) ensure all required washrooms are maintained in a clean and sanitary condition and accessible to customers, where required; and,
 - e) ensure sufficient levels of illumination to permit the safe use of the premises
6. Every Licensee with a Class “B” licence shall ensure the occupant load is posted in a conspicuous place.
7. Every Licensee with a Class “B” licence who provides pre-recorded, live music or live entertainment and allows for dancing within an open floor area, even on a temporary basis shall:

- a) ensure that where queues are formed for the purpose of gaining entrance to the establishment, a uniformed attendant is present for the purpose of regulating the queue and prohibiting undue obstruction or encumbering of any exit door, walkway, driveway or Highway by the queue;
 - b) ensure the premises are staffed with at least one security guard while operating with 100 or more customers in attendance at the premises; and,
 - c) ensure that all security guards wear identification or clothing by which they can readily be identified as security guards.
8. No Licensee with a Class "B" licence who provides pre-recorded or live music or live entertainment and allows for dancing within an open floor area, even on a temporary basis shall:
- a) permit any disorderly conduct to take place on the Licenced Premises;
 - b) fail to ensure the protection of the public health and public safety in the Licenced Premises.

SCHEDULE 15

FOOD VEHICLE

1. This schedule shall apply to those Persons seeking to carry on the operation of a Food Vehicle.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) where the Food Vehicle contains equipment fuelled by propane or natural gas, a certificate, issued within six (6) months of the Application, by a provincially certified propane contractor confirming the equipment has been inspected and found to conform to the Propane Storage and Handling Regulations, being *Ontario Regulation 211/01*, as may be amended or replaced from time to time;
 - b) Health Approval;
 - c) a Technical Standards and Safety Authority Field Approval for all equipment and appliances that are not approved by the Canadian Standard Association or the Underwriter Laboratories of Canada;
 - d) proof of an Annual Fire Inspection;
 - e) a copy of the driver's licence held by the Person(s) that own the Business, if the vehicle is driven on a Highway;
 - f) a copy of the ownership for the Food Vehicle;
 - g) a plan for the containment and disposal of grey water, grease and garbage in a sanitary manner satisfactory to the City; if any
 - h) written permission of the Owner of the property consenting to the use of their property for the Food Vehicle if any; and,
 - i) a site plan showing the location of the Food Vehicle as it relates to other buildings and structures on the property, when the Food Vehicle is placed on private property.
3. Notwithstanding Section 4 of this Schedule, a Class "A" Licence shall be required for all Food Vehicles.
4. The Director may issue a temporary Food Vehicle Licence for operation at a Significant Community Festival or Special Event.
5. All Class "B" food trailer licences, issued to hot dog carts or stands under City By-law No. 2014-085 and which were valid on the date this By-law comes into force and effect, shall be deemed a Class "B" Licence.

6. a Class “B” Licence shall continue in effect provided that the Class “B” Licence is renewed within 30 days after the expiration date as identified on the Licence
7. A Class “B” Licence shall expire and shall not be renewed where the Licensee fails to renew the Licence as set out in Section 6 of this Schedule.
8. No Person shall operate a Food Vehicle except during the following hours:
 - a) 8:00 a.m. to 3:00 a.m. in locations other than City parks; and,
 - b) 8:00 a.m. to 11:00 p.m. in City parks.
9. No Person shall park, or permit the parking of a Food Vehicle overnight on City Property or private property after operating hours except on land owned, leased or rented by the operator for the storage of the Food Vehicle and in compliance with the Zoning By-Law.
10. No Person shall operate a Food Vehicle:
 - a) within 10 metres of a Food Shop or a Food Vehicle with a Class “B” Licence without express written permission from the restaurant or Class “B” Licensee;
 - b) on Highways under the jurisdiction of the Regional Municipality of Waterloo;
 - c) in a manner that interferes with the normal use of a sidewalk by pedestrians;
 - d) within 100 metres of any elementary or secondary school, without express written permission from the school;
 - e) on private property without the written consent of the property owner;
 - f) in a residential area, except on the specific request and with the written permission of a resident to provide food to that resident and guests at the residents’ address;
 - g) on Highways, unless the Highway has been closed for a Significant Community Festival or Special Event. Or an area designated in Section 14 of this Schedule, or except where necessary to service a construction site or work crew for no more than 30 minutes;
 - h) in a city park or city owned property except pursuant to a contract or permit issued by the city and subject to any conditions attached thereto;
 - i) within 30 metres of the entrance or exit of a public park, or intersection.
 - j) from a vehicle drawn by an animal

11. Every Licensee shall maintain a Food Vehicle in a clean and sanitary condition with adequate measures for the storage and disposal of garbage and waste and sufficient levels of illumination to permit the safe use of the Food Vehicle.
12. A Licence shall be required for Food Vehicles operating at a Significant Community Festival, but the licence fee for a temporary Food Vehicle Licence may be waived for the duration of the Significant Community Festival.
13. Licensees with a Class “B” Licence are only permitted to operate in the following locations:
 - a) Intersection of Frobisher Drive and McMurray Road;
 - b) 550 Parkside Drive;
14. Food Vehicles are permitted in the following locations on a daily first-come, first-served basis:
 - a) Caroline North Lot, City Centre Lot, Museum Lot (but only in the hourly parking spots) and Regina Lot;
 - b) curbside on William Street, north side, Regina Street to Willow Street;
 - c) curbside on Father David Bauer Drive, from Caroline Street to Westmount Road North;
 - d) curbside on Regina Street, William to Bridgeport Road;
 - e) curbside on John Street West, from King Street South to Park Street;
15. City recreational facilities (RIM Park, Waterloo Memorial Recreation Centre, Hillside Park or other City-owned recreational facilities) subject to the following:
 - a) being requested by facility managers to attend the property;
 - b) having a written agreement with facility management; and,
 - c) operating in compliance with regulations provided by the facility.
16. Food Trucks are prohibited from operating on private property within the boundaries of the Uptown Waterloo Business Improvement Area, unless the Licensee has prior written permission of the property owner and the Executive Director of the Uptown Business Improvement Area.
17. Food Trucks shall be prohibited from operating within the boundaries of the Uptown Waterloo Business Improvement Area during a Significant Community Festival or

Special Event held in the Uptown Waterloo Business Improvement Area, unless the Licensee has written permission of the event organizer.

SCHEDULE 16 HOME OCCUPATION

1. This schedule shall apply to those Persons seeking to carry on a Home Occupation.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a Criminal Record Check;
 - b) proof that the Applicant resides in the Dwelling Unit associated with the Home Occupation;
 - c) a floor plan of the entire Dwelling Unit, which indicates the units of measurement for the area; and,
 - d) a parking plan; and,
 - e) Health Approval, if applicable.
3. No Licensee shall:
 - a) change the exterior character of the Dwelling Unit from a private residence;
 - b) have external storage of goods or materials;
 - c) create or become a public nuisance with respect to noise, odour, fumes, vibration, dust, glare, traffic or parking which is evident outside the Dwelling Unit;
 - d) occupy more than twenty five percent of the gross floor area of the Dwelling Unit;
 - e) sell goods or materials unless such goods or materials are made in the Dwelling Unit;
 - f) service more than two clients, students, or customers at any one time;
 - g) have more than one Home Occupation per Dwelling Unit;
 - h) engage in, or permit the repair and service of Motor Vehicles or internal combustion engines, or manufacturing or a body massage or body rub parlour unless performed and/or run by Regulated Health Professional;
4. Every Licensee must have one parking space provided on site in addition to the parking space or spaces required for the residential use.

5. The parking space in section 4 above may include a tandem parking space, or a parking space located in front of the building line within the driveway provided that the Motor Vehicle does not encroach into the right of way or over the public sidewalk.

SCHEDULE 17 MOBILE VENDOR

1. This schedule shall apply to those Persons seeking to carry on as a Mobile Vendor.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a Criminal Record Check;
 - b) a plan for the containment and disposal of grey water and garbage in a sanitary manner satisfactory to the City, if applicable;
 - c) a Technical Standards and Safety Authority Field Approval for all equipment and appliances that are not approved by the Canadian Standard Association or the Underwriter Laboratories of Canada, if applicable;
 - d) proof of an Annual Fire Inspection, if applicable.
3. Every Mobile Vendor Business Licensee shall:
 - a) have printed or otherwise displayed on the driver and passenger sides of all vehicles owned, leased or used on a regular basis by the Mobile Service Business in the course of Business, in figures no less than ten (10) centimetres in height, the Contractor's name;
 - b) have printed or otherwise impressed on all business stationery, forms, invoices, statements and advertising materials, the Mobile Service Business' name, Business address and telephone number;
4. No person shall operate a Mobile Vendor Business
 - a) On Highways under the jurisdiction of the Regional Municipality of Waterloo;
 - b) In a manner that interferes with the normal use of a sidewalk by pedestrians;
 - c) In a residential area, except on the specific request and with the written permission of a resident to provide service to that resident.

SCHEDULE 18
MOTOR VEHICLE FACILITY

1. This schedule shall apply to those Persons seeking to carry on a Motor Vehicle Facility.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) for a Class “A” Licence:
 - i. a brief description of the Business being operated or to be operated;
 - ii. proof of an Annual Fire Inspection; and,
 - iii. Declaration of Compliance;
 - b) for a Class “B” Licence:
 - i. the documents listed in section 2 a) above; and,
 - ii. a Fire Safety Plan.
3. Other than those Motor Vehicle Facilities identified in section 4 below, a Class “A” Licence shall be required for all Motor Vehicle Facilities.
4. A Class “B” Licence shall be required for the following Motor Vehicle facilities:
 - a) a Motor Vehicle Facility with an Occupancy Load of more than 100 Persons; or,
 - b) a Motor Vehicle Facility with flammable material spray operations with an Occupancy Load of more than 25 Persons;
5. Every Licensee shall report to the Waterloo Regional Police Service when a Motor Vehicle is left on the Licenced Premises for a period of twenty-four hours, if the Motor Vehicle has been left without permission of the Licensee or when the Licensee may have reason to believe the Motor Vehicle is either stolen or abandoned.
6. Every Licensee shall ensure that Motor Vehicles are parked within the boundaries of the property and in accordance with the approved site plan.

SCHEDULE 19
NEWSPAPER VENDING BOX OPERATOR

1. This schedule shall apply to those Persons seeking to carry on as a Newspaper Vending Box Operator.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a list of the number and locations of all of Newspaper Vending Boxes owned by the Licensee within the City;
3. Every Newspaper Vending Box Operator shall obtain from the Director a permit for each Newspaper Vending Box located on City Property.
4. An application for a permit referenced in section 3 above shall be accompanied by:
 - a) the list of the locations where the Newspaper Vending Box is to be located; and,
 - b) the applicable fees as set out in the Fees and Charges By-law.
5. Every Newspaper Vending Box Operator shall:
 - a) ensure that the Newspaper Vending Box is placed not less than three hundred (300) metres from another Newspaper Vending Box for the same newspaper, magazine or other publications;
 - b) ensure that the Newspaper Vending Box is placed in such a manner that it does not restrict the movement of pedestrians or vehicular traffic; and,
 - c) ensure that the Newspaper Vending Box is maintained in good and proper repair and in a condition satisfactory to the Director.
6. The Director shall have the authority to alter the location or temporarily remove a Newspaper Vending Box where repair of any public Highway or sidewalk necessitates the same.
7. No Newspaper Vending Box shall be located on City Property if the Newspaper Vending Box or the Newspaper Vending Box Operator fails to comply with the terms of this schedule.
8. The Director may order the removal of a Newspaper Vending Box, upon fourteen (14) days written notice to the owner of the Newspaper Vending Box,, if the Newspaper Vending Box:
 - a) obstructs vehicular and pedestrian traffic; or,
 - b) creates visibility obstructions for either pedestrian or vehicular traffic.

SCHEDULE 20 NIGHTCLUB

1. This schedule shall apply to those Persons seeking to carry on a Nightclub.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) for a Class "A" Licence:
 - i. a Criminal Record Check;
 - ii. proof of an Annual Fire Inspection;
 - iii. Health Approval,
 - iv. Declaration of Compliance; and,
 - v. a Fire Safety Plan.
3. Every Licensee shall:
 - a) ensure that where queues are formed for the purpose of gaining entrance to the Nightclub, a uniformed attendant is present for the purpose of regulating the queue and prohibiting undue obstruction or encumbering of any exit door, walkway, driveway or Highway by the queue;
 - b) ensure the premises are staffed with at least one security guard while operating with 100 or more customers in attendance at the premises;
 - c) ensure that all security guards wear identification or clothing by which they can readily be identified as security guards;
 - d) provide suitable storage facilities and garbage containers for refuse from the operation of the Business;
 - e) ensure the occupant load is posted in a conspicuous place; and,
4. No Licensee shall:
 - a) permit any disorderly conduct to take place on the Licenced Premises;
 - b) fail to ensure the protection of the public health and public safety in the Licenced Premises;
5. A Food Shop Licence is required where food is sold at the Nightclub.

SCHEDULE 21 PET SERVICES

1. This schedule shall apply to those Persons seeking to carry on a Pet Service.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) Written communication from the Humane Society of Kitchener Waterloo & Stratford Perth or the Ontario Society for the Prevention of Cruelty to Animals confirming the adequacy of the Licenced Premises for the keeping of animals in accordance with the standards set out by the Canadian Council on Animal Care and any other applicable standard; and,
 - b) a Criminal Record Check.
3. Every Licensee, when acquiring an animal for the purpose of offering the animal for sale, shall obtain the animal only from the following sources:
 - a) municipal animal shelter;
 - b) registered humane society;
 - c) registered shelter; or,
 - d) Rescue Group.
4. Every Licensee shall:
 - a) post in a conspicuous place in the Licenced Premises:
 - i. a list of all animals permitted to be kept within the boundaries of the City;
 - ii. keep and maintain a register of each animal purchased or otherwise obtained by the Licensee, which shall include:
 - iii. the date the Licensee obtained the animal;
 - iv. a full description of the animal including gender, colour, breed or crossbreed, distinguishing markings and name, if any;
 - b) ensure the register referenced in section 4 of this Schedule is:
 - i. retained for at least 24 months in respect of each entry and transaction date;
 - ii. maintained in good condition and that all entries are legible and written in the English language; and,

- iii. make available for inspection during normal Business hours by a MLEO;
 - c) ensure that every Person who is sold a dog is advised of the City's dog licensing requirements; and,
 - d) make every reasonable effort to obtain the name, address, and description of anyone offering to the Licensee any animal which the Licensee suspects or ought reasonably to suspect has been stolen or otherwise unlawfully obtained and report that information promptly to the Waterloo Regional Police Service.
5. No Licensee shall:
- a) sell or offer for sale or give away any wild animal or exotic animal or any other animal which is not permitted within the boundaries of the municipality as defined by the City's Animal Control By-law or applicable laws;
 - b) sell any diseased animal;
 - c) display any animal unless such animal is adequately protected from drafts, direct sunlight, excessive heat or cold, and ample space is provided;
 - d) sell, offer to sell, display or give to any Person a dog or cat that is under the age of eight weeks;
 - e) sell, offer to sell or give any animal to a Person under the age of eighteen years;
 - f) sell, offer to sell or give to any Person a chicken, duckling or other fowl that is under the age of three weeks;
 - g) sell, offer to sell, display or give to any Person an animal to which dye has been applied by any means; or,
 - h) sell, offer to sell or give to any Person a cat or dog that does not have a medical health certificate issued by a licenced veterinarian.
6. Every Licensee shall provide the following conditions and care for animals in accordance with the guidelines and policies of the Canadian Council on Animal Care, as revised from time to time:
- a) provide all animals with sanitary quarters and environmental conditions appropriate to their species, including temperature, ventilation, lighting, and social and behavioural enrichment;
 - b) provide all animals with housing units of adequate size and height to ensure their comfort and to permit the expression of a full range of natural movements

and species-appropriate behaviours for the purpose of maintaining their physical, psychological and social well-being;

- c) provide all animals with adequate and species-appropriate food and water;
 - d) ensure the animals are in good health and, where the animals are showing sign of illness or disease, ensure the animals are receiving proper treatment;
 - e) ensure that animals of the same or different species which are incompatible are not confined or displayed in the same enclosure;
 - f) provide all animals with species-appropriate enrichment devices to ensure their physical, behavioural, and psychological welfare;
7. Ensure that all garbage, refuse and animal droppings are collected and stored in metal or plastic containers with tight-fitting lids and are regularly disposed of in an appropriate manner.

SCHEDULE 22
PORTABLE SIGN LESSOR

1. This schedule shall apply to those Persons seeking to carry on as a Portable Sign Lessor.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a written declaration that all Portable Signs to be leased shall:
 - i. have the name and phone number of the Applicant clearly affixed to the Portable Sign at a clearly visible location;
3. No Licensee shall:
 - a) locate, or permit the location, of a Portable Sign on or overhanging City Property unless a permit to do so has been obtained under the Sign By-law.
4. In addition to section 6.1 of the By-law, the Director may revoke or suspend a Licence at any time where the Licence has violated any of the provisions of the City's Sign By-law.

SCHEDULE 23
PRIVATE PROPERTY ENFORCEMENT CONTRACTOR

1. This schedule shall apply to those Persons seeking to carry on as a Private Property Enforcement Contractor.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) one of the following:
 - i. a Criminal Record Check;
 - ii. a valid Security Guard Licence, issued under the *Private Security and Investigative Services Act*, 2005, SO 2005, c 34; or,
 - iii. a valid Private Investigator Licenced, issued under *Private Security and Investigative Services Act*, 2005, SO 2005, c 34;
 - b) proof of the property owner's consent to the Parking Enforcement on their property; and,
 - c) a complete list of all Private Property Enforcement Officers employed by the Private Property Parking Enforcement Contractor.
3. Every Private Property Enforcement Contractor shall advise the Director of all changes in Private Property Enforcement Officers employed by them within seven (7) days of the occurrence.
4. Every Private Property Enforcement Contractor shall register with the Director all properties that are to receive Parking Enforcement services from the Private Property Enforcement Contractor.
5. The Director may refuse the registration of a property where the property owner has not erected Signs related to Parking Enforcement, which have been reviewed and approved by the Director.
6. No Private Property Enforcement Contractor shall cause or permit Parking Enforcement on property without registering the property with the Director.
7. Every Private Property Enforcement Contractor shall advise the Director of any change to the number of properties receiving Parking Enforcement services.
8. No Private Property Enforcement Contractor shall cause or permit any Person to carry on any Parking Enforcement activity on property unless licensed as a Private Property Enforcement Officer.

9. No Private Property Enforcement Contractor shall cause or permit the issuance of any document in relation to a vehicle that is parked, stopped or standing on private property other than:
 - a) a certificate of parking infraction and parking infraction notice issued under Part II of the *Provincial Offences Act* or a Penalty Notice issued under the City's Administrative Monetary Penalties By-law.
10. Private Property Enforcement Contractors may only employ licenced Private Property Enforcement Officers for the purposes of Parking Enforcement on private property in the City.
11. If applicable, Private Property Enforcement Contractors shall comply with all requirements under the *Private Security and Investigative Services Act, 2005*, S.O. 2005, c. 34 (the "*Private Security Act*") and its Regulations.
12. In addition to the requirements under the *Private Security Act* and its Regulations, if applicable, Private Property Enforcement Contractors shall not hold themselves out to be MLEOs and shall not refer to themselves as a MLEO or "By-Law Officers" by way of signage or otherwise.
13. Signs must be posted on the property indicating policies to be enforced and must be reviewed and approved by the Director prior to enforcement.

SCHEDULE 24
PRIVATE PROPERTY ENFORCEMENT OFFICER

1. This schedule shall apply to those Persons seeking to carry on as a Private Property Enforcement Officer.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) one of the following:
 - i. a Criminal Record Check;
 - ii. a valid Security Guard licence, issued under the *Private Security and Investigative Services Act*, 2005, SO 2005, c 34; or,
 - iii. a valid Private Investigator licence, issued under *Private Security and Investigative Services Act*, 2005, SO 2005, c 34.
3. All Applicants must attend a training session administered by the City.
4. All Applicants must pass a written test at the training session referenced in section 3 above.
5. No Private Property Enforcement Officer shall conduct Parking Enforcement where there is no signage posted or approved by the Director relating to a parking offence.
6. No fee, commission, gift or other consideration shall be paid or given by the Private Property Enforcement Officer to an owner or occupant of property in return for permitting the Private Property Enforcement Officer to provide or perform Parking Enforcement services.
7. The Private Property Enforcement Officer shall not demand or receive any financial incentive from the owner or occupant of the property relating to the number of Parking Enforcement actions taken on the property.
8. The Director shall implement policies and procedures establishing the requirements for the licensing of Private Property Enforcement Officers to enforce municipal parking by-laws on private property, which shall include, but not limited to: application and training requirements, site registration requirements, fees, and any and all other requirements for becoming and remaining licenced.
9. Any Person who has been licenced pursuant to the policies and procedures established by the Director, and who complies with the requirements to maintain the Licence, is appointed as a Private Property Enforcement Officer for the purposes of enforcing the City's Private Property Parking By-Law 08-092, as amended, and any subsequent by-law, on private property.

10. No owner of private property shall cause or permit any Person to conduct Parking Enforcement activities on their property unless they are licenced as a Private Property Enforcement Officer.
11. No Private Property Enforcement Officer shall issue any document in relation to a vehicle parked, stopped or standing on private property other than:
 - a) a certificate of parking infraction and parking infraction notice issued under Part II of the *Provincial Offences Act* or a Penalty Notice issued under the City's Administrative Monetary Penalties By-law.
12. No Private Property Enforcement Officer shall request or require payment of any fee by the owner or driver of a Motor Vehicle parked, stopped or standing on private property.
13. Private Property Enforcement Officer shall carry their Licence at all times when performing their duties and shall produce the Licence upon request.
14. If applicable, a Private Property Enforcement Officer shall comply with all requirements under the *Private Security and Investigative Services Act, 2005*, S.O. 2005, c. 34 (the "*Private Security Act*") and its Regulations.
15. In addition to the requirements under the *Private Security Act* and its Regulations, if applicable, a Private Property Enforcement Officer shall not hold themselves out to be a MLEO and shall not refer to themselves as a MLEO or "By-Law Officer" by way of signage or otherwise.
16. The provisions of this Schedule do not apply to any Person demanding or obtaining parking fees from customers for the consensual purchase of a permit for parking on private property, where the parking rates are posted in clear view of all drivers upon entering the private property, and the property is in compliance with all other municipal by-laws.
17. Pursuant to section 23.1 of the *Municipal Act*, Council hereby delegates to the Director the power to appoint Private Property Enforcement Officers.
18. The Director may revoke the appointment of a Private Property Enforcement Officer at any time where:
 - a) the Director is of the opinion that the Private Property Enforcement Officer cannot carry out his duties on an impartial and objective basis due to conflict of interest, which includes without limitations:
 - i. engaging in any Business or transaction or having financial or other Personal interest which is incompatible with the discharge of a Private Property Enforcement Officer's official duties;

- ii. any activities which adversely interfere or conflict with a Private Property Enforcement Officer's regular duties in relation to the City; or,
 - iii. any activities, representations or conduct outside of the normal functions of their appointment, which could appear to be an official act of the City or could appear to represent the opinion or policy of the City; or,
- b) the Director is of the opinion that the Private Property Enforcement Officer is engaged in behaviour that is fraudulent or that constitutes a breach of trust with the City, including without limitation:
 - i. using deceit to gain a personal advantage or benefit for oneself or others;
 - ii. illegally obtaining money, including the solicitation or acceptance of bribes;
 - iii. intentionally providing false or incomplete information to the City;
 - iv. intentionally falsifying records; or,
 - v. intentionally circumventing City policy or procedure to gain personal advantage for oneself or for others.

SCHEDULE 25 PUBLIC HALL

1. This schedule shall apply to those Persons seeking to operate a Public Hall.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) Declaration of Compliance;
 - b) proof of an Annual Fire Inspection; and,
 - c) a Fire Safety Plan.
3. Every Licensee shall ensure the occupant load is posted in a conspicuous place.
4. No Licensee shall:
 - a) permit any disorderly conduct to take place on the Licenced Premises;
 - b) permit any Person to loiter, create a disturbance or cause undue noise in or about the Licenced Premises;
 - c) fail to ensure the protection of the public health and public safety on the Licenced Premises;
 - d) conduct Business in a manner that would create any nuisance, cause undue noise, or cause an adverse impact upon a residence or another Business abutting or near the Licenced Premises; or,
 - e) permit the Licenced Premises to be open to the public unless:
 - i. a Person over the age of 18 years is present to supervise the use of the Licenced Premises; and,
 - ii. the Licenced Premises are in a clean and sanitary condition and do not present a hazard to public health or safety.

SCHEDULE 26
SOLER - TEMPORARY PATIO

1. This schedule shall apply to those Persons seeking to expand their business into an area that is not currently permitted in current Zoning or Building Bylaw.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed application for the licence shall be accompanied by:
 - a) a valid City of Waterloo Licence;
 - b) a signed copy of the Acknowledgment and Indemnity Form;
 - c) a detailed sketch of the purposed expanded operating area that includes measurements and labelling. Should include the property lines and existing structures on the drawing;
 - d) property owner authorization via a letter of permission; and,
 - e) a City of Waterloo certificate of insurance form with a minimum of 2 million general liability for the expanded space. A minimum of 5 million general liability is required for establishments serving alcohol.
3. If alcohol is served on the temporary patio, the applicant must notify the Alcohol and Gaming Commission and abide by all conditions of their current liquor licence, as required by the Liquor Licence and Control Act, 2019.

SCHEDULE 27 SPECIAL SALE

1. This schedule shall apply to those Persons seeking to operate a Special Sale.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) a detailed list of the goods, wares or merchandise to be offered for sale, including the price to the owner thereof and approximate retail value;
 - b) the names and addresses of Persons from whom goods were purchased and the date or dates of purchase;
 - c) particulars of the ownership of the goods to be sold if they are not owned by the Applicant and the relationship, if any, between the owner and the Applicant;
 - d) particulars of any damage or other deterioration caused to the goods by fire, smoke, water or any other means;
 - e) particulars of the information to be included in any sign, pamphlet, handbill or other advertisement to be displayed, distributed, announced or published by any means before or during the Special Sale, purporting to indicate the reason for such sale; and,
 - f) a declaration in a form provided by the Director.
3. A Licence for a Special Sale issued under this By-law shall expire thirty (30) days after the date of issue, provided that a Licensee shall be entitled to apply for and receive a Licence for one additional thirty (30) day period to permit the further sale of any goods, wares or merchandise unless it is revoked in accordance with this By-law.
4. Every Licensee shall:
 - a) produce such books, records or other documents or information as the Director considers necessary to corroborate any of the statements contained in the Application; and,
 - b) ensure that all advertising material distributed or published relating to a Special Sale, including each radio or television broadcast, shall contain a statement that such sale is held pursuant to this By-law and shall state the Licence number and Licence expiry date and a similar statement shall be prominently displayed on the premises at which such sale is conducted.

5. No Licence shall be extended where:
- a) an attempt is made to add to or replenish the goods described in the Application or if any attempt is made to substitute other goods, wares or merchandise;
 - b) the sale is advertised or conducted in any manner other than the one described in the Application or is in any manner calculated to mislead or deceive the public, or contrary to the provisions of this By-law; or,
 - c) the Applicant refused to produce any books, documents, records or other information or refuses to permit inspection of any goods or premises requested under this By-law.
6. Notwithstanding Section 2 of this By-law, a receiver, trustee or liquidator under any legislation, such as the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 or the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, a court or receiver appointed by the court, a bailiff, sheriff, executor or administrator, is not required to be licenced under this By-law.

**SCHEDULE 28
TEMPORARY VENDOR LICENCE**

1. This schedule shall apply to those Persons seeking to carry on a Temporary Vendor Business on Private or Public Property.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) permission of the Owner consenting to the use of their property by the Licensee
 - b) description of all the merchandise or services offered;
 - c) Health Approval;
 - d) proof of inspection by the Technical Safety Standards Authority, issued within twelve (12) months prior to the date of the Application, if applicable; and,
 - e) a building permit, if applicable.
3. No Licensee shall sell or offer to sell any goods or services other than those goods or services identified in the Application.
4. A Licence issued for a Temporary Vendor shall be valid for the time period stated on the Licence which shall not exceed ninety (90) consecutive days.
5. The Director, in their sole direction, may wave the licence fee for a Temporary Vendor licence.

**SCHEDULE 29
VENDOR MARKET**

1. This schedule shall apply to those Persons seeking to carry on a Vendor Market.
2. In addition to the licensing requirements set out in Section 3 of this By-law, a completed Application for a Licence shall be accompanied by:
 - a) the names of all vendors operating at the Vendor Market;
 - b) a description of goods or services offered for sale by each vendor at the Vendor Market;
 - c) Health Approval, and;
 - d) A declaration from the Persons seeking to carry on a Vendor Market that there is an umbrella policy of insurance in place that covers all vendors taking part in the Vendor Market, or if not such umbrella policy is in place, then a declaration from the Persons seeking to carry on a Vendor Market that each vendor taking part in the Vendor Market shall hold the minimum insurance coverage required under this By-Law.
3. A Licence issued for a Vendor Market shall be valid for the time period stated on the Licence which shall not exceed ninety (90) consecutive days.
4. The Director, in their sole direction, may wave the licence fee for a Vendor Market licence.

SCHEDULE 30

UPTOWN WATERLOO BUSINESS IMPROVEMENT AREA



0 50 100 200 300 metres

**Uptown Waterloo
BIA Area**

Map © 2023, City of Waterloo

Revision Date: 2023-11-17

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Appendix B – Business Licensing Reserve Projection

	Yearly Forecast					Forecast					
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Expenses	\$ 260,503	\$ 239,695	\$ 247,064	\$ 255,807	\$ 261,545	\$ 267,177	\$ 273,396	\$ 274,879	\$ 280,972	\$ 287,219	\$ 294,252
Revenues	\$ (173,568)	\$ (133,234)	\$ (139,726)	\$ (148,067)	\$ (154,209)	\$ (163,411)	\$ (176,704)	\$ (195,309)	\$ (201,169)	\$ (207,204)	\$ (213,420)
Net Balance (surplus)/deficit	\$ 86,935	\$ 106,461	\$ 107,338	\$ 107,740	\$ 107,337	\$ 103,766	\$ 96,692	\$ 79,569	\$ 79,804	\$ 80,016	\$ 80,833
RESERVE											
Opening Balance	\$ (45,654)	\$ (358,719)	\$ (251,258)	\$ (140,920)	\$ (25,181)	\$ 89,156	\$ 198,922	\$ 299,614	\$ 387,183	\$ 471,987	\$ 558,002
Annual (surplus)/deficit	\$ 86,935	\$ 106,461	\$ 107,338	\$ 107,740	\$ 107,337	\$ 103,766	\$ 96,692	\$ 79,569	\$ 79,804	\$ 80,016	\$ 80,833
Sub-total	\$ 41,281	\$ (252,258)	\$ (143,920)	\$ (33,181)	\$ 82,156	\$ 192,922	\$ 295,614	\$ 379,183	\$ 466,987	\$ 552,002	\$ 638,835
Corp. Capital Project Cntrb.	\$ -	\$ 1,000	\$ 3,000	\$ 8,000	\$ 7,000	\$ 6,000	\$ 4,000	\$ 8,000	\$ 5,000	\$ 6,000	\$ 6,000
Tax Base Assistance as per the R&RF Report	\$ (400,000)	\$ -	\$ -	\$ -							
Total	\$ (400,000)	\$ 1,000	\$ 3,000	\$ 8,000	\$ 7,000	\$ 6,000	\$ 4,000	\$ 8,000	\$ 5,000	\$ 6,000	\$ 6,000
Net Balance (surplus)/deficit	\$ (358,719)	\$ (251,258)	\$ (140,920)	\$ (25,181)	\$ 89,156	\$ 198,922	\$ 299,614	\$ 387,183	\$ 471,987	\$ 558,002	\$ 644,835
2027 Staff Tabled Ongoing Tax Base Assistance - Subject to Council Approval											
					\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Net Balance (surplus)/deficit	\$ (251,258)	\$ (140,920)	\$ (25,181)	\$ (10,844)	\$ (1,078)	\$ (386)	\$ (12,817)	\$ (28,013)	\$ (41,998)	\$ (55,165)	



STAFF REPORT
Municipal Enforcement Services

Title: Rental Housing and Business Licensing 2024-2026 Fees and Charges
Report Number: COM2023-032
Author: Grant Curlew, Manager, Licensing & Standards
Kim Reger, Senior Financial Analyst
Council Date: December 11, 2023
File: N/A
Attachments: Appendix A – Rental Housing 2024 Schedule of Fees
Appendix B – Rental Housing Reserve Forecast
Appendix C – Business Licensing 2024 Schedule of Fees
Appendix D – Business Licensing Reserve Forecast
Ward No.: All

Recommendations:

1. That Council approve report COM2023-032.
2. That Council approve a 4% Rental Housing rate increase for 2024 as set out in Table #2 of report COM2023-032.
3. That Council approve the 2025-2026 Rental Housing rate forecast in principle as set out in Table #2 of report COM2023-032.
4. That Council approve the Rental Housing Program Fees and Charges By-Law updates, attached as Appendix A to COM2023-032, effective as of the dates noted, and that Fees and Charges By-Law is updated accordingly.
5. That Council permits the Rental Housing Reserve to temporarily be in a deficit position extended to the end of 2030 as per the Rental Housing Reserve Forecast in Appendix B.
6. That Council approve a 5% Business Licensing Program Fees and Charges rate increase for 2024 (effective July 1st, 2024) as set out in Table #4 of report COM2023-032.
7. That Council approve the 2025-2026 Business Licensing rate forecast in principle as set out in Table #4 of report COM2023-032.

8. That Council approve the Business Licensing Program Fees and Charges By-Law updates, attached as Appendix C to COM2023-032, effective as of the dates noted, and that the Fees and Charges By-Law is updated accordingly.

A. Executive Summary

The Municipal Enforcement Services Division is recommending a 4% fee increase for the Rental Housing Enterprise and a 5% increase for the Business Licensing Enterprise in 2024.

In 2025-2026 the Rental Housing Enterprise is proposing a 4% fee increase each year and the Business Licensing Enterprise is proposing a 5% increase each year. These fee increases, along with the one-time funding assistance recommended in the Reserve and Reserve Fund report CORP2023-043, are required to keep the enterprises viable in the short-term.

B. Financial Implications

Through modelling, staff have developed the recommended 2024 Rental Housing and Business Licensing rates along with a 2025-2033 rate forecast that aligns with the City of Waterloo staff tabled 2024-2026 Operating and Capital Budgets. As such, it is recommended that the 2024 Rental Housing and Business Licensing rates be approved as outlined in this report. The 2024 Rental Housing and Business Licensing rates have been incorporated into the overall staff tabled budget, but do not fetter any special powers and duties assigned to the Mayor under Part VI.1 of the Municipal Act, 2001. If during budget adoption, changes to the staff tabled Rental Housing and Business Licensing budget are made, staff will review the impacts to the Rental Housing and Business Licensing rates and bring forward a mid-year rate change if applicable.

As noted in COM2022-028: Rental Housing and Business Licensing Fees and Charges 2023, it was forecasted that both enterprises would require financial assistance to remain sustainable in the long-term. The blended approach of fee increases and one-time funding assistance of \$400,000 allocated to the Comprehensive Business Licensing Reserve and \$100,000 allocated to the Residential Rental Housing Reserve as outlined in the Reserve and Reserve Fund report CORP2023-043 support keeping these enterprises financially viable with moderate fee increases. The Rental Housing Enterprise continues to recover from COVID-19 as unit sales have begun to rebound to pre-pandemic levels. Business Licensing unit sales continue to remain flat and are not forecasted to reach a self sustaining level in the long-term. As a result, it is forecasted in the Business Licensing reserve that the enterprise will need consideration given to permanent ongoing tax base support as early as the 2027 budget cycle.

C. Technology Implications

N/A

D. Link to Strategic Plan

(Strategic Objectives: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

Guiding Principle of Community-centred

- We support strong and liveable neighbourhoods, prioritizing community engagement grounded in empathy and understanding.

E. Previous Reports on this Topic

COM2019-024 Rental Housing and Business Licensing 2020-2022 Fees and Charges Report

COM2020-031 Rental Housing and Business Licensing 2021 Fees and Charges

COM2021-033 Rental Housing and Business Licensing 2022 Fees and Charges

COM2022-028 Rental Housing and Business Licensing 2023 Fees and Charges



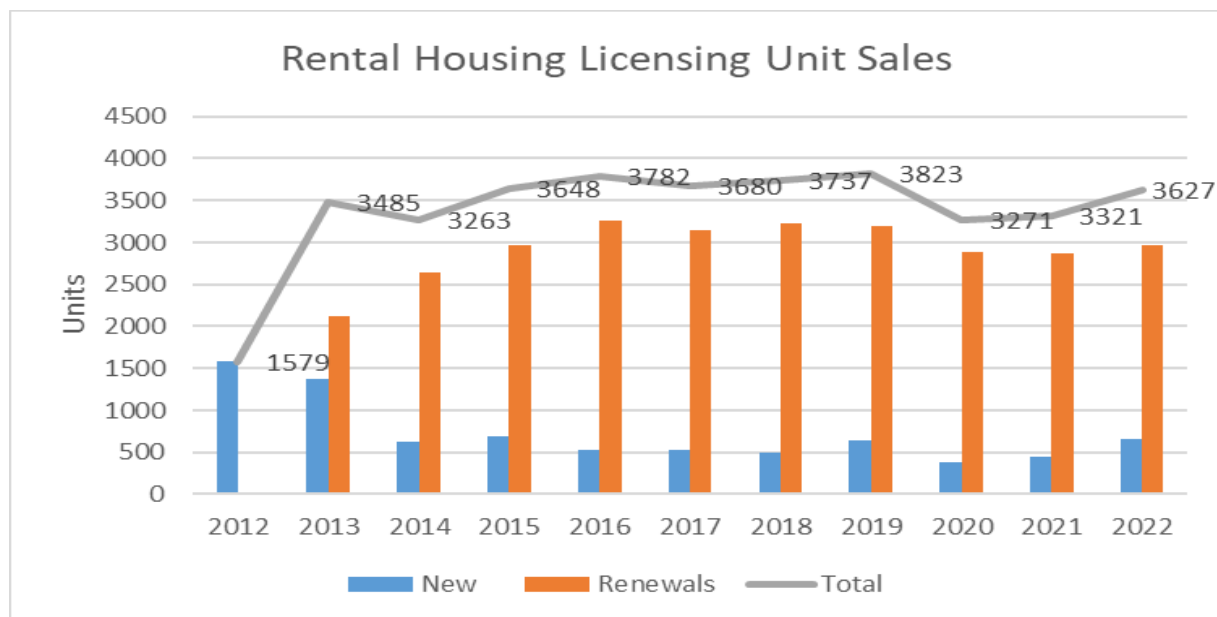
Rental Housing and Business Licensing 2024-2026 Fees and Charges COM2023-032

Background

Residential Rental Licensing Fees

Unit sales for rental housing continue to recover to pre-pandemic levels as shown in Graph 1. Last year unit sales were 3,627; which rebounded from the pandemic sales low point of 3,271 units. In 2022, Rental Housing received \$65,600 of Federal/Provincial Safe Restart Funding to offset the majority of this revenue shortfall due to the pandemic.

Graph 1 – Rental Housing Unit Sales



The recovery from the pandemic has been faster than expected, therefore the unit sale recovery ramps up more quickly than projected in COM2022-028; however the total number of units will not exceed 4,400 units by 2033, which is slightly higher than the prior report's 4,100 units sales forecast.

Table 1 – Revised Unit Licence Sale Projection

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
New	643	625	608	591	576	561	547	533	519	506	5,709
Renewal	3,025	3,101	3,197	3,308	3,407	3,503	3,598	3,701	3,788	3,878	34,506
Total Licenses	3,668	3,726	3,805	3,899	3,983	4,064	4,145	4,234	4,307	4,384	40,215

This unit forecast is inadequate to generate enough revenue to cover off all of the forecasted program expenses without significant fee increases. To help this program through a period of recovery and transition it is proposed that:

- Council extend the allowance of the deficit in the reserve from the extended deadline of 2027 to 2030.
- Fee increase of 4% will be required each year from 2024 to 2026, and 3.5% from 2027 to 2029 and 2% from 2030 to 2033.
- Postpone the implementation of the full General Government overhead increase from 2023-2025 to 2028-2030.
- One-time funding assistance of \$100,000 in 2023, subject to Council approval as part of the Reserve and Reserve Fund report CORP2023-043.

These forecasted fee increases are flexible. If the Rental Housing program recovery is more robust than forecasted the levers of fee increases can be adjusted to accommodate those changes. Please refer to Appendix B for the Rental Housing Reserve Forecast.

To understand the absolute monetary impact of the recommended rate increase for renters/students and landlords, an example of this cost increase scenario is provided as follows:

The average monthly market rent for a 1-bedroom rental apartment in the City of Waterloo is estimated at \$1,383. Landlords are permitted by the Province to only raise rents by up to 2.5% per year on buildings built before 2018. There is no limit on rent increases for buildings built after 2018.

If a landlord raised the rent to the maximum of 2.5% that is equal to an absolute monetary monthly increase of \$34.58. If Rental Housing rates were raised by 4% on the renewal of a Class A - One Bedroom licence, currently priced at \$266.51, this would equal an absolute annual increase of \$10.66 or \$0.89 per month. That absolute increase of \$0.89 per month over the \$34.58 monthly rent increase is only 2.6% of a 2.5% rent increase = 0.06%. Therefore, when the rental housing charge increase is taken into context of the total allowable rent increase by landlords; the rental housing increase amounts to less than \$1 of the \$34.58 increase. Staff do not believe that the rental licensing program is materially affecting rental housing affordability.

Table 2 – Rental Housing Current, Recommended and Forecast in Principle Fees:

Fee Increase		4.0%	4.0%	4.0%
Licence Type	Current	Proposed	Forecast	Forecast
NEW	2023	2024	2025	2026
Class A&Z_1 BDRM	\$ 458.40	\$ 476.74	\$ 495.81	\$ 515.64
Class A&Z_2 BDRM	\$ 479.72	\$ 498.91	\$ 518.87	\$ 539.62
Class A&Z_3 BDRM	\$ 501.04	\$ 521.09	\$ 541.93	\$ 563.61
Class A&Z_4 BDRM	\$ 533.03	\$ 554.35	\$ 576.52	\$ 599.58
Class B&E_1 BDRM	\$ 405.10	\$ 421.30	\$ 438.16	\$ 455.68
Class B&E_2BDRM	\$ 426.42	\$ 443.48	\$ 461.22	\$ 479.66
Class B&E_3BDRM	\$ 447.74	\$ 465.65	\$ 484.28	\$ 503.65
Class B&E_4BDRM	\$ 469.06	\$ 487.82	\$ 507.34	\$ 527.63
Class C	\$ 692.93	\$ 720.65	\$ 749.48	\$ 779.45
Class D	\$ 639.63	\$ 665.22	\$ 691.82	\$ 719.50
Class Z -Bedroom Premium	\$ 53.30	\$ 55.43	\$ 57.65	\$ 59.96
Townhomes_1 & 2 BDRM	\$ 426.42	\$ 443.48	\$ 461.22	\$ 479.66
Townhomes_3 BDRM	\$ 447.74	\$ 465.65	\$ 484.28	\$ 503.65
Townhomes_4 BDRM	\$ 479.72	\$ 498.91	\$ 518.87	\$ 539.62
RENEWALS	2023	2024	2025	2026
Class A&Z_1 BDRM	\$ 266.51	\$ 277.17	\$ 288.26	\$ 299.79
Class A&Z_2 BDRM	\$ 287.83	\$ 299.35	\$ 311.32	\$ 323.77
Class A&Z_3 BDRM	\$ 314.48	\$ 327.06	\$ 340.15	\$ 353.75
Class A&Z_4 BDRM	\$ 346.47	\$ 360.32	\$ 374.74	\$ 389.73
Class B&E_1 BDRM	\$ 232.40	\$ 241.69	\$ 251.36	\$ 261.42
Class B&E_2BDRM	\$ 250.52	\$ 260.54	\$ 270.96	\$ 281.80
Class B&E_3BDRM	\$ 262.25	\$ 272.74	\$ 283.65	\$ 294.99
Class B&E_4BDRM	\$ 273.97	\$ 284.93	\$ 296.33	\$ 308.18
Class C	\$ 374.18	\$ 389.15	\$ 404.72	\$ 420.91
Class D	\$ 362.46	\$ 376.96	\$ 392.03	\$ 407.71
Class Z - Bedroom Premium	\$ 31.98	\$ 33.26	\$ 34.59	\$ 35.97
Townhomes_1 & 2 BDRM	\$ 223.87	\$ 232.83	\$ 242.14	\$ 251.82
Townhomes_3 BDRM	\$ 245.19	\$ 255.00	\$ 265.20	\$ 275.81
Townhomes_4 BDRM	\$ 277.17	\$ 288.26	\$ 299.79	\$ 311.78
Admin. Fee (applicable to all licences) *New	\$ -	\$ 43.50	\$ 45.00	\$ 47.00
Late Fee (applicable to all licences)	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00

*Note – Late fees are being held at \$50 per year and Admin. Fees are escalated at 3.5% per year

Comprehensive Business Licensing Fees

Report COM2023-031 has been tabled to review the new Comprehensive Business Licensing By-Law and fee structure. Unit sales for business licensing have not rebounded as well as rental housing. Unit sales continue to remain flat at pandemic levels, as shown in Graph 2.

Graph 2 – Business Licensing Unit Sales

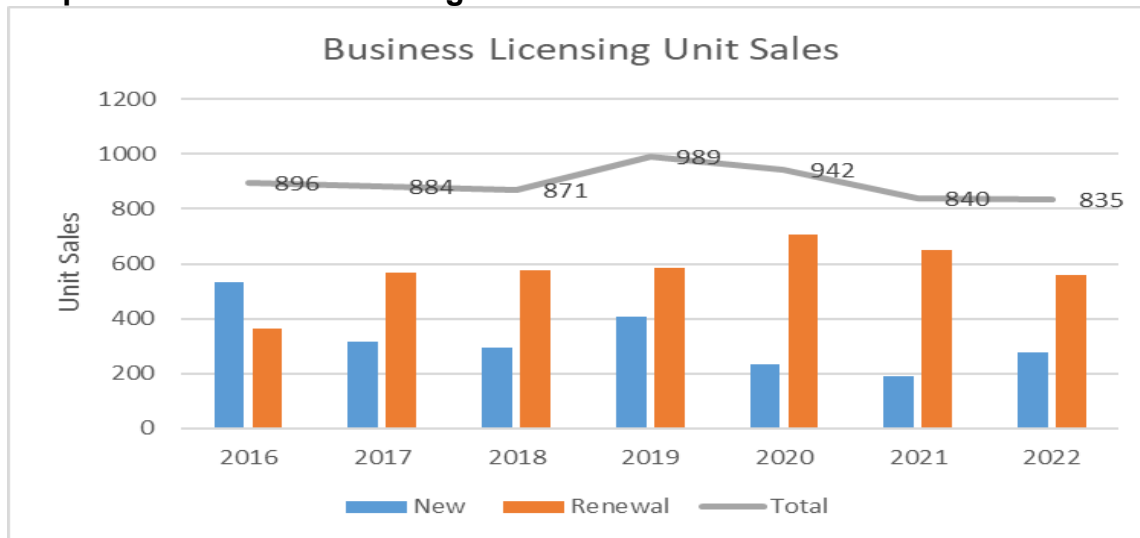


Table 3 – Revised Unit Sale Projection

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
New	280	246	216	200	169	152	107	107	107	107	1691
Renewal	582	628	674	703	762	825	939	939	939	939	7930
Total Licences	864	876	892	905	933	977	1046	1046	1046	1046	9621

It is not expected that unit sales will surpass 1,050 units in the long-run. At the current levels of forecasted activity, it would take a 125% fee increase to make the program fully sustainable in 2024. As an example, a fee increase of that magnitude would take the current \$178 for a new Beauty Salon and Barber Shop licence to \$401.

The financial challenges that the business licensing program has faced over the years has been outlined to Council in previous years' fees and charges reports and highlighted in the 2023 fees and charges report as an item that would be addressed this year. To help the program remain viable and implement fee increases more gradually, it is proposed that a 5% licence fee increase be implemented in each year from 2024 to 2026 and 3% from 2027 to 2033. Along with this fee increase, a one-time \$400,000 allocation to the reserve is recommended in 2023 as per the Reserve and Reserve Fund report CORP2023-043. This additional \$400,000 in funding will help offset program shortfalls from 2024-2026. Permanent ongoing tax-based funding support of \$100,000 annually will likely still be requested in the 2027 budget cycle (subject to Council approval) to keep the reserve in a positive position in the long-term.

Table 4 – Business Licensing, Recommended and Forecast in Principle Fees:

Fee Increase		5.0%	5.0%	5.0%
Licence Type	Current	Proposed	Forecast	Forecast
NEW	2023	2024	2025	2026
Animals for Entertainment	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Auctioneer	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Beauty Salon and Barber Shop	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Bed and Breakfast (Class A)	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Bed and Breakfast (Class B)	\$ 323.96	\$ 340.16	\$ 357.17	\$ 375.02
Contractor Licence * New	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Donation Box Operator	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Donation Box (per location/per box)	\$ 86.94	\$ 91.29	\$ 95.85	\$ 100.64
Dry Cleaner and Launderette	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Fair (per event)	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Flyer Distributor	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Food Shop Licence (Class A)	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Food Shop Licence (Class B)	\$ 323.96	\$ 340.16	\$ 357.17	\$ 375.02
Food Vehicle Licence * New	\$ 323.96	\$ 340.16	\$ 357.17	\$ 375.02
Food Vehicle Licence (one day)* New	\$ 71.42	\$ 74.99	\$ 78.74	\$ 82.67
Home Occupation	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Mobile Service Licence * New	\$ -	\$ 152.15	\$ 159.75	\$ 167.74
Motor Vehicle Facility (Class A)	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Motor Vehicle Facility (Class B)	\$ 323.96	\$ 340.16	\$ 357.17	\$ 375.02
Nightclub Licence	\$ 323.96	\$ 340.16	\$ 357.17	\$ 375.02
Pet Services	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Portable Sign Lessor	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Private Property Parking Enforcement Contractor	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Private Property Parking Enforcement Officer	\$ 30.02	\$ 40.98	\$ 43.03	\$ 45.18
Public Hall	\$ 323.96	\$ 340.16	\$ 357.17	\$ 375.02
Non-Food Retail or Service Licence (one-time) * New	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Special Sale Licence (per event)	\$ 178.02	\$ 186.92	\$ 196.27	\$ 206.08
Temporary Use Licence (SOLER) * New	\$ -	\$ 152.15	\$ 159.75	\$ 167.74
Temporary Vendor Licence <30 Days (per event)	\$ 71.42	\$ 74.99	\$ 78.74	\$ 82.68
Temporary Vendor Licence >30 Days (per event)	\$ 84.87	\$ 89.11	\$ 93.57	\$ 98.25
Vendor Market Licence * New		\$ 152.15	\$ 159.75	\$ 167.74

Table 4 – Business Licensing Fees continued

Fee Increase		5.0%	5.0%	5.0%
Licence Type	Current	Proposed	Forecast	Forecast
RENEWALS	2023	2024	2025	2026
Animals for Entertainment	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Auctioneer	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Beauty Salon and Barber Shop	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Bed and Breakfast (Class A)	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Bed and Breakfast (Class B)	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Contractor Licence * New	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Donation Box Operator	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Donation Box (per location/per box)	\$ 62.10	\$ 65.21	\$ 68.47	\$ 71.89
Dry Cleaner and Launderette	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Flyer Distributor	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Food Shop Licence (Class A)	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Food Shop Licence (Class B)	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Food Vehicle Licence	\$ 323.96	\$ 340.16	\$ 357.17	\$ 375.02
Home Occupation	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Mobile Service Licence * New	\$ -	\$ 152.15	\$ 159.75	\$ 167.74
Motor Vehicle Facility (Class A)	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Motor Vehicle Facility (Class B)	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Nightclub Licence	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Pet Services	\$ 154.22	\$ 161.93	\$ 170.03	\$ 178.53
Portable Sign Lessor	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Private Property Parking Enforcement Contractor	\$ 144.90	\$ 152.15	\$ 159.75	\$ 167.74
Private Property Parking Enforcement Officer	\$ 30.02	\$ 40.98	\$ 43.03	\$ 45.18
Public Hall	\$ 153.18	\$ 160.84	\$ 168.88	\$ 177.32
Temporary Use Licence (SOLER) * New	\$ -	\$ 152.15	\$ 159.75	\$ 167.74
Vendor Market Licence * New	\$ -	\$ 152.15	\$ 159.76	\$ 167.75
Administrative Fees (applicable to all licences):				
Appeals Hearing - Business Licensing Appeal Fee	\$ 103.00	\$ 260.00	\$ 269.10	\$ 278.52
Admin. Fee (applicable to all licences) * New		\$ 43.50	\$ 45.00	\$ 47.00
Late Fee (applicable to all licences)	\$ 50.00	\$ 50.00	\$ 50.00	\$ 50.00

Note – Following deviation from 5% increase:

- Late fees are being held at \$50 per year.
- Admin. Fee is being escalated at 3.5% per year.
- Appeals Hearing cost raised to reflect full cost of service. Inflated at 3.5% ongoing.
- Private Property Parking Enforcement Officer has been increased to recoup direct costs, which is greater than the 5% for all other fees.

These forecasted fee increases are flexible. If the Business Licensing program recovery is more robust than forecasted the levers of fee increases can be adjusted to accommodate those changes. Please refer to Appendix D for the Business Licensing Reserve Forecast.

Appendix A – Rental Housing Schedule of Fees – Current and Proposed

Residential Rental Licensing Program

Initial Application Fee

New Licences A 4 Bedroom
New Licences A 3 Bedroom
New Licences A 2 Bedroom
New Licences A 1 Bedroom
New Licences D Class 1
New Licences D Class 2
New Licences B &E - 4 bedroom
New Licences B &E - 3 bedroom
New Licences B &E - 2 bedroom
New Licences B &E - 1 bedroom
New Licences C

2023 Fee	Effective Date of Fee
\$ 533.03	1-Jan-2023
\$ 501.04	1-Jan-2023
\$ 479.72	1-Jan-2023
\$ 458.40	1-Jan-2023
\$ 639.63	1-Jan-2023
\$ 639.63	1-Jan-2023
\$ 469.06	1-Jan-2023
\$ 447.74	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 405.10	1-Jan-2023
\$ 692.93	1-Jan-2023

2024 Fee	Effective Date of Fee	2024 % Increase
\$ 554.35	1-Jan-2024	4%
\$ 521.09	1-Jan-2024	4%
\$ 498.91	1-Jan-2024	4%
\$ 476.74	1-Jan-2024	4%
\$ 665.22	1-Jan-2024	4%
\$ 665.22	1-Jan-2024	4%
\$ 487.82	1-Jan-2024	4%
\$ 465.65	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 421.30	1-Jan-2024	4%
\$ 720.65	1-Jan-2024	4%

Renewal Fee

Annual Renewals A 4 Bedroom
Annual Renewals A 3 Bedroom
Annual Renewals A 2 Bedroom
Annual Renewals A 1 Bedroom
Annual Renewals D Class 1
Annual Renewals D Class 2
Annual Renewals B&E 4 Bedroom
Annual Renewals B&E 3 Bedroom
Annual Renewals B&E 2 Bedroom
Annual Renewals B&E 1 Bedroom
Annual Renewals C

\$ 346.47	1-Jan-2023
\$ 314.48	1-Jan-2023
\$ 287.83	1-Jan-2023
\$ 266.51	1-Jan-2023
\$ 362.46	1-Jan-2023
\$ 362.46	1-Jan-2023
\$ 273.97	1-Jan-2023
\$ 262.25	1-Jan-2023
\$ 250.52	1-Jan-2023
\$ 232.40	1-Jan-2023
\$ 374.18	1-Jan-2023

\$ 360.32	1-Jan-2024	4%
\$ 327.06	1-Jan-2024	4%
\$ 299.35	1-Jan-2024	4%
\$ 277.17	1-Jan-2024	4%
\$ 376.96	1-Jan-2024	4%
\$ 376.96	1-Jan-2024	4%
\$ 284.93	1-Jan-2024	4%
\$ 272.74	1-Jan-2024	4%
\$ 260.54	1-Jan-2024	4%
\$ 241.69	1-Jan-2024	4%
\$ 389.15	1-Jan-2024	4%

Fees for Townhouses in Block Ownership

New Licences

Townhome Complexes - 1 Bedroom
No of Units
4-10
11-20
21-30
31-40
41-50
50+

\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
2023 Fee	of Fee

\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
2024 Fee	of Fee	

Townhome Complexes - 2 Bedroom
No of Units
4-10
11-20
21-30
31-40
41-50
50+

\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023
\$ 426.42	1-Jan-2023

\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%
\$ 443.48	1-Jan-2024	4%

Townhome Complexes - 3 Bedroom
No of Units
4-10
11-20
21-30
31-40
41-50
50+

\$ 447.74	1-Jan-2023
\$ 447.74	1-Jan-2023
\$ 447.74	1-Jan-2023
\$ 447.74	1-Jan-2023
\$ 447.74	1-Jan-2023
\$ 447.74	1-Jan-2023
\$ 447.74	1-Jan-2023

\$ 465.65	1-Jan-2024	4%
\$ 465.65	1-Jan-2024	4%
\$ 465.65	1-Jan-2024	4%
\$ 465.65	1-Jan-2024	4%
\$ 465.65	1-Jan-2024	4%
\$ 465.65	1-Jan-2024	4%
\$ 465.65	1-Jan-2024	4%

Appendix A – Rental Housing Schedule of Fees – Current and Proposed

Townhome Complexes - 4 Bedroom
No of Units
4-10
11-20
21-30
31-40
41-50
50+

\$ 479.72	1-Jan-2023
\$ 479.72	1-Jan-2023
\$ 479.72	1-Jan-2023
\$ 479.72	1-Jan-2023
\$ 479.72	1-Jan-2023
\$ 479.72	1-Jan-2023

\$ 498.91	1-Jan-2024	4%
\$ 498.91	1-Jan-2024	4%
\$ 498.91	1-Jan-2024	4%
\$ 498.91	1-Jan-2024	4%
\$ 498.91	1-Jan-2024	4%
\$ 498.91	1-Jan-2024	4%

Fees for Townhouses in Block Ownership

Renewal of Licences

Townhome Complexes - 1 Bedroom
No of Units
4-10
11-20
21-30
31-40
41-50
50+

\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023

\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%

Townhome Complexes - 2 Bedroom
No of Units
4-10
11-20
21-30
31-40
41-50
50+

2023 Fee	of Fee
----------	--------

\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023
\$ 223.87	1-Jan-2023

2024 Fee	of Fee
----------	--------

\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%
\$ 232.83	1-Jan-2024	4%

Townhome Complexes - 3 Bedroom
No of Units
4-10
11-20
21-30
31-40
41-50
50+

\$ 245.19	1-Jan-2023
\$ 245.19	1-Jan-2023
\$ 245.19	1-Jan-2023
\$ 245.19	1-Jan-2023
\$ 245.19	1-Jan-2023
\$ 245.19	1-Jan-2023

\$ 255.00	1-Jan-2024	4%
\$ 255.00	1-Jan-2024	4%
\$ 255.00	1-Jan-2024	4%
\$ 255.00	1-Jan-2024	4%
\$ 255.00	1-Jan-2024	4%
\$ 255.00	1-Jan-2024	4%

Townhome Complexes - 4 Bedroom
No of Units
4-10
11-20
21-30
31-40
41-50
50+

\$ 277.17	1-Jan-2023
\$ 277.17	1-Jan-2023
\$ 277.17	1-Jan-2023
\$ 277.17	1-Jan-2023
\$ 277.17	1-Jan-2023
\$ 277.17	1-Jan-2023

\$ 288.26	1-Jan-2024	4%
\$ 288.26	1-Jan-2024	4%
\$ 288.26	1-Jan-2024	4%
\$ 288.26	1-Jan-2024	4%
\$ 288.26	1-Jan-2024	4%
\$ 288.26	1-Jan-2024	4%

Appendix A – Rental Housing Schedule of Fees – Current and Proposed

Class "Z" License Fees

New Class "Z" 4 Bedroom
New Class "Z" 3 Bedroom
New Class "Z" 2 Bedroom
New Class "Z" 1 Bedroom
New Class "Z" Bedroom Premium
Annual Renewals Class "Z" 4 Bedroom
Annual Renewals Class "Z" 3 Bedroom
Annual Renewals Class "Z" 2 Bedroom
Annual Renewals Class "Z" 1 Bedroom
Annual Renewals Class "Z" Bedroom Premium
Administrative Fees (applicable to all licences):
Admin. Fee *New
Late Fee
Rental Housing Licensing Appeal Fee - <i>See Note 1</i>

Note 1: This fee administered by Legislative Services

\$ 533.03	1-Jan-2023
\$ 501.04	1-Jan-2023
\$ 479.72	1-Jan-2023
\$ 458.40	1-Jan-2023
\$ 53.30	1-Jan-2023
\$ 346.47	1-Jan-2023
\$ 314.48	1-Jan-2023
\$ 287.83	1-Jan-2023
\$ 266.51	1-Jan-2023
\$ 31.98	1-Jan-2023
\$ -	1-Jan-2023
\$ 50.00	1-Jan-2023
\$ 106.61	1-Jan-2023

\$ 554.35	1-Jan-2024	4%
\$ 521.09	1-Jan-2024	4%
\$ 498.91	1-Jan-2024	4%
\$ 476.74	1-Jan-2024	4%
\$ 55.43	1-Jan-2024	4%
\$ 360.32	1-Jan-2024	4%
\$ 327.06	1-Jan-2024	4%
\$ 299.35	1-Jan-2024	4%
\$ 277.17	1-Jan-2024	4%
\$ 33.26	1-Jan-2024	4%
\$ 43.50	1-Jan-2024	3.5%
\$ 50.00	1-Jan-2024	0%
\$ 150.00	1-Jan-2024	41%

Appendix B – Rental Housing Reserve Forecast

	Yearly Forecast		Model Forecast																			
	2023		2024		2025		2026		2027		2028		2029		2030		2031		2032		2033	
Expenses	\$	1,305,876	\$	1,399,521	\$	1,444,179	\$	1,489,650	\$	1,522,453	\$	1,565,831	\$	1,609,801	\$	1,664,379	\$	1,689,581	\$	1,735,425	\$	1,761,928
Revenues	\$	(1,312,515)	\$	(1,292,722)	\$	(1,358,527)	\$	(1,436,655)	\$	(1,516,931)	\$	(1,598,211)	\$	(1,680,880)	\$	(1,743,100)	\$	(1,811,154)	\$	(1,874,368)	\$	(1,941,064)
Net Balance (surplus)/deficit	\$	(6,639)	\$	106,799	\$	85,652	\$	52,995	\$	5,521	\$	(32,380)	\$	(71,079)	\$	(78,721)	\$	(121,573)	\$	(138,943)	\$	(179,136)
RESERVE																						
Opening Balance	\$	29,839	\$	(81,086)	\$	31,427	\$	121,792	\$	191,501	\$	207,737	\$	234,071	\$	167,705	\$	101,698	\$	(15,161)	\$	(147,390)
Annual (surplus)/deficit	\$	(6,639)	\$	106,799	\$	85,652	\$	52,995	\$	5,521	\$	(32,380)	\$	(71,079)	\$	(78,721)	\$	(121,573)	\$	(138,943)	\$	(179,136)
Sub-total	\$	23,200	\$	25,713	\$	117,078	\$	174,787	\$	197,023	\$	175,357	\$	162,991	\$	88,984	\$	(19,875)	\$	(154,104)	\$	(326,526)
Vehicle Capital Recovery	\$	(6,286)	\$	(6,286)	\$	(6,286)	\$	(6,286)	\$	(6,286)	\$	(6,286)	\$	(6,286)	\$	(6,286)	\$	(6,286)	\$	(6,286)	\$	(6,286)
Vehicle Purchase	\$	-	\$	-	\$	-	\$	-	\$	-	\$	51,000	\$	-	\$	-	\$	-	\$	-	\$	-
Corp. Capital Project Cntrb.	\$	2,000	\$	12,000	\$	11,000	\$	23,000	\$	17,000	\$	14,000	\$	11,000	\$	19,000	\$	11,000	\$	13,000	\$	21,000
Tax Base Assistance as per the R&RF																						
Report	\$	(100,000)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Total	\$	(104,286)	\$	5,714	\$	4,714	\$	16,714	\$	10,714	\$	58,714	\$	4,714	\$	12,714	\$	4,714	\$	6,714	\$	14,714
Net Balance (surplus)/deficit	\$	(81,086)	\$	31,427	\$	121,792	\$	191,501	\$	207,737	\$	234,071	\$	167,705	\$	101,698	\$	(15,161)	\$	(147,390)	\$	(311,812)

Appendix C – Business Licensing Schedule of Fees - Current and Proposed

NEW LICENCES						
Business Registration & Licences (Current By-Law) Effective Until June 30, 2024	Business Registration & Licences (New By-Law) Effective July 01, 2024	2023 Fee	Effective Date of Fee	2024 Fee	Effective Date of Fee	2024 % Increase
Animals for Entertainment (per event)	Animals for Entertainment	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Auctioneer	Auctioneer	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Barber Shop	Beauty Salon and Barber Shop	\$ 178.02	1-Jan-2023	\$ 186.92	1-Jul-2024	5%
Beauty Salon	<i>Discontinued - replaced by beauty salon and barber shop</i>	\$ 178.02	1-Jan-2023	N/A		
Bed & Breakfast (Class A)	Bed & Breakfast (Class A)	\$ 178.02	1-Jan-2023	\$ 186.92	1-Jul-2024	5%
Bed & Breakfast (Class B)	Bed & Breakfast (Class B)	\$ 323.96	1-Jan-2023	\$ 340.16	1-Jul-2024	5%
Building Renovator	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
	Contractor *New			\$ 152.15	1-Jul-2024	5%
Donation Box Operator	Donation Box Operator	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Donation Box (per location/ per box)	Donation Box (per location/ per box)	\$ 86.94	1-Jan-2023	\$ 91.29	1-Jul-2024	5%
Drain Laying Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Driveway Paving Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Dry Cleaner & Launderette (Class A)	Dry Cleaner & Launderette	\$ 178.02	1-Jan-2023	\$ 186.92	1-Jul-2024	5%
Dry Cleaner & Launderette (Class B)	<i>Discontinued - replaced with dry cleaner & laundrette</i>	\$ 323.96	1-Jan-2023	N/A		
Fair (per event)	Fair (per event)	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Fence Installation Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Flyer Distributor	Flyer Distributor	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Flea Market (Public Property)	<i>Discontinued - replaced with vendor market licence</i>	\$ 103.50	1-Jan-2023	N/A		
Flea Market (Private Property)	<i>Discontinued - replaced with vendor market licence</i>	\$ 144.90	1-Jan-2023	N/A		
Food Shop (Class A)	Food Shop (Class A)	\$ 178.02	1-Jan-2023	\$ 186.92	1-Jul-2024	5%
Food Shop (Class B)	Food Shop (Class B)	\$ 323.96	1-Jan-2023	\$ 340.16	1-Jul-2024	5%
Food Truck	Food Vehicle *New - replacing food truck, food trailer & refreshment vehicle	\$ 323.96	1-Jan-2023	\$ 340.16	1-Jul-2024	5%
Food Truck (One Day)	Food Vehicle (one day)	\$ 71.42	1-Jan-2023	\$ 74.99	1-Jul-2024	5%
Food Trailer	<i>Discontinued - replaced with food vehicle</i>	\$ 323.96	1-Jan-2023	N/A		
Food Trailer (One Day)	<i>Discontinued - replaced with food vehicle (one day)</i>	\$ 71.42	1-Jan-2023	N/A		
Recognized Food Trailer (Hot Dog Cart) within BIA boundary	<i>Discontinued - replaced with food vehicle</i>	\$ 2,362.91	1-Jan-2023	N/A		
Recognized Food Trailer (Hot Dog Cart) outside of BIA boundary	<i>Discontinued - replaced with food vehicle</i>	\$ 914.94	1-Jan-2023	N/A		
General Business licence (life time)	<i>Discontinued - replaced by Non-Food Retail or Service Licence</i>	\$ 178.02	1-Jan-2023	N/A		
Group Home (Class A)	<i>Discontinued</i>	\$ 178.02	1-Jan-2023	N/A		
Group Home (Class B)	<i>Discontinued</i>	\$ 323.96	1-Jan-2023	N/A		
Home Occupation	Home Occupation	\$ 178.02	1-Jan-2023	\$ 186.92	1-Jul-2024	5%
HVAC Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
	Mobile Service Licence *New			\$ 152.15	1-Jul-2024	5%
Motor Vehicle Facility (Class A)	Motor Vehicle Facility (Class A)	\$ 178.02	1-Jan-2023	\$ 186.92	1-Jul-2024	5%
Motor Vehicle Facility (Class B)	Motor Vehicle Facility (Class B)	\$ 323.96	1-Jan-2023	\$ 340.16	1-Jul-2024	5%
Newspaper Vending Box Operator	<i>Discontinued</i>	\$ 144.90	1-Jan-2023	N/A		
Newspaper Vending Box (per location)	<i>Discontinued</i>	\$ 13.46	1-Jan-2023	N/A		
Nightclub (Class A)	<i>Discontinued - replaced with nightclub licence</i>	\$ 178.02	1-Jan-2023	N/A		
Nightclub (Class B)	Nightclub	\$ 323.96	1-Jan-2023	\$ 340.16	1-Jul-2024	5%
	Non-Food Retail or Service Licence (one-time)*New - replaced general business licence			\$ 186.92	1-Jul-2024	5%
Old Gold Shops	<i>Discontinued</i>	\$ 178.02	1-Jan-2023	N/A		
Pet Shop	Pet Services	\$ 178.02	1-Jan-2023	\$ 186.92	1-Jul-2024	5%
Plumbing Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Pool Installation Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Portable Sign Lessor	Portable Sign Lessor	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Private Property Parking Enforcement Contractor	Private Property Parking Enforcement Contractor	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Private Property Parking Enforcement Officer	Private Property Parking Enforcement Officer	\$ 30.02	1-Jan-2023	\$ 40.98	1-Jul-2024	37%
Public Hall (Class B)	Public Hall	\$ 323.96	1-Jan-2023	\$ 340.16	1-Jul-2024	5%
Refreshment Vehicle Class A	<i>Discontinued - replaced with food vehicle</i>	\$ 323.96	1-Jan-2023	N/A		
Refreshment Vehicle Class B	<i>Discontinued - replaced with food vehicle</i>	\$ 71.42	1-Jan-2023	N/A		
Special Sale (per event)	Special Sale (per event)	\$ 178.02	1-Jan-2023	\$ 186.92	1-Jul-2024	5%
Temporary Vendor Private Property (up to 30 consecutive days)	Temporary Vendor Licence <30 Days (per event)	\$ 71.42	1-Jan-2023	\$ 74.99	1-Jul-2024	5%
Temporary Vendor Private Property (up to 60 consecutive days)	Temporary Vendor Licence >30 Days (per event)	\$ 84.87	1-Jan-2023	\$ 89.11	1-Jul-2024	5%
Temporary Vendor Private Property (up to 90 consecutive days)	<i>Discontinued</i>	\$ 125.24	1-Jan-2023	N/A		
Temporary Vendor Public Property (up to 3 consecutive days)	<i>Discontinued</i>	\$ 36.23	1-Jan-2023	N/A		
Temporary Vendor Public Property (up to 30 consecutive days)	<i>Discontinued</i>	\$ 84.87	1-Jan-2023	N/A		
Temporary Vendor Public Property (up to 6 consecutive months)	<i>Discontinued</i>	\$ 144.90	1-Jan-2023	N/A		
Tobacconist	<i>Discontinued</i>	\$ 178.02	1-Jan-2023	N/A		
	Temporary Use Licence (SOLER) *New			\$ 152.15	1-Jul-2024	5%
	Vendor Market Licence *New - replaced flea market licence			\$ 152.15	1-Jul-2024	5%

*Note – A 25% discount for the Contractor Licence Fee will be applied with proof of an active membership in good standing with Landscape Ontario.

Appendix C – Business Licensing Schedule of Fees - Current and Proposed

RENEWAL LICENCES						
Business Registration & Licences (Current By-Law) Effective Until June 30, 2024	Business Registration & Licences (New By-Law) Effective July 01, 2024	2023 Fee	Effective Date of Fee	2024 Fee	Effective Date of Fee	2024 %Increase
Auctioneer	Animals for Entertainment					
Barber Shop	Auctioneer	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Beauty Salon	Beauty Salon and Barber Shop	\$ 154.22	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Bed & Breakfast (Class A)	<i>Discontinued - replaced by beauty salon and barber shop</i>	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
Bed & Breakfast (Class B)	Bed & Breakfast (Class A)	\$ 154.22	1-Jan-2023	N/A		
Building Renovator	Bed & Breakfast (Class B)	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
	Contractor *New			N/A		
Donation Box Operator	Donation Box Operator	\$ 152.15	1-Jul-2024	\$ 152.15	1-Jul-2024	5%
Donation Box (per location/ per box)	Donation Box (per location/ per box)	\$ 152.15	1-Jul-2024	\$ 152.15	1-Jul-2024	5%
Drain Laying Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 62.10	1-Jan-2023	\$ 65.21	1-Jul-2024	5%
Driveway Paving Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Dry Cleaner & Launderette (Class A)	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Dry Cleaner & Launderette (Class B)	Dry Cleaner and Launderette	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
Fair (per event)	<i>Discontinued - replaced with dry cleaner & laundrette</i>	\$ 154.22	1-Jan-2023	N/A		
Fence Installation Contractor	Not Applicable	\$ 144.90	1-Jan-2023	N/A		
Flyer Distributor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Flea Market (Public Property)	Flyer Distributor	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Flea Market (Private Property)	<i>Discontinued - replaced with vendor market licence</i>	\$ 103.50	1-Jan-2023	N/A		
Food Shop (Class A)	<i>Discontinued - replaced with vendor market licence</i>	\$ 144.90	1-Jan-2023	N/A		
Food Shop (Class B)	Food Shop (Class A)	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
	Food Shop (Class B)	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
Food Truck	Food Vehicle *New - replacing food truck, food trailer & refreshment vehicle	\$ 323.96	1-Jan-2023	\$ 340.16	1-Jul-2024	5%
Food Truck (One Day)	Not Applicable	\$ 71.42	1-Jan-2023	N/A		
Food Trailer	<i>Discontinued - replaced with food vehicle</i>	\$ 323.96	1-Jan-2023	N/A		
Food Trailer (One Day)	<i>Discontinued - replaced with food vehicle (one day)</i>	\$ 71.42	1-Jan-2023	N/A		
Recognized Food Trailer (Hot Dog Cart) within BIA boundary	<i>Discontinued - replaced with food vehicle</i>	\$ 2,362.91	1-Jan-2023	N/A		
Recognized Food Trailer (Hot Dog Cart) outside of BIA boundary	<i>Discontinued - replaced with food vehicle</i>	\$ 914.94	1-Jan-2023	N/A		
Group Home (Class A)	<i>Discontinued</i>	\$ 154.22	1-Jan-2023	N/A		
Group Home (Class B)	<i>Discontinued</i>	\$ 154.22	1-Jan-2023	N/A		
Home Occupation	Home Occupation	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
HVAC Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
	<i>Mobile Service Licence *New</i>			\$ 152.15	1-Jul-2024	5%
Motor Vehicle Facility (Class A)	Motor Vehicle Facility (Class A)	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
Motor Vehicle Facility (Class B)	Motor Vehicle Facility (Class B)	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
Newspaper Vending Box Operator	<i>Discontinued</i>	\$ 144.90	1-Jan-2023	N/A		
Newspaper Vending Box (per location)	<i>Discontinued</i>	\$ 13.46	1-Jan-2023	N/A		
Nightclub (Class A)	<i>Discontinued - replaced with nightclub licence</i>	\$ 154.22	1-Jan-2023	N/A		
Nightclub (Class B)	Nightclub	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
Old Gold Shops	<i>Discontinued</i>	\$ 154.22	1-Jan-2023	N/A		
Pet Shop	Pet Services	\$ 154.22	1-Jan-2023	\$ 161.93	1-Jul-2024	5%
Plumbing Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Pool Installation Contractor	<i>Discontinued - replaced with contractor licence</i>	\$ 144.90	1-Jan-2023	N/A		
Portable Sign Lessor	Portable Sign Lessor	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Private Property Parking Enforcement Contractor	Private Property Parking Enforcement Contractor	\$ 144.90	1-Jan-2023	\$ 152.15	1-Jul-2024	5%
Private Property Parking Enforcement Officer	Private Property Parking Enforcement Officer	\$ 30.02	1-Jan-2023	\$ 40.98	1-Jul-2024	37%
Public Hall (Class B)	Public Hall	\$ 153.18	1-Jan-2023	\$ 160.84	1-Jul-2024	5%
Refreshment Vehicle Class A	<i>Discontinued - replaced with food vehicle</i>	\$ 323.96	1-Jan-2023	N/A		
Refreshment Vehicle Class B	<i>Discontinued - replaced with food vehicle</i>	\$ 71.42	1-Jan-2023	N/A		
Special Sale (per event)	Not Applicable	N/A		N/A		
Temporary Vendor Private Property (up to 30 consecutive days)	<i>Discontinued</i>	\$ 71.42	1-Jan-2023	N/A		
Temporary Vendor Private Property (up to 60 consecutive days)	<i>Discontinued</i>	\$ 84.87	1-Jan-2023	N/A		
Temporary Vendor Private Property (up to 90 consecutive days)	<i>Discontinued</i>	\$ 125.24	1-Jan-2023	N/A		
Temporary Vendor Public Property (up to 3 consecutive days)	<i>Discontinued</i>	\$ 36.23	1-Jan-2023	N/A		
Temporary Vendor Public Property (up to 30 consecutive days)	<i>Discontinued</i>	\$ 84.87	1-Jan-2023	N/A		
Temporary Vendor Public Property (up to 6 consecutive months)	<i>Discontinued</i>	\$ 144.90	1-Jan-2023	N/A		
Tobacconist	<i>Discontinued</i>	\$ 154.22	1-Jan-2023	N/A		
	Temporary Use Licence (SOLER) *New			\$ 152.15	1-Jul-2024	5%
	Vendor Market Licence *New - replaced flea market licence			\$ 152.15	1-Jul-2024	5%
ADMINISTRATIVE FEES (applicable to all licence types):						
	Admin. Fee *New					
Late Fee (applicable to all licenses)	Late Fee (applicable to all licenses)	\$ 50.00	1-Jan-2023	\$ 43.50	1-Jan-2024	3.5%
Business Licensing Appeal Fee (administered by Legislative Services)	Appeals Hearing - Business Licensing Appeal Fee (administered by Municipal Enforcement)	\$ 103.50	1-Jan-2023	\$ 50.00	1-Jan-2024	0%
				\$ 260.00	1-Jul-2024	151%

***Note** – A 25% discount for the Contractor Licence Fee will be applied with proof of an active membership in good standing with Landscape Ontario.

Appendix D – Business Licensing Reserve Forecast

	Yearly Forecast					Forecast					
	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Expenses	\$ 260,503	\$ 239,695	\$ 247,064	\$ 255,807	\$ 261,545	\$ 267,177	\$ 273,396	\$ 274,879	\$ 280,972	\$ 287,219	\$ 294,252
Revenues	\$ (173,568)	\$ (133,234)	\$ (139,726)	\$ (148,067)	\$ (154,209)	\$ (163,411)	\$ (176,704)	\$ (195,309)	\$ (201,169)	\$ (207,204)	\$ (213,420)
Net Balance (surplus)/deficit	\$ 86,935	\$ 106,461	\$ 107,338	\$ 107,740	\$ 107,337	\$ 103,766	\$ 96,692	\$ 79,569	\$ 79,804	\$ 80,016	\$ 80,833
RESERVE											
Opening Balance	\$ (45,654)	\$ (358,719)	\$ (251,258)	\$ (140,920)	\$ (25,181)	\$ 89,156	\$ 198,922	\$ 299,614	\$ 387,183	\$ 471,987	\$ 558,002
Annual (surplus)/deficit	\$ 86,935	\$ 106,461	\$ 107,338	\$ 107,740	\$ 107,337	\$ 103,766	\$ 96,692	\$ 79,569	\$ 79,804	\$ 80,016	\$ 80,833
Sub-total	\$ 41,281	\$ (252,258)	\$ (143,920)	\$ (33,181)	\$ 82,156	\$ 192,922	\$ 295,614	\$ 379,183	\$ 466,987	\$ 552,002	\$ 638,835
Corp. Capital Project Cntrb.	\$ -	\$ 1,000	\$ 3,000	\$ 8,000	\$ 7,000	\$ 6,000	\$ 4,000	\$ 8,000	\$ 5,000	\$ 6,000	\$ 6,000
Tax Base Assistance as per the R&RF Report	\$ (400,000)	\$ -	\$ -	\$ -							
Total	\$ (400,000)	\$ 1,000	\$ 3,000	\$ 8,000	\$ 7,000	\$ 6,000	\$ 4,000	\$ 8,000	\$ 5,000	\$ 6,000	\$ 6,000
Net Balance (surplus)/deficit	\$ (358,719)	\$ (251,258)	\$ (140,920)	\$ (25,181)	\$ 89,156	\$ 198,922	\$ 299,614	\$ 387,183	\$ 471,987	\$ 558,002	\$ 644,835
2027 Staff Tabled Ongoing Tax Base Assistance - Subject to Council Approval											
					\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)	\$ (100,000)
Net Balance (surplus)/deficit	\$ (251,258)	\$ (140,920)	\$ (25,181)	\$ (10,844)	\$ (1,078)	\$ (386)	\$ (12,817)	\$ (28,013)	\$ (41,998)	\$ (55,165)	



STAFF REPORT
Finance

Title: Reserves and Reserve Funds Annual Update
Report Number: CORP2023-043
Author: Julie Koppeser
Council Date: December 11, 2023
File: N/A
Attachments: Appendix A: Council's Community Priority and Contingency Reserve History
Appendix B: Draft Amended FC-006 Reserves and Reserve Funds Policy
Appendix C: Draft Amended FC-003 Surplus Allocation Policy
Ward No.: City-Wide

Recommendations:

1. That Council approve report CORP2023-043.
2. That Council approve that \$4,405,000 be transferred from the Northdale portion to the General portion of the Parkland Dedication Reserve Fund to provide funding to address parkland needs throughout the City.
3. That Council approve that \$100,000 in 2024, \$50,000 in 2025, and an additional \$50,000 in 2026 of the annual CRF funding allocation be redirected as a permanent source of funding for the Climate Action Reserve Fund.
4. That Council approve that the final reported property tax operating surplus annually, if any, be allocated:
 - 25% to the Tax Rate Stabilization Reserve (TRS)
 - 25% to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
 - 25% to the Climate Action Reserve Fund (CARF)
 - 25% to the Library Expansion and Rehabilitation Reserve Fund (LXPR)
5. That Council approve that when actual investment income exceeds budgeted investment income, the surplus is transferred:
 - 25% to the Climate Action Reserve Fund (CARF)
 - 25% to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
 - 25% to the Capital Reserve Fund (CRF)
 - 25% to the Library Expansion and Rehabilitation Reserve Fund (LXPR)
6. That Council approve that the RIM Park Investment Reserve (RIM) no longer receive \$200,000 from any year-end property tax operating surplus (if available).

7. That Council approve one-time transfers from the RIM Park Investment Reserve (RIM) surplus of:
 - \$1,200,000 to the Capital Reserve Fund (CRF)
 - \$750,000 to the Planning Litigation Reserve Fund (LIT)
 - \$500,000 to the Climate Action Reserve Fund (CARF)
 - \$500,000 to the Affordable Housing Reserve Fund (CCPC-AH)
 - \$400,000 to the Comprehensive Business Licensing Reserve (BUS)
 - \$100,000 to the Rental Housing Reserve (RHR)
8. That Council approve the following administrative adjustments be updated in the Reserves and Reserve Funds Policies:
 - a. That Council approve that all references to Waterloo North Hydro in the Reserve and Reserve fund policies be updated to Enova Power Corp.
 - b. That Council approve that all references to hard and soft services in the Development Charges Reserve Fund policy be updated to “engineering” and “general”, respectively.
 - c. That Council approve that the reference to WMRC lot permit revenue be removed from the Capital Infrastructure Reinvestment Reserve Fund revenue policy.
 - d. That Council approve that the Library Expansion Reserve Fund (LXP) permitted use be updated to include Library Rehabilitation.
 - e. That Council approve that the Library Expansion Reserve Fund (LXP) name be changed to the Library Expansion and Rehabilitation Reserve Fund (LXPR).
 - f. That Council approve that the Parkland Dedication Reserve Fund policy be updated to remove references that the need to upgrade is due to intensification of the surrounding neighbourhood.
 - g. That Council approve that the Sick Leave Reserve Fund Revenue policy be updated to: 100% of the net difference between Fire salary budget and actual, less 50% of vacancy related savings for Fire positions.
 - h. That Council approve that the General Operating Contingency Reserve be renamed to the General Contingency Reserve (GENCON).
 - i. That Council approve that the General Operating Contingency Reserve policy be updated to include that the reserve may be used for strategic, one-time, capital contingency expenditures.
 - j. That Council approve that the reference to WMRC lot permit revenue be removed from the General Operating Contingency Reserve revenue policy.
 - k. That Council approve that the Rental Housing Reserve Council Approved Target level be updated to reference that the reserve should remain in a positive position.
 - l. That Council approve that the Tax Rate Stabilization policy be updated to reflect the exemption of Enterprise step gapping.
 - m. That the Council Approved Target Levels of the Sanitary Sewer Utility Capital Reserve (SEWCAP), Sanitary Sewer Utility Stabilization

Reserve (SEWOP), Stormwater Utility Reserve (SWM), Water Utility Capital Reserve (WATCAP) and Water Utility Stabilization Reserve (WATOP), be updated to remove the word “minimum”, to provide greater clarity that these levels are target levels.

- n. That Council approve that all references to the greenhouse gas emission reduction targets of “50% by 2030 and 80% by 2050” in the Reserve and Reserve fund policies be updated to “50% by 2030 and net zero by 2050”.
- 9. That Council approve that FC-006 Reserves and Reserve Funds Policy, attached as Appendix B, be updated for the changes required through recommendations 1 through 8, inclusive.
- 10. That Council approve that FC-003 Surplus Allocation Policy, attached as Appendix C, be updated for the changes required through recommendations 4 and 6.

A. Executive Summary

The Reserves and Reserve Funds report is brought forward to Council annually and is a key 2024-2026 budget document. The report provides a comprehensive look at each of the City’s reserves and reserve funds, including a brief history, a 10-year projection, established use, and staff analysis and recommendations. For full policy information, FC-006 Reserves and Reserve Funds Policy has been attached as Appendix B. As part of good governance, it is important to consider the Reserves and Reserve Funds Annual Update report and policies alongside the capital budget documents.

The City’s reserve and reserve fund policies provide flexibility and stability to address challenges and to take advantage of opportunities. The pandemic further validated the importance of having healthy reserves and reserve funds, as the City was able to provide relief to residents and businesses and to continue to support operations and capital projects. The temporary suspension of the Tax Rate Stabilization Reserve cap for 2020 through 2022 ensured funds remained available in the reserve to address COVID-19 driven pressures. A fluid and strategic approach to reserve and reserve fund management will continue as other challenges and opportunities continue to evolve. For example, a one-time transfer amount has been established by the staff Budget Committee as part of the 2024-2026 budget development process, funded from RIM Park Investment Reserve surplus. This surplus reallocation opportunity is being recommended by the Budget Committee to provide necessary funding to support various key initiatives within the 2024-2026 budget without adding additional ongoing pressure to the property tax base.

Addressing Climate Change in a meaningful way is a priority for the City of Waterloo. In May 2021, as part of the TransformWR Community Climate Action Plan, Council supported a greenhouse gas emissions (GHG) reduction target of 50% by 2030 and 80% by 2050. On October 16, 2023, Council approved an updated target of “net zero” by 2050 to align with the Federal target.

Work has begun on the implementation of the TransformWR Community Climate Action Plan, as well as the development of the City's Corporate Climate Action Plan (CorCAP), with the final CorCAP expected to be brought forward in early 2024. The primary purpose of the CorCAP is to plan a detailed and integrated corporate approach to reducing the City's corporate GHG emissions, in line with the reduction targets. However, work is already underway. For example, in September 2021 City staff prepared a GHG reduction roadmap for City-owned facilities, outlining the building system retrofits to achieve these significant GHG emission reductions. Using principles identified in the GHG reduction roadmap, City staff updated the City's Green Building Policy (A-033) to align with the building measures and retrofits required to meet the GHG reduction levels, including preparing all new buildings as "zero carbon ready" buildings. The approximate cost of these GHG improvements is expected to be in the range of \$40 million. To continue to increase the newly established ongoing funding stream for the Climate Action Reserve Fund (CARF), staff are recommending the allocation of 25% of any final annual reported property tax surplus be transferred to CARF, as well as 25% of any annual investment income surplus.

Funding for sustainability and climate change includes more than just CARF funding. For example, many rehabilitation/replacement projects funded by CIRRF contain elements of "like-for-modern-equivalent" which provide climate benefits along with replacing the aging asset (e.g. replacing high-pressure sodium (HPS) decorative street light bulbs with Light Emitting Diode (LED) bulbs). Our enterprises (i.e. Stormwater) deliver numerous programs and capital projects that support sustainability through measures like flood control and environmental compliance. Grants also play a significant role in helping the City achieve its climate change targets because tackling the climate crisis requires support from all levels of government and private enterprises. While significant progress has been made through the creation of CARF and other contributing funding sources, future increased additional capital investment will be required to achieve these ambitious targets. Consideration and prioritization of increased sustainability and climate change funding will need to be included in future budget processes with recommendations brought forward for Council's consideration and approval, including the potential leveraging of debt to advance projects, such as Transformational Change at City Buildings. The staff tabled 2024-2026 budget will be released on December 11, 2023. In addition, and in recognition of the fact that municipalities cannot solve the climate crisis alone, ongoing advocacy to senior levels of government, and leveraging of grants opportunities will continue.

As part of the 2023 budget process, staff along with our consultant (Hemson Consulting Ltd.) were preparing a new Development Charges (DC) background study. Staff initially committed to a full DC by-law update throughout 2023, for a 2024 implementation date (to align with the 2024-2026 three-year budget approval process). However, various Bills were passed in 2019 and 2020 that impacted DCs (Bill 108, 138, 197, 213, 109). They resulted in a number of changes including the removal of certain services within the DC Act, while also providing the ability to develop a new Community Benefits Charge (CBC). The legislated transition for certain services from the DCA to the CBC was Sept 18, 2022. As a result, staff were developing a CBC study and by-law in 2022

for implementation in 2023. Due to both the CBC and DC using many of the same inputs, it was determined that coordinating both the CBC and DC studies and updating the by-laws would be beneficial, with the aim of then returning both studies and by-law updates to a four year cycle, in conjunction with the three-year budget process.

On October 25, 2022, the provincial government introduced proposed legislative changes through Bill 23, More Homes Built Faster Act that are highly consequential to land use planning, at both the City and Regional levels, and negatively impact the City's (and Region's) ability to fund and/or collect for growth infrastructure needs. Given the significant financial impacts of Bill 23, undermining the financial capacity of municipalities to fully support growth, staff paused the work on the DC by-law and background study update. Therefore, the 2019 Development Charges By-Law is still in effect and has been used in the development of the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast. The date of the next DC by-law and background study update has not yet been determined. Staff are awaiting the provincial findings of the ongoing Development Charge revenue and reserve review being conducted by Ernst & Young LLP, auditing the finances of six Ontario municipalities including City of Toronto, Peel Region, Mississauga, Caledon, Brampton, and Newmarket. The first phase of the audit is expected to conclude around the end of 2023. This will be a critical input into determining how municipalities will be made whole for the financial impacts of Bill 23 as originally committed by the province in November 2022. These results will also have significant influence on when staff recommended the DC by-law and background study be updated.

B. Financial Implications

Any transaction outside of the approved budget or reserve and reserve fund policies that impacts a reserve or reserve fund requires Council approval. In addition, Council must approve any changes to established reserve and reserve fund policies. Staff monitor the reserves and reserve funds frequently, and report to Council annually, to update Council on balances, projections and recommended policy amendments.

Reserve and reserve fund balances change frequently and are dependent upon many factors. It is essential to monitor them regularly, and adjust when necessary, to ensure adequate funding is available when needed and to plan for the future. Reserve and reserve fund balance changes can also be cyclical, with little to no spending in some years to allow the reserve balance to increase, saving towards a larger project that then draws down the reserve balance. When choosing to access reserves and reserve funds, short-term needs must be weighed against long-term goals and forecasted commitments.

This report contains a brief analysis for each reserve and reserve fund. In addition, a graph has been included for each to provide a snapshot of the history from 2018 to present day, as well as a projection for each reserve and reserve fund out to 2033, in alignment with the 10-year capital budget projection.

Unless otherwise stated, the projections in the graphs are based on the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast. 2023 actuals, to the end of October

2023, have also been included. The projections for future years remain subject to the operating and capital budget approval process. Total reserve and reserve fund balances over the 10-year projection fluctuate annually based on spending needs. The 2023 projected cumulative year-end balance is \$98 million, down slightly compared to 2022 (2022 projected cumulative year-end balance was \$101 million).

This report was presented and discussed at Audit Committee on November 2, 2023.

C. Technology Implications

None.

D. Link to Strategic Plan

(Strategic Objectives: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

The Reserve and Reserve Fund balances and policies are heavily linked to, and influenced by, the 2023-2026 Strategic Plan, through the guiding principle of Operational Excellence. However, the capital projects undertaken by the City that feed into the projections of this report will encompass work under all of the strategic priorities and objectives.

E. Previous Reports on this Topic

- CORP2022-049 Reserves and Reserve Funds Annual Update (2022)
- CORP2021-037 Reserves and Reserve Funds Annual Update (2021)
- CORP2020-053 Reserves and Reserve Funds Annual Update (2020)
- CORP2019-060 Reserves and Reserve Funds Annual Update (2019)



Reserves and Reserve Funds Annual Update CORP2023-043

Background:

Reserves and reserve funds are important long-term financial planning tools for municipalities, and are used to set aside funds for a future purpose. Many of the reserves and reserve funds have funding allocations included in the annual operating budget. Under section 417(1) of the Municipal Act, municipalities have the authority to provide for reserves / reserve funds in annual budgets for any purpose for which it has authority to spend money.

Reserves are established by approval of Council, and are not restricted by legislation, but would require Council approval for any change. They can be related to projects that are of a nature prescribed and managed by approval of Council.

Reserve funds are often restricted by municipal by-laws or agreements and receive an annual interest allocation based on the average annual balance. The City has two classifications of reserve funds: obligatory reserve funds and discretionary reserve funds. Further information on the distinction between these two classifications is provided in the pages that follow.

There are a number of instances where using reserves or reserve funds is appropriate. These include:

- the replacement /rehabilitation of existing City assets, e.g. Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
- long term financial planning for new assets, e.g. Capital Reserve Fund (CRF)
- to provide tax stability, to smooth tax rate impacts, e.g. Tax Rate Stabilization Reserve (TRS)
- managing debt levels, to plan for the impact and financing of major capital projects over time, e.g. Library Expansion and Rehabilitation Reserve Fund (LXPR)
- absorbing the cost of one-time expenses not included in the budget, e.g. Council's Community Priority and Contingency Reserve (CCPC)
- to contribute to the provision of services, e.g. Winter Control Reserve (WC)
- to fund known future obligations, e.g. RIM Park Investment Reserve (RIM)

It is sound financial practice to have fewer reserves but with a broader scope in order to provide flexibility in managing the funds and to reduce the administrative work.

Funds can only be transferred between reserves and/or reserve funds with Council approval. If Council should decide to spend the money from a discretionary reserve fund for purposes other than what it was originally intended for, then a by-law must be passed under section 417 (4) of the Municipal Act.

Reserve Consolidation and the Long Term Financial Plan:

In 2018, along with the development of the Long Term Financial Plan Model (LTFP), Council approved various reserve and reserve fund related recommendations that have provided a basis on which staff could begin a forward looking analysis of reserve levels and contributions to address the City's needs over the next 25 years through the development of the LTFP. These recommendations included reserve and reserve fund consolidations, the reallocation of contributions, and updates to Financial Control policies. A number of key needs were considered during the development of LTFP as it related to reserve levels:

- the need to address both funding for growth and funding for rehabilitation and finding an appropriate balance
- the need to reconsider existing contribution levels, and whether current allocations were appropriate for future needs
- the need to ensure that sustainable funding exists for reserves so that the need to access contingency funding is reduced
- the need to minimize the pressure to the tax rate resulting from contribution level changes

Updates to the LTFP are made with each three-year budget cycle to capture the changes resulting from decisions made, the staff tabled capital and operating budget projections, and the financial and asset management impact that these changes are anticipated to have over the long term. These updates are provided as a part of the budget information for Council's consideration. The first such update was provided as a part of the 2020-2022 Budget via CORP2019-075, while the next update will be provided to Council on December 11, 2023 as part of the 2024-2026 budget.

RESERVES and RESERVE FUNDS OVERVIEW:

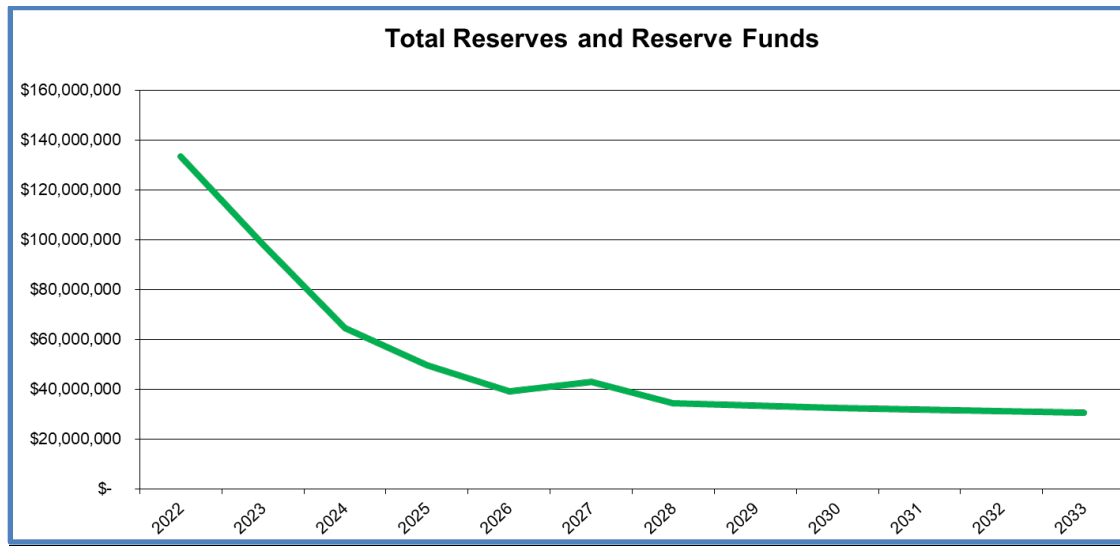
The cumulative dollars in all of the reserves and reserves funds is projected to decrease by approximately \$34 million in 2024 over the 2023 projected ending balance as we undertake the capital program outlined in the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast. In some cases, projects originally planned for 2023 were deferred and have been re-budgeted into the new staff tabled 2024-2026 Capital Budget. Individually, however, the reserves and reserve funds balances fluctuate annually, with some higher and some lower than the previous year.

The projected balances are not fixed and there are a number of considerations that will influence these balances going forward. For example, capital projects, while assumed for the purposes of this report to occur in the year budgeted (beyond 2023), may be deferred in some degree for various reasons through the regular course of business. In addition, there are many ways that Council's decisions can impact the balances, for example, during the development of a DC background study Council could opt to utilize debentures to help to offset the planned development charges spending. Council could also choose to direct future net ILA land sale proceeds to the Capital Infrastructure Reinvestment Reserve Fund to help address the infrastructure deficit, along with other uses, such as Affordable Housing support within CCPC, or, prioritizing additional funds to CARF to further support 50 by 30 and net zero by 50 attainment actions.

These and many other factors are within Council's purview and Council has made, and continues to make, significant and positive changes to the reserve and reserve fund policies, structure, and levels, to ensure that we are making the best use of these financial resources.

Table 1: 2023-2033 Projected Ending Balances

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Total Obligatory Reserve Funds	\$ 47,530,856	\$ 31,171,959	\$ 23,421,961	\$ 14,473,997	\$ 7,984,351	\$ (6,646,955)	\$ (15,870,172)	\$ (21,069,891)	\$ (25,977,503)	\$ (32,961,874)	\$ (40,618,624)
Total Discretionary Reserve Funds	\$ (747,481)	\$ (10,313,668)	\$ (16,381,826)	\$ (14,980,178)	\$ (1,191,041)	\$ 9,001,297	\$ 14,906,411	\$ 21,250,545	\$ 26,687,403	\$ 33,016,550	\$ 37,951,889
Total Reserves	\$ 51,457,947	\$ 43,700,560	\$ 42,704,960	\$ 39,809,050	\$ 36,305,341	\$ 31,931,273	\$ 34,303,703	\$ 32,253,620	\$ 31,253,192	\$ 31,184,864	\$ 33,253,277
Grand Total	\$ 98,241,323	\$ 64,558,851	\$ 49,745,095	\$ 39,302,869	\$ 43,098,651	\$ 34,285,615	\$ 33,339,942	\$ 32,434,274	\$ 31,963,093	\$ 31,239,540	\$ 30,586,542

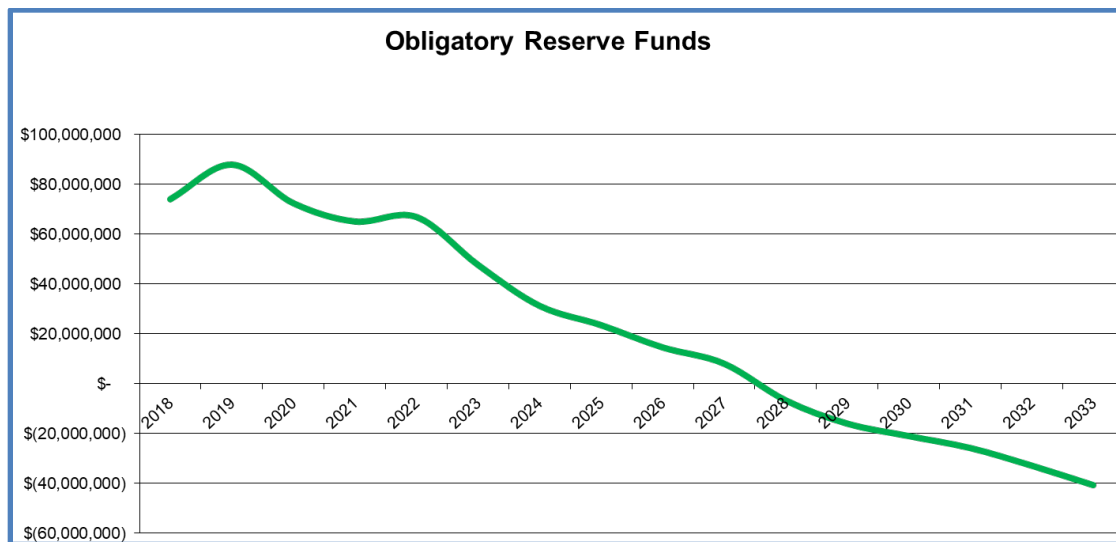
Graph 1: 2022-2033 Projected Ending Balances

OBLIGATORY RESERVE FUNDS ANALYSIS, HISTORY and FORECAST:

Obligatory reserve funds are restricted by provincial legislation, or agreements. These funds are legally restrictive as the funds are raised for a specific purpose and cannot be used for any other purpose.

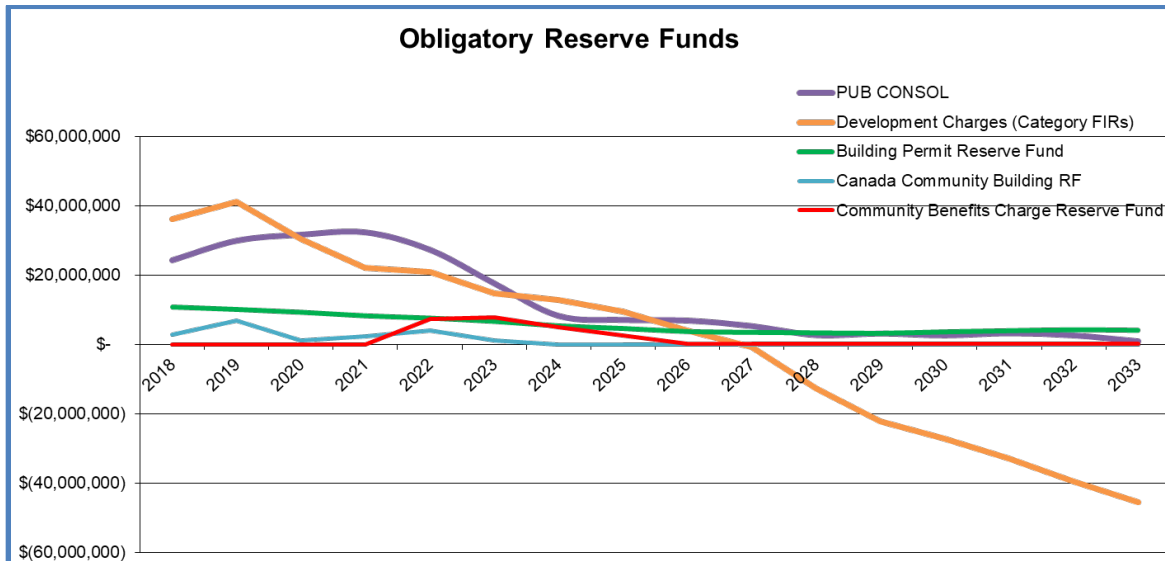
The total obligatory reserve fund balance, as shown on the green line in graph 2 below, is projected to decrease by approximately \$19 million from 2022 to 2023. This is mainly due to the planned DC-Parks/Indoor Rec capital program, and the Parkland Dedication Reserve Fund capital program. A significant active Parks capital program, as the City moves forward with projects originally deferred during the pandemic, has resulted in a higher year-end return of funding to the reserve funds in 2022 due to year-end accounting treatments. These funds were then reissued to the projects in 2023, drawing down the balances. As projected returns for 2023 cannot yet be determined, a pronounced difference between the two years is reflected.

Graph 2: 2018-2033, projected obligatory reserve fund levels, including debentures



It should also be noted that the total obligatory reserve fund balances over the 10-year projection do enter and remain in a deficit position in 2028 for the duration of the 10-year forecast. The development charges balances can be clearly seen as driving this difference in graph 3, which shows the projected trend for the individual obligatory reserve funds.

Graph 3: 2018-2033, projected obligatory reserve fund levels, by reserve fund, including debentures



The Consolidated DC Reserve Fund balances are projected to enter a deficit position, driven mainly by the budgeted timing of the Beaver Creek Road and Conservation Drive Reconstruction project. The City needs to have the funds available when development warrants moving forward with the project, however, this timing is difficult to predict. The project has been re-budgeted in the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast, currently projected at \$77.6 million over 2024-2026, and the status of the project will be reviewed regularly. Debentures have been projected to be utilized for the DC portion of this project, with repayment over 10 years. When this project begins to move forward, finance staff will be working with the implementation division of the project on the timing of funding release/cash flow as the project progresses, to minimize any DC reserve fund deficit.

The Development Charges Reserve Fund policy requires a management review of projects requesting funding release when DC revenues are not achieving cumulative revenue thresholds. Finance monitor's the DC reserve balances, DC collections, and DC capital funding on a monthly basis and reviews this with ECMT on a quarterly basis to ensure growth targets are being met, and will potentially recommend changes to the timing of budgeted projects if anticipated revenues are not achieved. Actual revenue attainment for 2023 is trending behind, with attainment at 45% as of October data, however, is at 87% attainment over the current by-law period 2020-2023 YTD, which is the more important figure as DC collections can fluctuate year-over-year.

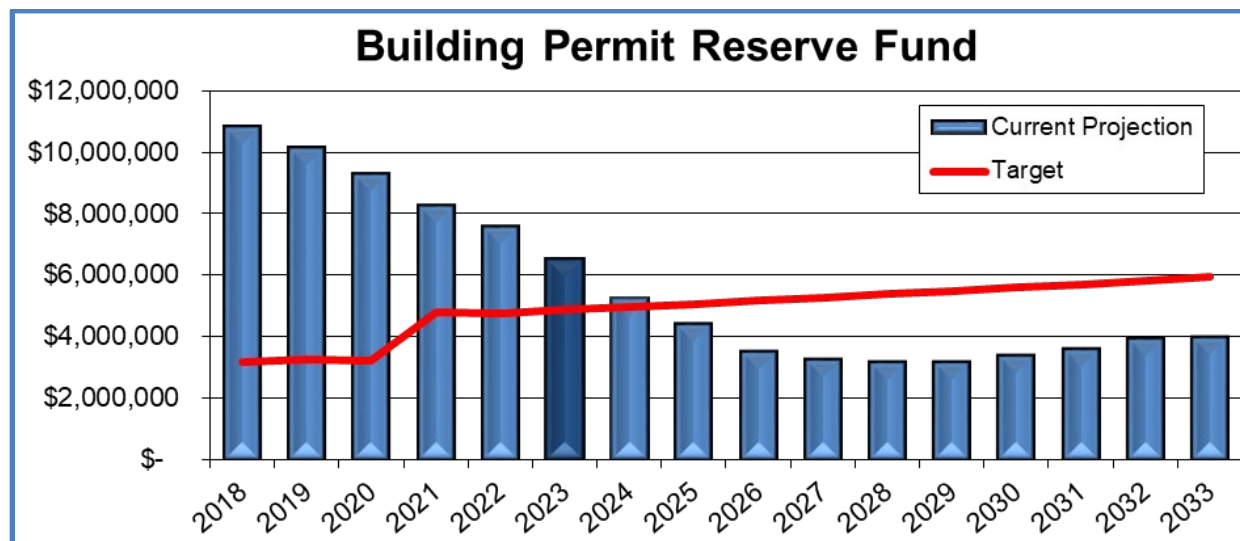
A key point to be aware of is that the current DC Background Study shows the recovery of the deficit balances over the full projection period, out to 2041. As the graph above is only the projection for the next 10 years, this recovery is not fully captured within the graph timeline. It is also important to note that DC balances, positive or negative, do not impact the tax base.

Building Permit (BLD) - established to provide for capital expenditures and revenue stabilization, as is required under the Building Code Act.

In 2021, BMA Management Inc. (BMA) conducted a fee review and made recommendations with respect to building permit fees and reserve policies. This included benchmarking of all fees with 10 peer municipalities. The BMA fee review determined the City of Waterloo's Building Standards division fees and charges were significantly below the peer municipalities and there was a need to increase building permit fees to support full cost recovery. BMA recommended a phase-in strategy to increasing fees, as reserve funds were available in the short term. On October 18, 2021, through report IPPW2021-058, council approved adopting BMA's option of a 12% increase effective January 1, 2022. On December 12, 2022, through report IPPW2022-056 council approved a subsequent 12% increase effective January 1, 2023.

Staff have developed a 10-year Building Standards financial model, based on staff estimates of future permit activity and forecasted rates. Staff will bring forward the 2024 Building Standards fees and charges report on December 11, 2023 and return each year thereafter seeking approval for rate increases in subsequent years, making any changes to the forecast and recommendations as necessary, based on updated actuals, ongoing construction activity, growth projections and staffing resource needs.

An operational deficit of \$1,145,000 is anticipated to draw on the reserve fund in 2023. The projected ending balance for 2023 is \$6,534,000.



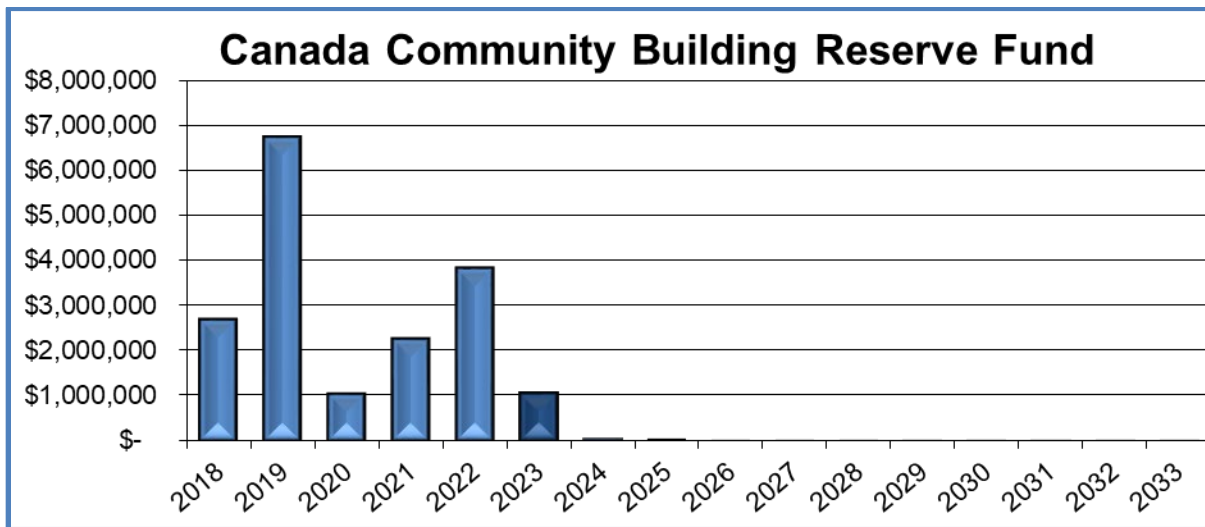
Canada Community-Building (CCBF) - provides funding for investments in Environmentally Sustainable Municipal Infrastructure (ESMI) Projects, and Capacity Building Projects, as per the Agreement for the Transfer of Federal Gasoline Tax Revenues.

In December of 2011, the Federal Gas Tax Funding (now Canada Community-Building Fund) became a permanent source of predictable infrastructure funding with the passage of Bill C-13 (Keeping Canada's Economy and Jobs Growing Act). It should also be noted that Municipalities have up to five years from the receipt of funding to spend the funds on eligible projects. Staff will continue to monitor the use of this reserve fund to ensure we are using the funds within this timeframe.

On June 29, 2021, the Federal government announced that the Gas Tax Fund had been renamed to the Canada Community-Building Fund to better align with the program's ongoing development, however, the requirements of the program remain unchanged. In December 2021, Council approved renaming the City's Gas Tax Reserve Fund (GTR) to the Canada Community-Building Reserve Fund (CCBF) in alignment with the Federal direction.

In total for 2023, we anticipate receiving \$3,474,000 in Canada Community-Building funding and are projecting to spend \$6,932,000. The projected ending balance in 2023 is \$1,041,000.

The historical figures in this graph take into consideration that as part of the year-end accounting process unspent CCBF funding is returned to the reserve fund, allocated interest revenue, and then reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted, and will be fully utilized each year, therefore, the balance shown over 2024-2033 is \$0.

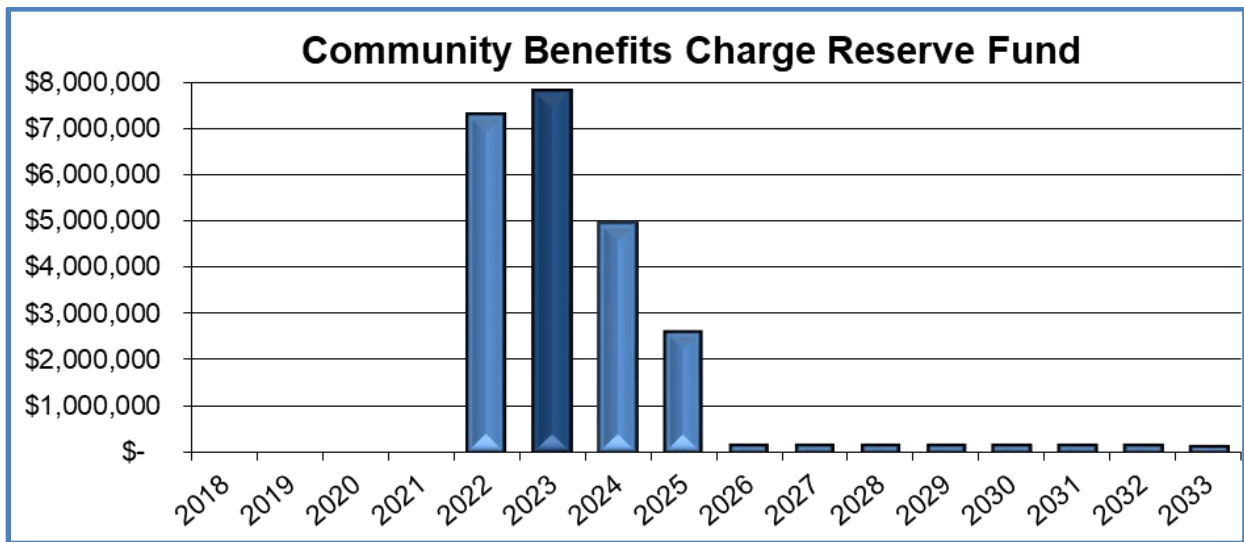


Community Benefits Charge (CBC) - provides funding for growth related capital projects resulting from higher density development not otherwise provided for by development charges or cash in lieu of parkland provisions.

On September 26, 2022, Council approved the establishment of the Community Benefits Charge Reserve Fund, through a transfer of the closing balances (effective September 18, 2022) of the DC-Parking Reserve Fund, the DC-Cemeteries Reserve Fund, and the legacy Section 37 Density Bonusing accounts. In addition, Council approved the Community Benefits Charge By-law. On December 12, 2022, Council also approved the Community Benefits Charge Reserve Fund Policy.

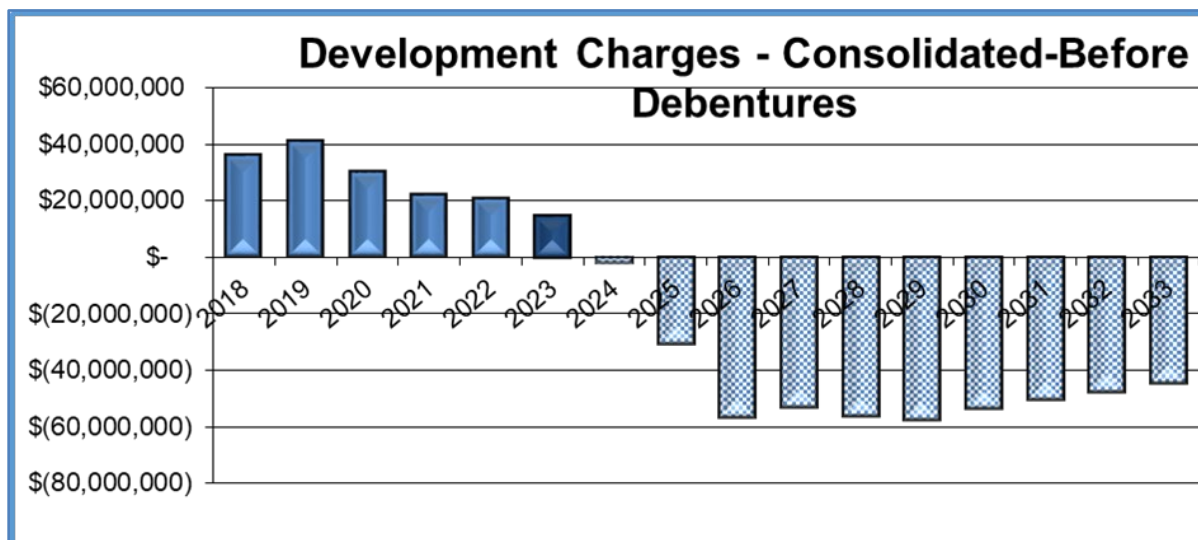
The growth-related forecast for City services included in the Community Benefits Charges Strategy was approved in principle, subject to annual review through the City's budget process.

The graph assumes funding will be spent in the year budgeted, drawing down the balance as spending is phased over 2024-2026.



Development Charges (DC) - Consolidated - provide financing for growth-related projects as detailed in the DC Background Study and By-law. A DC update is required every 10 years. The DC Reserve Fund is split into several reserve funds, by service type, and these funds are detailed on the following pages. DC reserve fund balances should be in a positive position by the end of the DC forecast period, though deficit balances can be carried forward to the next DC Background Study and By-law update. It is important to note that within the DC Background Study, initial spending in engineered services (roads, water, sanitary, storm) is projected to be recovered over many years, out to 2042, which results in deficit balances in the early and middle years of the projection and in the DC graphs included in this report, which project forward only 10 years.

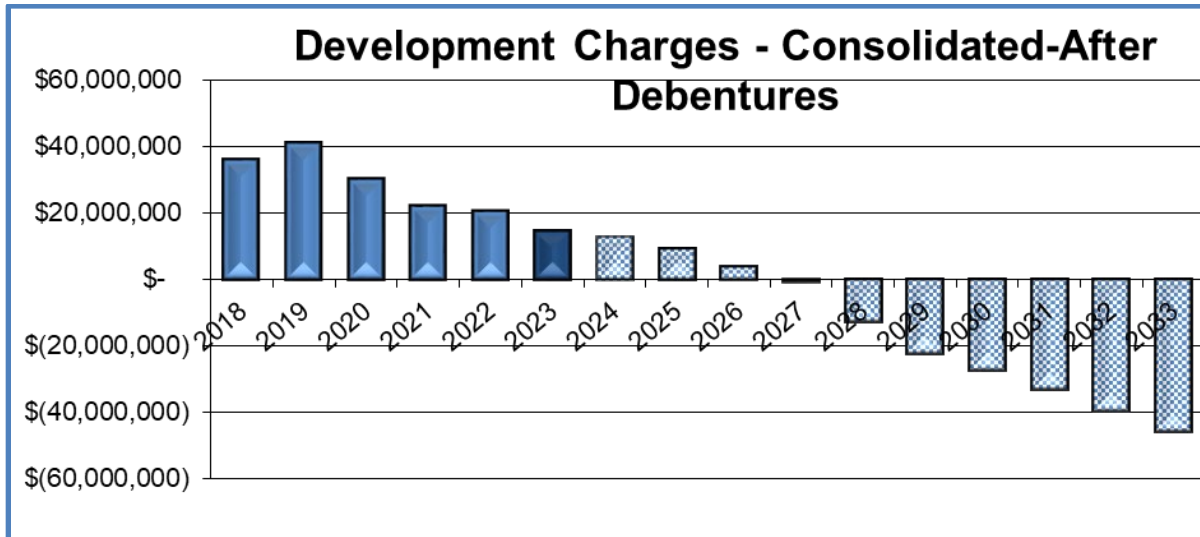
The historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve funds, allocated interest and reissued to the capital projects at the beginning of the following year.



The consolidated DC Reserve Fund balance enters a deficit position due mainly to the large planned project included in the early years of the DC Background Study, the Beaver Creek Road and Conservation Drive Reconstruction, currently budgeted at \$77.6 million over 2024-2026. When the Beaver Creek project begins to move forward, finance staff will work with the implementation division of the project on the timing of funding release/cash flow as the project progresses, to minimize any DC reserve fund deficit.

The staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast, includes projected DC debentures for the Beaver Creek and Fire Expansion projects, along with debenture repayments. If these projects get underway and the City opts to move forward with the debentures, this will change the 10-year projection as per the graph

below, with the consolidated reserves funds maintaining a positive position in the short term (2024-2026) and a more gradual increase of the deficit balance in the outer years of the projection.



Various Bills passed in 2019 and 2020 have impacted DCs (Bill 108, 138, 197, 213, and 109). These bills resulted in a number of changes, including the removal of certain services within the DC Act, while also providing the ability to develop a new Community Benefits Charge (CBC). As part of the 2023 budget process, staff along with our consultant (Hemson Consulting Ltd.) were preparing a new Development Charges (DC) background study, however, on October 25, 2022, the provincial government introduced legislative changes through Bill 23, More Homes Built Faster Act that would negatively impact the City's (and Region's) ability to fund and/or collect for growth infrastructure needs. Given the significant financial impacts of Bill 23, staff paused the work on the Development Charges By-Law background study update to provide more time to fully understand all the financial implications of Bill 23, seek solutions, and advise Council accordingly. Therefore, the 2019 Development Charges By-Law is still in effect and has been used for the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast projections. The timing of the next DC background study update has not yet been determined. Staff are awaiting the provincial findings of the ongoing Development Charge revenue and reserve review being conducted by Ernst & Young LLP, auditing the finances of six Ontario municipalities including City of Toronto, Peel Region, Mississauga, Caledon, Brampton, and Newmarket. The first phase of the audit is expected to conclude around the end of 2023. This will be a critical input into determining how municipalities will be made whole for the financial impacts of Bill 23 as originally committed by the province in November 2022. These results will also have significant influence on when staff recommended the DC by-law and background study be updated.

Finance monitor's the DC reserve balances, collections, and capital funding on a monthly basis and ECMT reviews quarterly to ensure growth targets are being met, potentially recommending changes to the timing of budgeted projects if anticipated revenues are not achieved. Actual revenue attainment for 2023 has been slower than anticipated with attainment at 45% of budget (October YTD). However, DC revenue attainment is at 87% over the current by-law period 2020-2023 YTD, which is the more important figure as DC collections can fluctuate year-over-year.

The projected consolidated ending balance in 2023 is \$14,591,000.

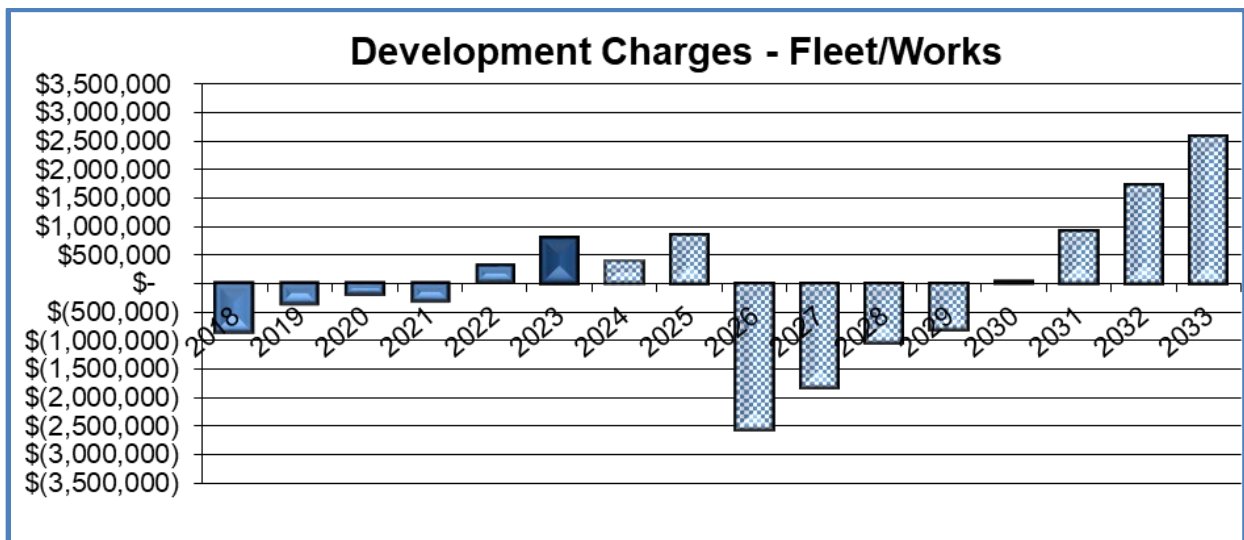
DC - Fleet / Works - a reserve fund established in 2018 to better isolate revenues and expenses tied to Public Works and Fleet services, and to align with the service groupings in the 2017 DC Background Study. Prior to 2018, these revenues and expenses were grouped with DC-Parking.

The reserve fund is projected to enter a deficit position due to the staff tabled capital program, specifically a Mini Operations Centre on the West Side of the City, currently estimated to get underway in 2026. The balance is anticipated to see gradual recovery through future development charges collection, by the end of the 10-year projection period.

COVID-19 restrictions resulted in a decrease in DC revenues in 2021, however 2022 saw a rebound, with revenue attainment of 137% of budget. 2023 is currently trending behind budget with 45% attainment against budget year to date (October YTD).

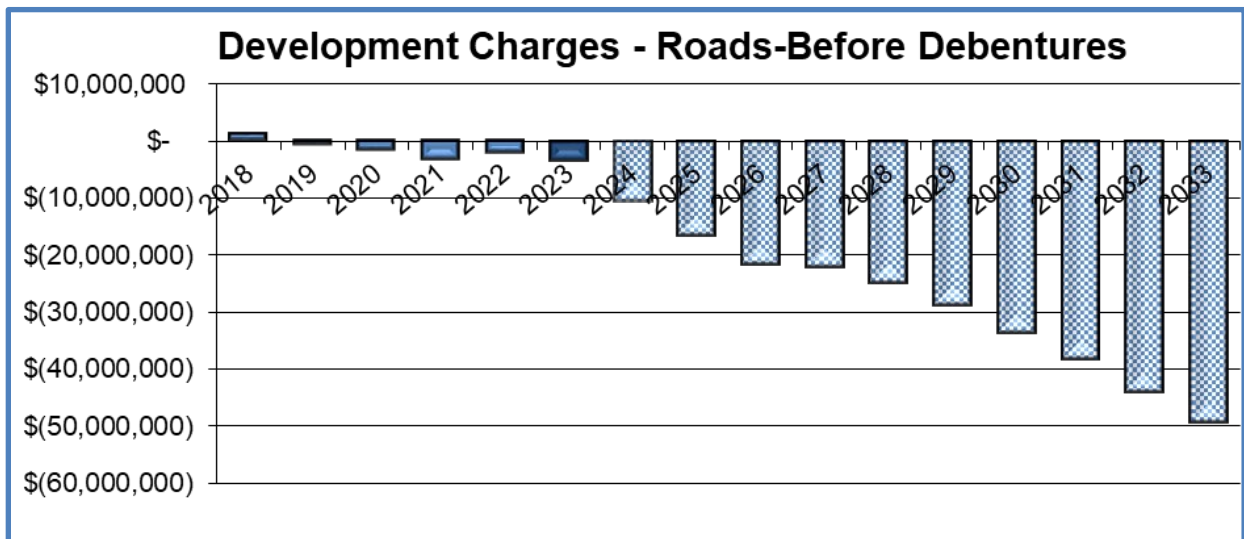
For 2023, it is budgeted that we will collect \$882,000 in DC-Fleet/Works revenue, and we anticipate spending \$403,000. The projected ending balance in 2023 is \$810,000.

Beginning in 2019 the historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve fund, allocated interest and reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted.

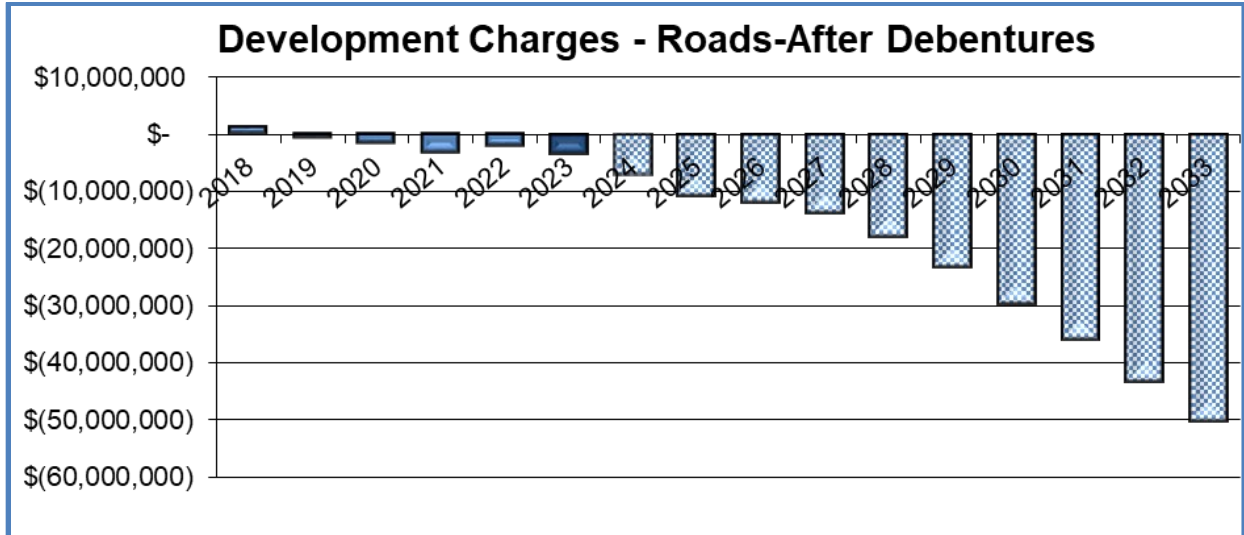


DC - Roads entered a deficit position in 2019 as planned through the 2019 DC Background Study. The deficit balance increases over the projection due to a number of planned projects, such as the Ira Needles Boulevard By-Pass, Columbia St, and Trails and Bikeways Master Plan Implementation, with the a significant planned driver of the balance being the Beaver Creek Reconstruction. It is anticipated recovery of the initial deficit balance in this engineered service will occur over many years, likely out to 2042. As this is outside the projection period in the graph below, the graph reflects a deficit position over the full forecast.

The historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve fund, allocated interest and reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted.



The staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast, includes projected DC-Roads debentures for the Beaver Creek Reconstruction project. Should this project get underway and the City opts to move forward with the debentures, this will change the 10 year DC-Roads reserve fund projection above in the short term (2024-2028), as per the updated graph below, with a slightly shallower curve after factoring in the debenture proceeds and repayment.

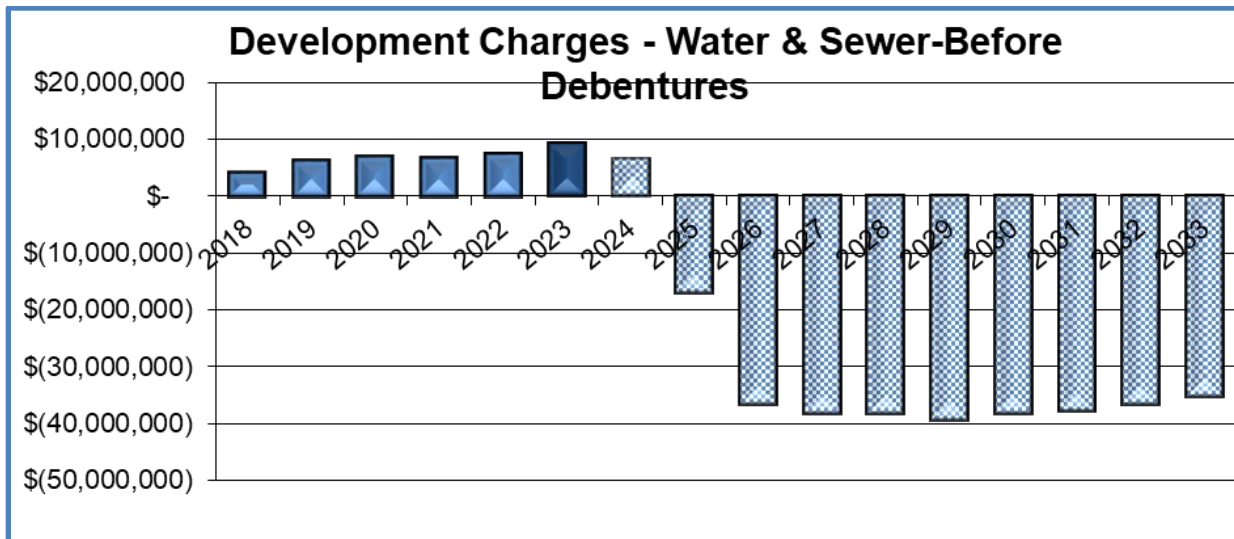


COVID-19 restrictions resulted in a decrease in DC revenues in 2021, however 2022 saw a rebound, with revenue attainment of 137% of budget. 2023 is currently trending behind budget with 45% attainment against budget year to date (October YTD).

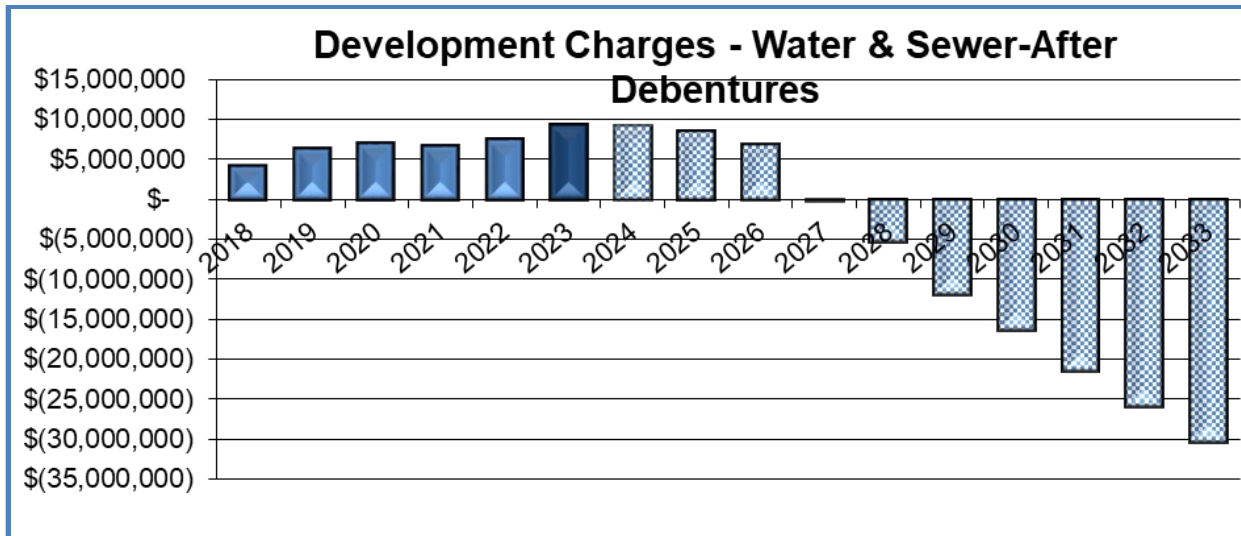
For 2023, it is budgeted that we will collect \$2,886,000 in DC-Roads revenue, and we anticipate spending \$4,174,000, including capital expenditures and debentures repayment. The projected ending balance in 2023 is -\$3,312,000.

DC - Water / Sewer is projected to enter a deficit position in 2025, and the deficit balance is expected to increase over the next few years following, driven mainly by the Beaver Creek Reconstruction. While a new DC Background study is still to be developed, it is anticipated recovery of the deficit balance in this engineered service will occur over many years, likely out to 2042. As this is outside the projection period in the graph below, the graph reflects a deficit position over the full forecast.

The historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve fund, allocated interest and reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted.



The staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast includes projected DC-Water & Sewer debentures for the Beaver Creek Reconstruction project. If this project get underway and the City opts to moves forward with the debentures, this will significantly change the 10 year DC-Water & Sewer reserve fund projection above, as per the updated graph below, with the reserve fund not projected to enter a deficit position until 2028, and a more gradual increase of the projected deficit balance, after factoring in the debenture proceeds and repayment.

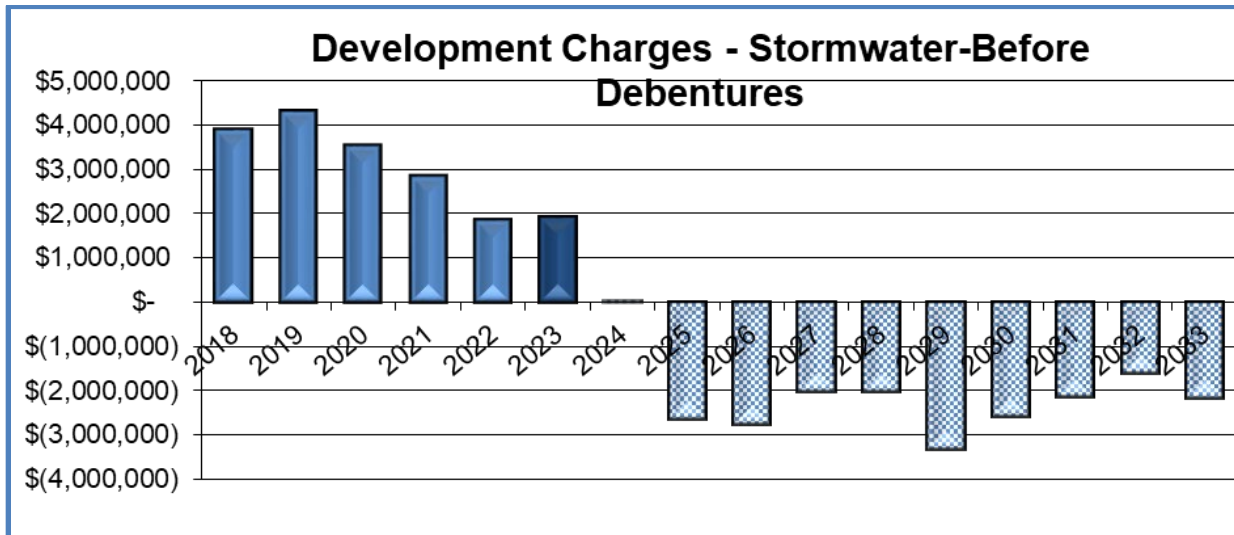


COVID-19 restrictions resulted in a decrease in DC revenues in 2021, however 2022 saw a rebound, with revenue attainment of 137% of budget. 2023 is currently trending behind budget with 45% attainment against budget year to date (October YTD).

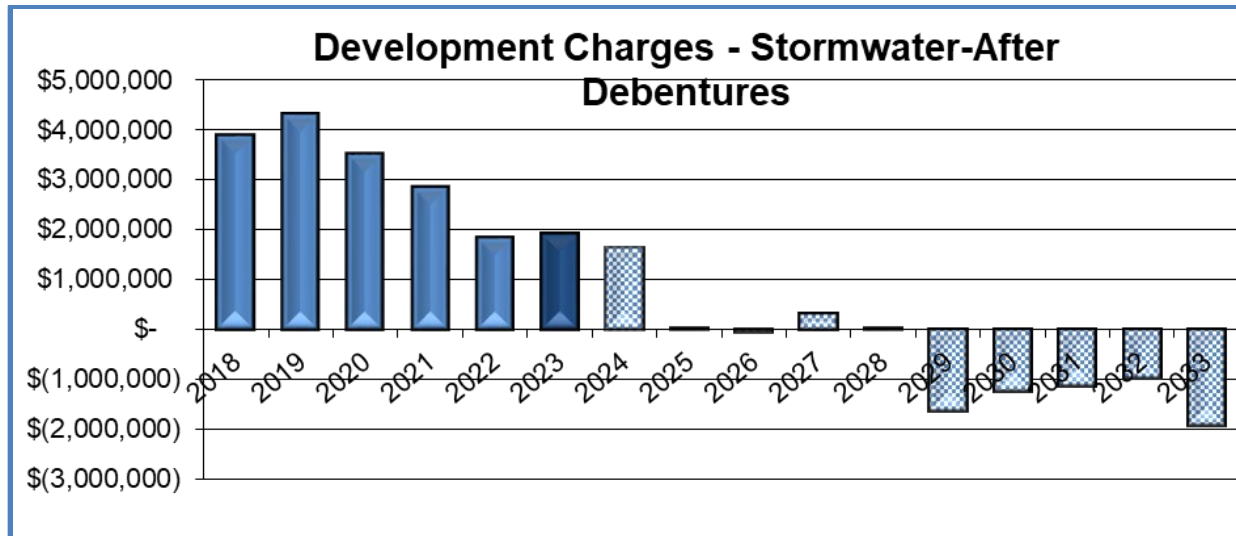
For 2023, it is budgeted that we will collect \$2,613,000 in DC-Water/Sewer revenue, and we anticipate spending \$982,000, including capital expenditures and debentures repayment. The projected ending balance in 2023 is \$9,395,000.

DC - Stormwater is projected to enter a deficit position beginning in 2025 driven mainly by the Beaver Creek and Union St Reconstruction projects. As with all of the engineered services, the initial deficit balance is anticipated to be recovered over many years, beyond the ten-year projection of the graph below.

The historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve fund, allocated interest, and reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted.



The staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast includes projected DC-Stormwater debentures for the Beaver Creek Reconstruction project. Should this project get underway and the City opts to move forward with the debentures, this will impact the 10 year DC-Stormwater reserve fund projection above, as per the updated graph below, with the reserve fund not projected to sustain a deficit position until 2029, after factoring in the debenture proceeds and repayment.



COVID-19 restrictions resulted in a decrease in DC revenues in 2021, however 2022 saw a rebound, with revenue attainment of 137% of budget. 2023 is currently trending behind budget with 45% attainment against budget year to date (October YTD).

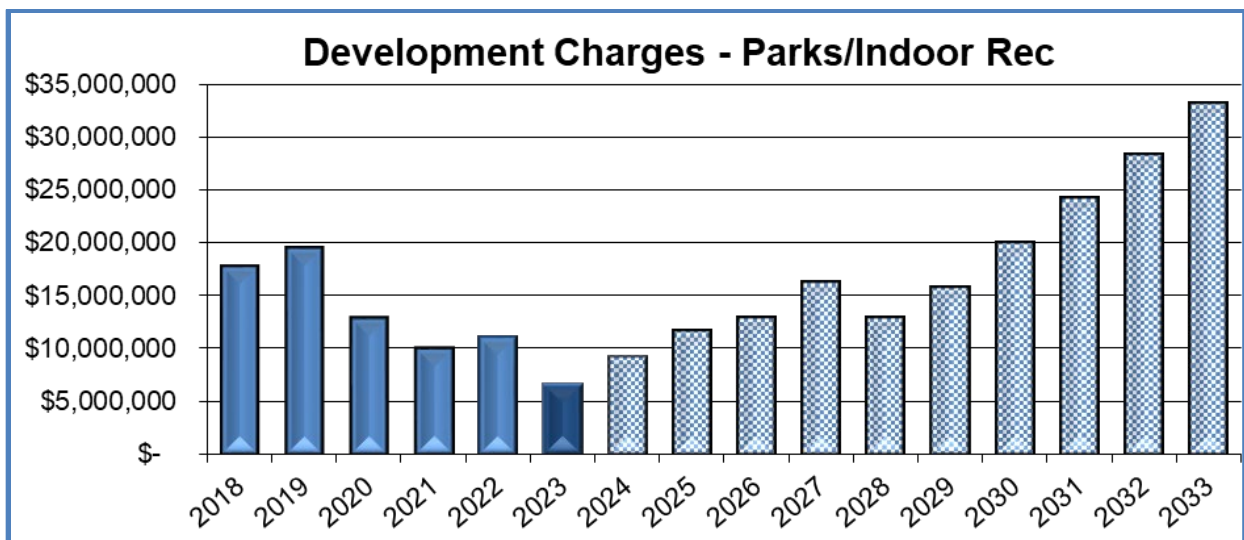
For 2023, it is budgeted that we will collect \$1,281,000 in DC-Stormwater revenue, and we anticipate spending \$1,261,000, including capital expenditures and debentures repayment. The projected ending balance in 2023 is \$1,925,000.

DC - Parks / Indoor Rec was significantly drawn down over the last few years due to the Waterloo Memorial Recreation Complex Addition and Repurposing project, however, the balance has remained in a positive position. Comparatively smaller projects planned for the next 5-7 years, will allow for the full recovery of the balance to previous levels.

COVID-19 restrictions resulted in a decrease in DC revenues in 2021, however 2022 saw a rebound, with revenue attainment of 137% of budget. 2023 is currently trending behind budget with 45% attainment against budget year to date (October YTD).

For 2023, it is budgeted that we will collect \$3,901,000 in DC-Parks/Indoor Rec revenue, and we anticipate spending \$8,600,000. The projected ending balance in 2023 is \$6,541,000.

The historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve fund, allocated interest and reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted.



DC – Library is for funding new or expanded facilities as well as books and other media.

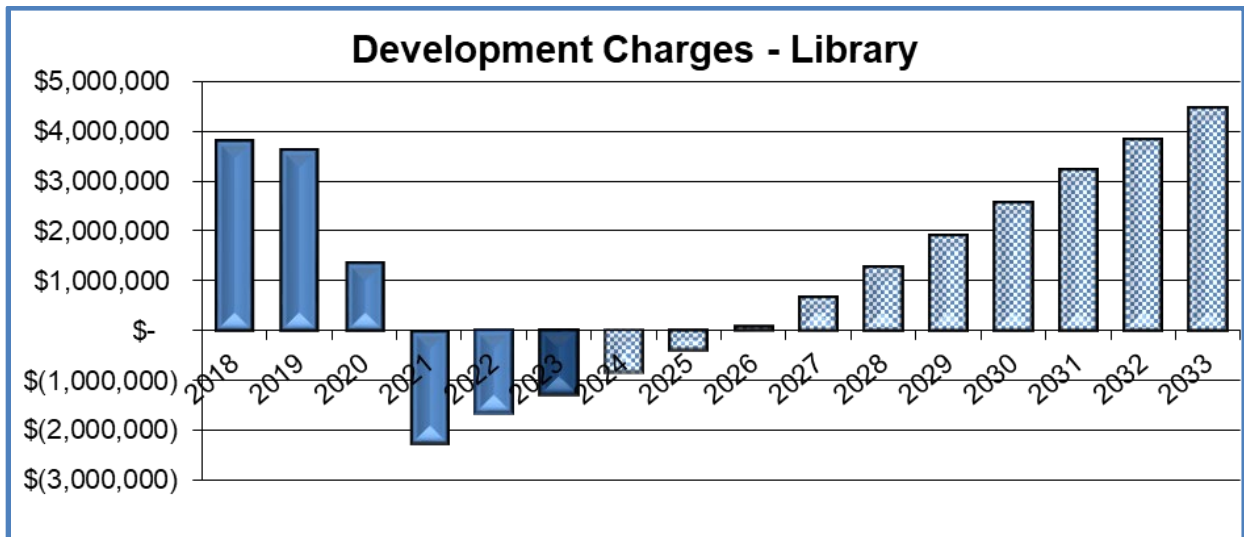
The DC-Library reserve fund entered a deficit position as a result of the East Side Branch Library project, and is forecast to be recovered within the ten-year projection

The need for further Library expansion (Albert McCormick and Main Branches) has also been identified, and potential funding options will be considered through the 2024-2026 budget and future budget and DC By-law update processes.

COVID-19 restrictions resulted in a decrease in DC revenues in 2021, however 2022 saw a rebound, with revenue attainment of 137% of budget. 2023 is currently trending behind budget with 45% attainment against budget year to date (October YTD).

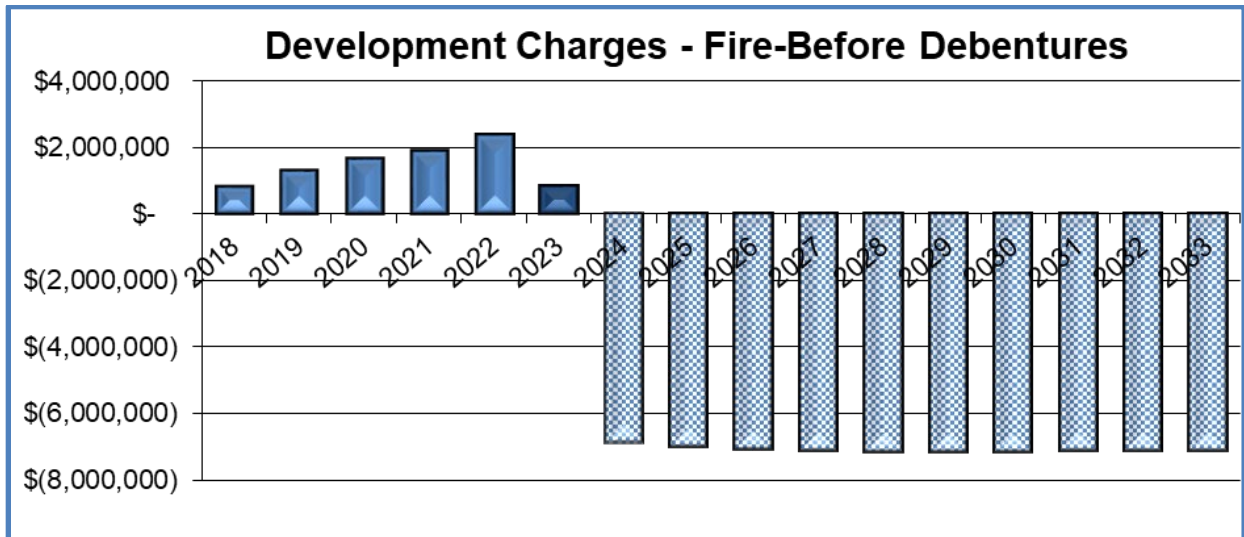
For 2023, it is budgeted that we will collect \$683,000 in DC-Library revenue, and we anticipate spending \$281,000. The projected ending balance in 2023 is -\$1,271,000.

The historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve fund, allocated interest and reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted.

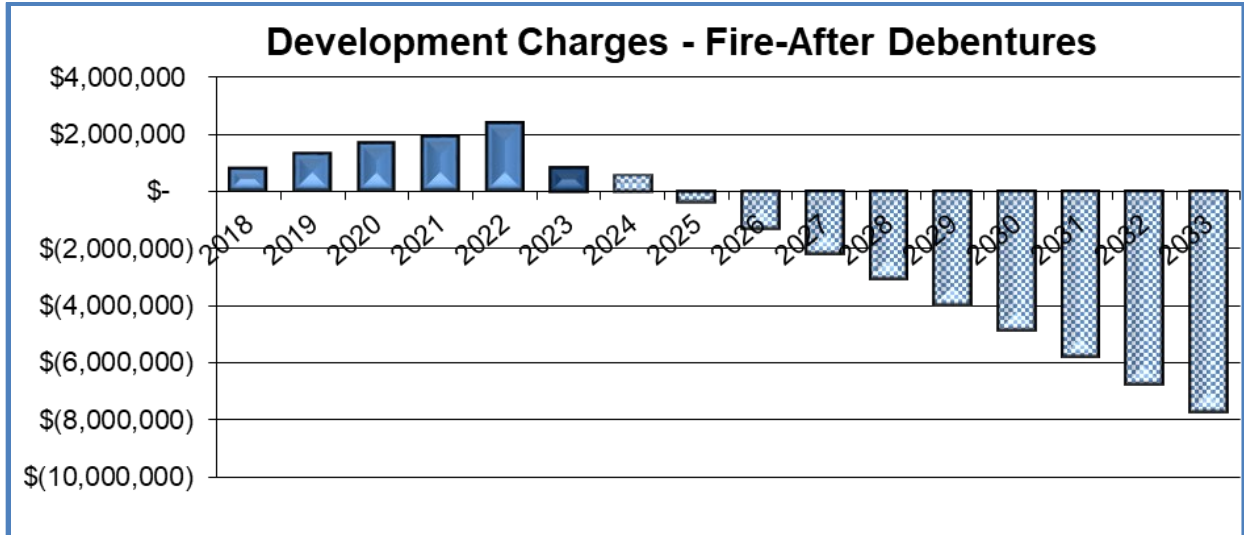


DC – Fire is projected to enter a deficit position in 2024 with the funding of the Fire Rescue Expansion project. The deficit balance is likely to carry forward into the next background study.

The historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve fund, allocated interest and reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted.



The staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast includes projected DC-Fire debentures for the Fire Rescue Expansion project. If this project get underway and the City opts to moves forward with the debentures, this will impact the 10 year DC-Fire reserve fund projection above, as per the updated graph below, with the reserve fund not projected to enter a deficit position until 2025, and a more gradual increase of the projected deficit balance, after factoring in the debenture proceeds and repayment.



COVID-19 restrictions resulted in a decrease in DC revenues in 2021, however 2022 saw a rebound, with revenue attainment of 137% of budget. 2023 is currently trending behind budget with 45% attainment against budget year to date (October YTD).

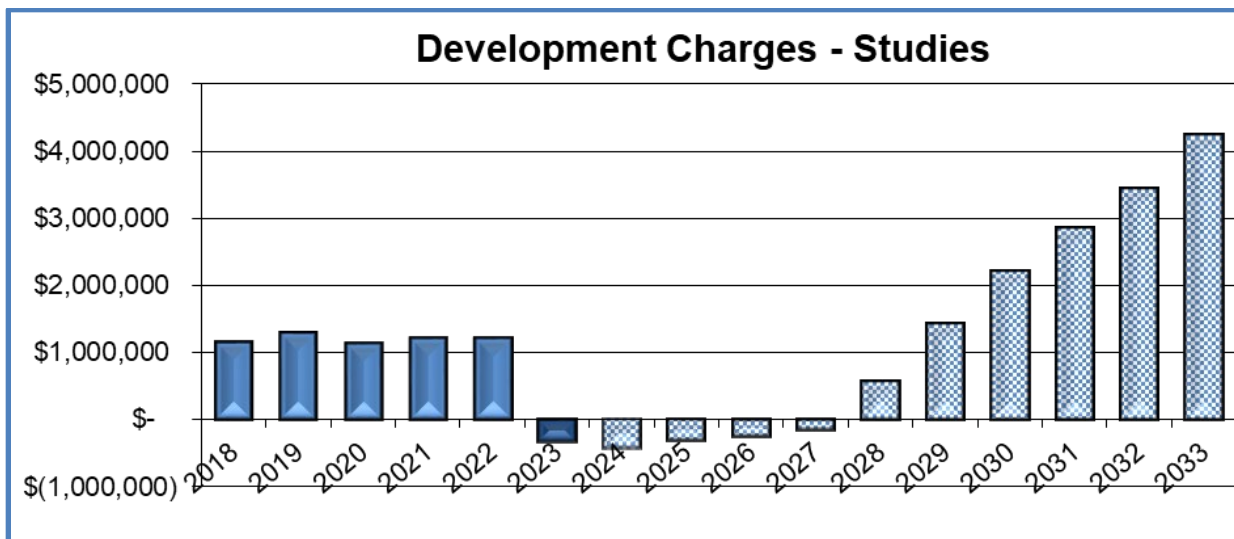
For 2023, it is budgeted that we will collect \$512,000 in DC-Fire revenue, and we anticipate spending \$2,071,000. The projected ending balance in 2023 is \$834,000.

DC – Studies are conducted prior to the beginning of other projects therefore the expenditures in this reserve fund occur mainly at the start and middle of the DC Program, resulting in initial deficit balances. As these pressures ease, the balance is recovered over the course of the projection period.

COVID-19 restrictions resulted in a decrease in DC revenues in 2021, however 2022 saw a rebound, with revenue attainment of 137% of budget. 2023 is currently trending behind budget with 45% attainment against budget year to date (October YTD).

For 2023, it is budgeted that we will collect \$718,000 in DC-Studies revenue, and we anticipate spending \$2,270,000. The projected ending balance in 2023 is -\$329,000.

The historical figures take into consideration that as part of the year-end accounting process unspent DC funds are returned to the reserve fund, allocated interest and reissued to the capital projects at the beginning of the following year. The projected figures assume funding will be spent in the year budgeted.

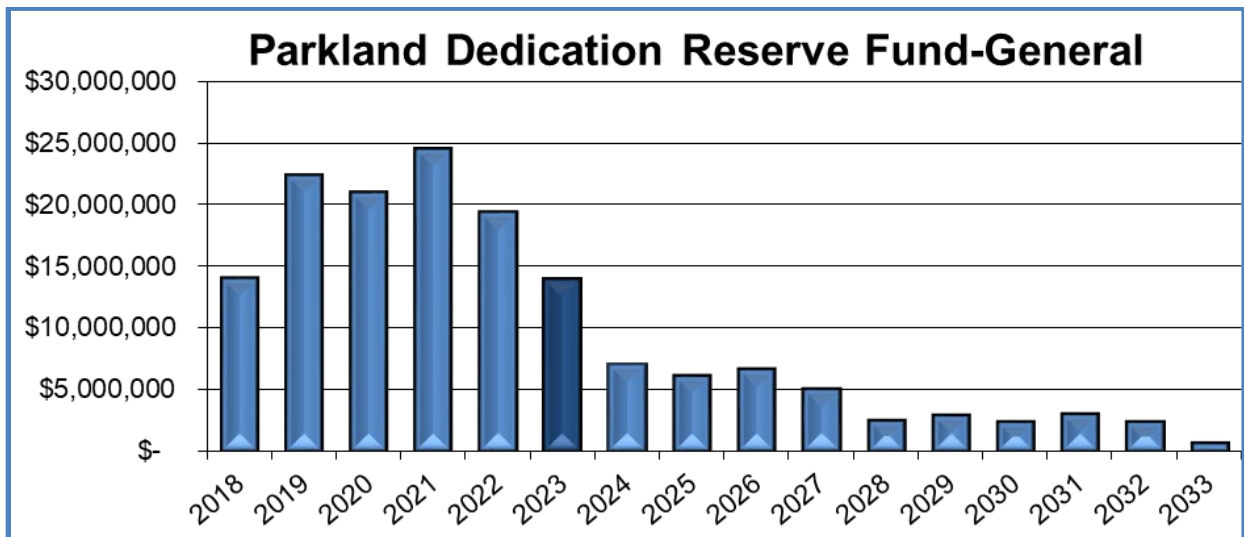


Parkland Dedication (PUB-GEN) - General provides for the purchase and development of parkland in developing areas and redeveloping areas and/or supports the upgrading of existing parks/facilities (neighbourhood, community or citywide). This reserve fund is a legislative requirement of the Planning Act.

While Greenfield development continues to slow, the intensification of redevelopment provides an opportunity to increase spending on park opportunities in areas where increased development is occurring.

As the balance in the Northdale portion of the reserve fund now exceeds the identified parkland needs for Northdale identified in the staff tabled capital budget, staff are recommending a transfer from the Northdale portion to the general portion in the amount of \$4,405,000. This funding will be used to address Parkland needs throughout the entire city over the 10-year capital projection, including projects such as RIM Park Ball Diamond Upgrades, Sportsfield and Parkland Acquisitions, Spray Pad/Cooling Area, and a Civic Common Park project. Recommendation #2 has been included in this report for Council's consideration.

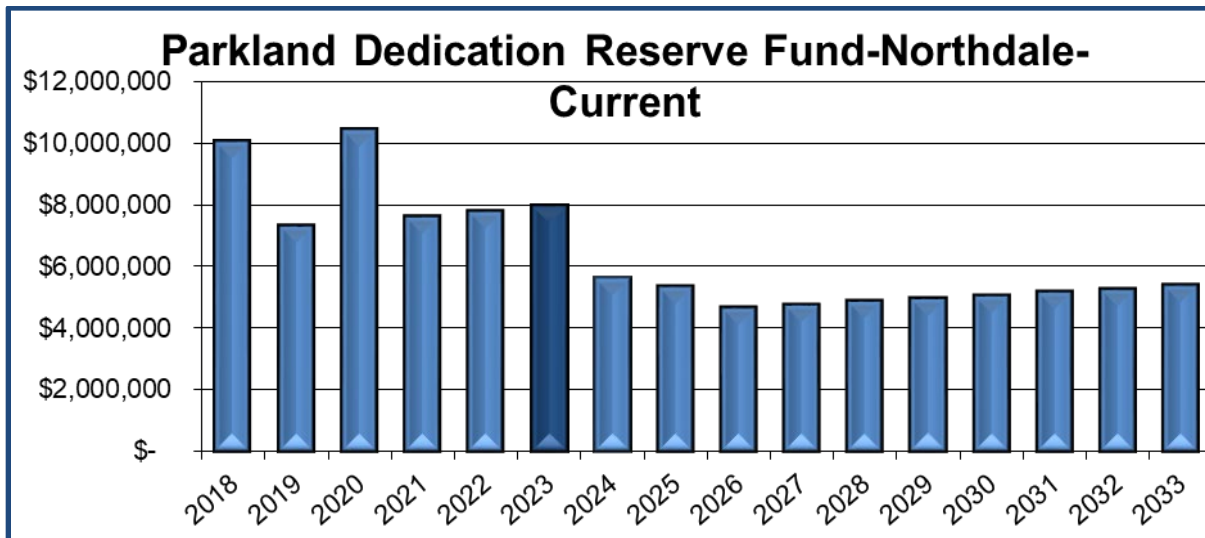
In total for 2023, we anticipate receiving \$2,724,000 in Parkland Dedication revenue and are projecting to spend \$13,427,000. With the approval of the above noted transfer, the projected ending balance for 2023 would be \$13,978,000.



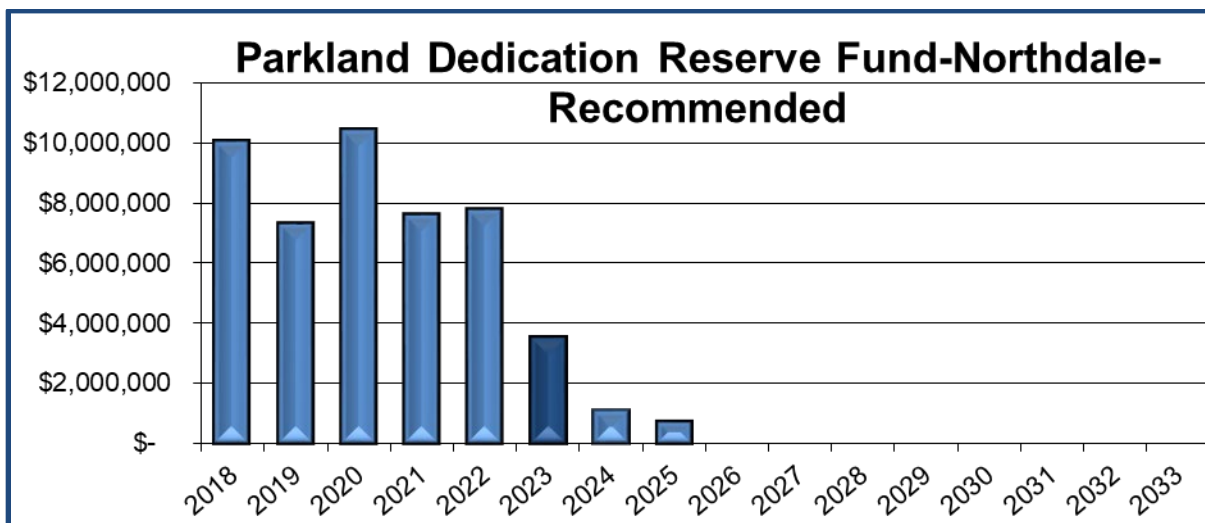
Parkland Dedication (PUB-NRTHDL) – Northdale

In 2018, via OPA#22, the Official Plan was amended to permit the excess funds in the Northdale portion of the reserve fund to be amalgamated with the General portion of the reserve fund. In December 2018, Council approved a transfer between PUB-NRTHDL and PUB-GEN, a strategic decision that has allowed staff to plan for the use of these funds throughout the entire City.

As a part of the 2024-2026 budget development, staff reviewed the balance in the Northdale portion of the reserve fund and determined it exceeds the remaining parkland needs for Northdale identified in the 10-year projection.



Staff recommend that the excess parkland contributions of \$4,405,000 be redirected to the General portion of the reserve fund, as the balance in the Northdale portion, after the transfer and including interest earned, is sufficient to provide for the remaining Northdale capital projects.



To date, the Northdale portion of the reserve fund has funded \$8 million in capital projects, with an additional \$3.6 million projected over 2024-2026.

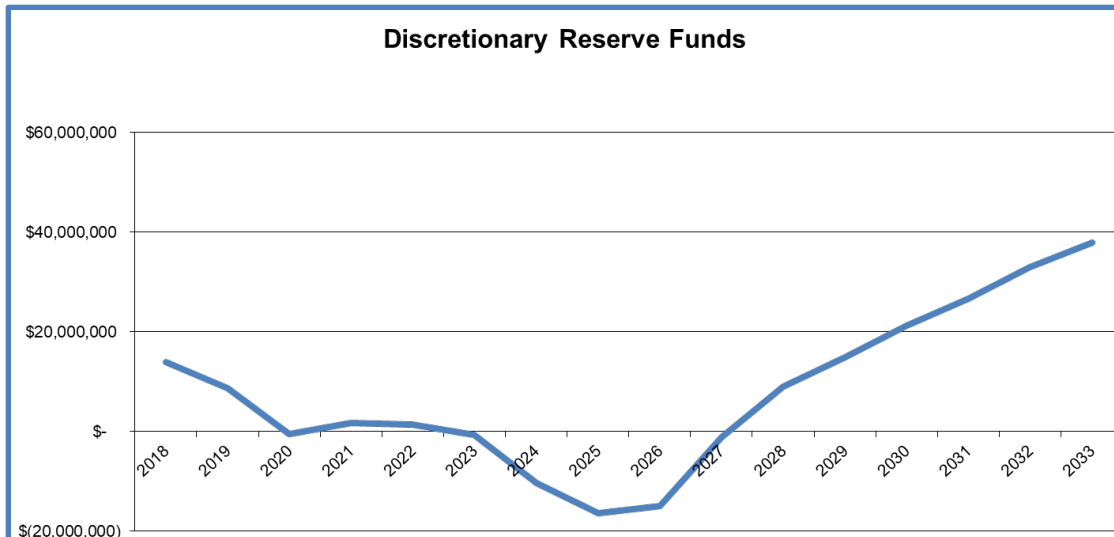
The projected ending balance for 2023, if the above recommendation is approved, is \$3,555,000, declining to \$0 by 2026 based on planned capital. As part of future R&RF updates, staff may recommend that the PUB- NRT HDL program be closed and we continue with only the citywide PUB-Gen program.

DISCRETIONARY RESERVE FUNDS ANALYSIS, HISTORY and FORECAST:

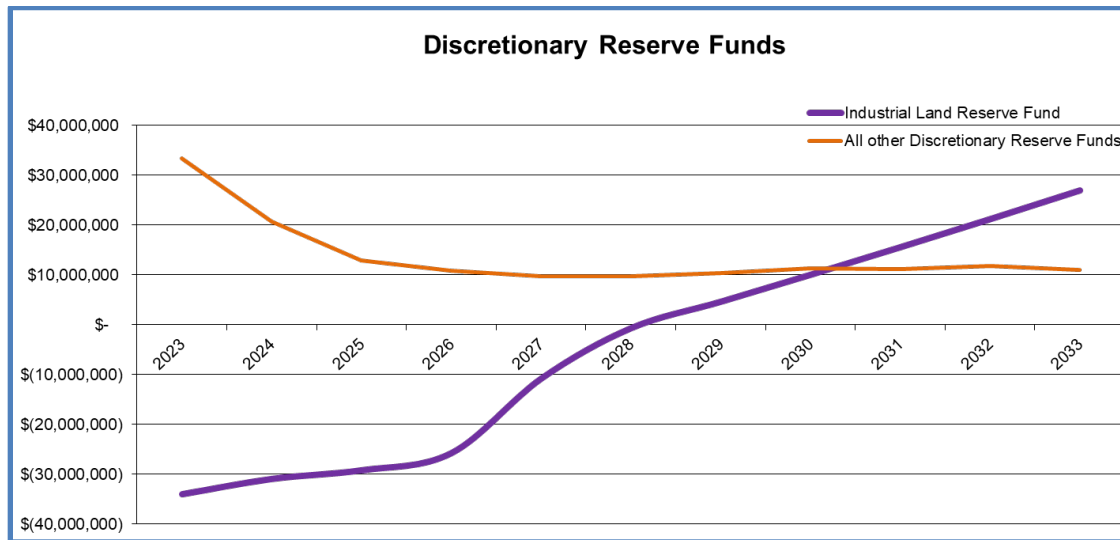
Discretionary reserve funds have been created for a specific purpose by Council through the approval of a bylaw and would require Council approval for any change. Examples include the Capital Infrastructure Reinvestment Reserve Fund, and the Capital Reserve Fund, two main city funding sources for the capital program, as well as the newly established Climate Action Reserve Fund.

The total discretionary reserve fund balances, represented by the blue line in Graph 4, are projected to remain relatively steady between 2022 and 2023, and then decrease by approximately \$9.6 million from 2023 to 2024. While balances fluctuate in many of these discretionary funds from year to year, the main driver of the projected decrease is the start of the staff tabled 2024-2026 Capital Budget program, which includes some re-budgeted projects originally planned for in 2023 but deferred for various reasons, as well as new projects.

Graph 4: 2018-2033, including projected discretionary reserve fund levels



Over the current 10-year projection, cumulative discretionary reserve fund balances are anticipated to grow, however, initially in the early years of the projection there is estimated to be a deficit cumulative balance in discretionary reserve funds. This is attributable to continued refined timelines for land disposition recoveries in the Industrial Land Reserve Fund, as shown in Graph 5. Initial Industrial Land Reserve Fund deficit balances are anticipated to be recovered via land sales over the 10 year projection, while the remainder of discretionary reserve fund balances dip in the first few years of the projected capital program and then level out.

Graph 5: 2023-2033 projected discretionary reserve fund levels, grouped

Capital (CRF) - provides a source of financing for the purchase, construction, or development of new capital assets and studies, as defined under the Definition of Capital Policy (FC-010).

As a part of CORP2018-075, the 2018 Reserves and Reserve Funds Annual Update report, Council approved that the annual *combined* balances of CRF and the Capital Infrastructure Reinvestment Reserve Fund (CIRRF) were not to fall below \$2 million. This provides both CIRRF and CRF the flexibility to temporarily offset the other in a year where one of the funds is experiencing a pressure and the other has funding available to offset, while still allowing for projects to be budgeted and funded from the correct distinct growth or rehabilitation funding source. It is therefore important to consider the balances in both CRF & CIRRF together when making funding decisions or considering balance transfers.

In November 2019, Council approved a climate emergency declaration. As part of the Energy Conservation Demand Management (ECDM) Plan (2019), Council approved greenhouse gas (GHG) emissions reduction targets of 50% by 2030 and 80% by 2050 and with the endorsement of the community climate action plan, TransformWR, Council reiterated their commitment to these targets. More recently, on October 16, 2023, Council approved a motion to update these targets to reflect the goal of net zero by 2050, in alignment with the targets set by the Federal government. Work has begun on the implementation of TransformWR, as well as the development of a Corporate Climate Action Plan (CorCAP), building on the ECDM, to plan a corporate approach to achieve the targets.

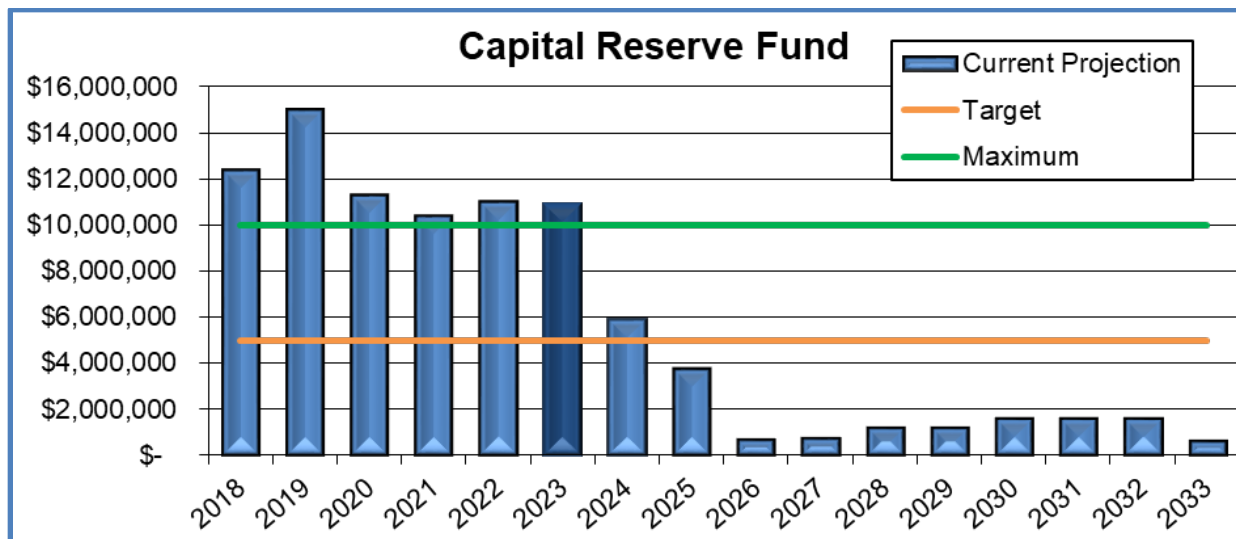
In 2021, Council established the Green program number within CRF and provided initial funding through a one-time reallocation of 2021 capital overhead surplus and the final balance transfer from a reserve fund closure, to support green initiatives in the short term. In 2022, Council consolidated the Green program number into the newly established Climate Action Reserve Fund and approved permanent, ongoing funding annually, through the reallocation of \$918,000 of the annual budgeted CRF contribution.

To support the Climate Action projects identified in the staff tabled 2024-2026 Capital Budget, the staff Budget Committee are recommending a further permanent redirection to the Climate Action Reserve Fund in 2024 of \$100,000, an additional \$50,000 in 2025, and an additional \$50,000 in 2026 through a reduction to the Capital Reserve Fund annual allocation. Recommendation #3 has been included in this report for Council's consideration.

Recommendation #7 has also been included in this report to reallocate \$1,200,000 to the Capital Reserve Fund from the RIM Park Investment Reserve, as a one-time transfer established by the staff Budget Committee as part of the 2024-2026 budget development process. This reallocation opportunity is being recommended by the Budget Committee to provide necessary funding to support various initiatives within the 2024-2026 budget without adding additional ongoing pressure to the property tax base. As an example, the allocation to the Capital Reserve Fund is being recommended to

fund the Winter Sidewalk Maintenance Service Enhancements Capital Equipment (ref #327)

The projected ending balance for 2023, incorporating approval of the transfer, would be \$10,918,000, which is above the \$10 million maximum. It is important to note that while the reserve fund has a maximum, a transfer in excess of this maximum would only occur in the event that such a transfer does not negatively impact the reserve fund's ability to fund the CRF portion of the capital program over the 10-year projection. Once this requirement is met, excess funds are to be transferred to the Economic Development Reserve. As the projected funding is anticipated to be substantively utilized over the 10-year capital program, no transfer of the balance in excess of the maximum is recommended for 2023.

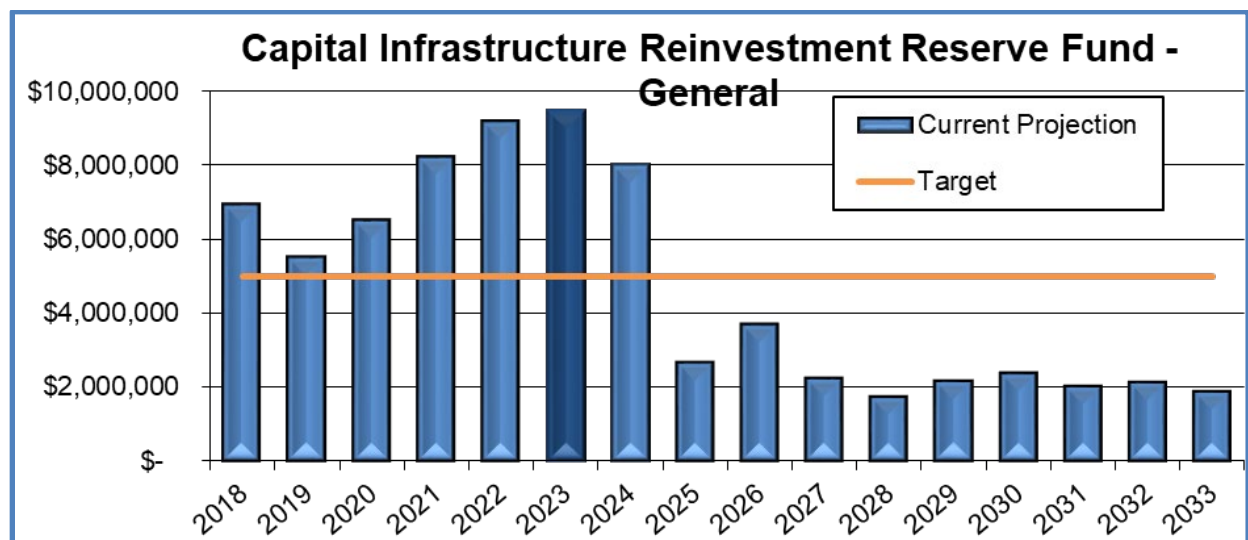


Capital Infrastructure Reinvestment (CIRRF-GEN) - General provides for expenditures associated with the rehabilitation or replacement of all existing tax-based capital infrastructure. CIRRF may also be used to assist in meeting the funding requirements of matching programs developed by senior levels of government for rehabilitation or replacement of existing capital infrastructure.

The projected ending balance for 2023 is \$9,463,000.

Since the consolidation and reserve reorganization approved by Council in January 2018, Council has approved a number of policy changes to direct additional funding to CIRRF for rehabilitation and replacement, such as updates to the Use of Budgeted Assessment Growth Policy, the Allocation of Surplus Policy, and the Capital Overhead policy. Further, as part of the 2020-2022 budget and 2023 budget, Council approved increased infrastructure funding for replacement and rehabilitation needs of Parks, Facilities, Transportation and Information Management and Technology Services assets. These funds, and the associated spending, are being tracked within CIRRF-INFRA Reserve Fund for the approved budget period. Tracking these funds separately from the general CIRRF account will provide Council with a clear line of sight on how these additional infrastructure dollars are being utilized. A similar request has been included for Council's consideration within the 2024-2026 operating budget, to continue to address the infrastructure deficit. These approvals have resulted in a significant increase in funding for rehabilitation and replacement, with the annual contribution to CIRRF at \$12.1M.

In addition, recommendations #4 and #5 have been included within this report regarding policy updates to direct 25% of year-end property tax operating surplus, if any, to this reserve fund, as well as 25% of any investment income surplus.

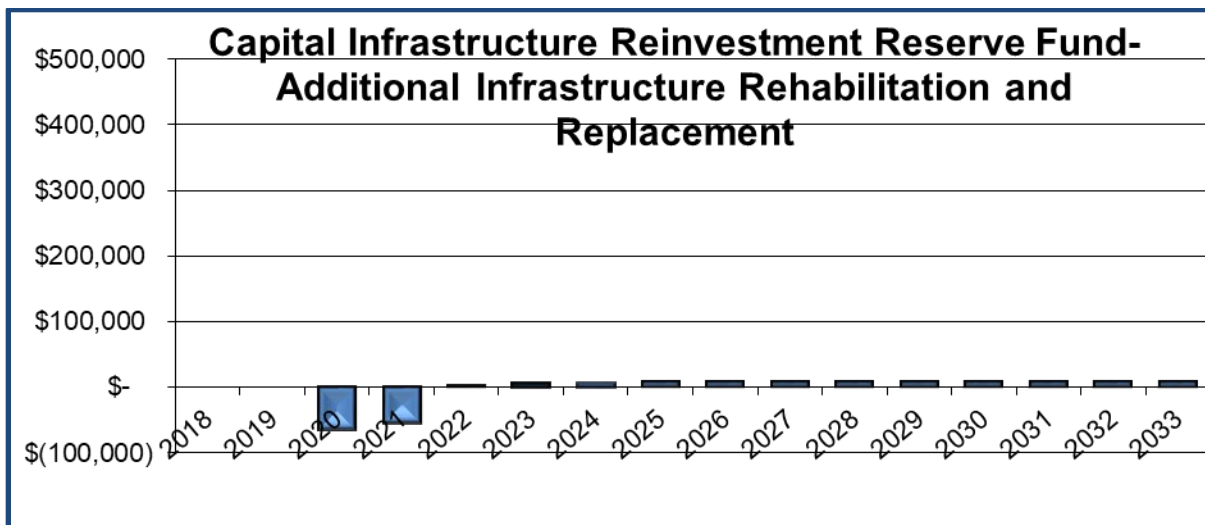


Capital Infrastructure Reinvestment (CIRRF-INFRA) – Additional Infrastructure Rehabilitation/Replacement

As part of the 2020-2022 approved budget, council approved a \$602,000 increase of ongoing funding in 2020, an additional \$722,000 increase of ongoing funding in 2021 and an additional \$816,000 increase of ongoing funding in 2022, for a total of \$ 2.1 million in annual Increased Infrastructure Funding as of 2022, allocated to CIRRF-INFRA. For 2023, Council approved an additional \$692,000 of ongoing funding, bringing the total increased CIRRF investment to \$2.8 million annually. This additional infrastructure investment is supported by the Long Term Financial Plan (LTFP) and will assist with reducing the infrastructure gap over the coming years. To continue this momentum, a request for \$575,000 in 2024, \$700,000 in 2025, and \$795,000 in 2026 in ongoing funding for additional infrastructure investment has been included in the staff tabled 2024-2026 budget.

The CIRRF-INFRA program does not have a separate policy. Staff recommend that it be used each budget cycle to highlight any increased infrastructure investment which, following the framework to date, will be classified as non-routine in nature, with staff to bring back funding release reports outlining how the increased infrastructure funds will be utilized (if approved). After each budget cycle, any approved increased infrastructure funding will then become part of CIRRF base funding and be distributed as part of the capital budget envelope process, based on weighted needs as identified by our Asset Management Decision Support System (DSS) to maximize flexibility and reduce administration.

The 2023 funding of \$692,000 was allocated \$463,000 to Integrated Planning and Public Works, and \$229,000 to Community Services. The projected ending balance for 2023 is \$6,000.

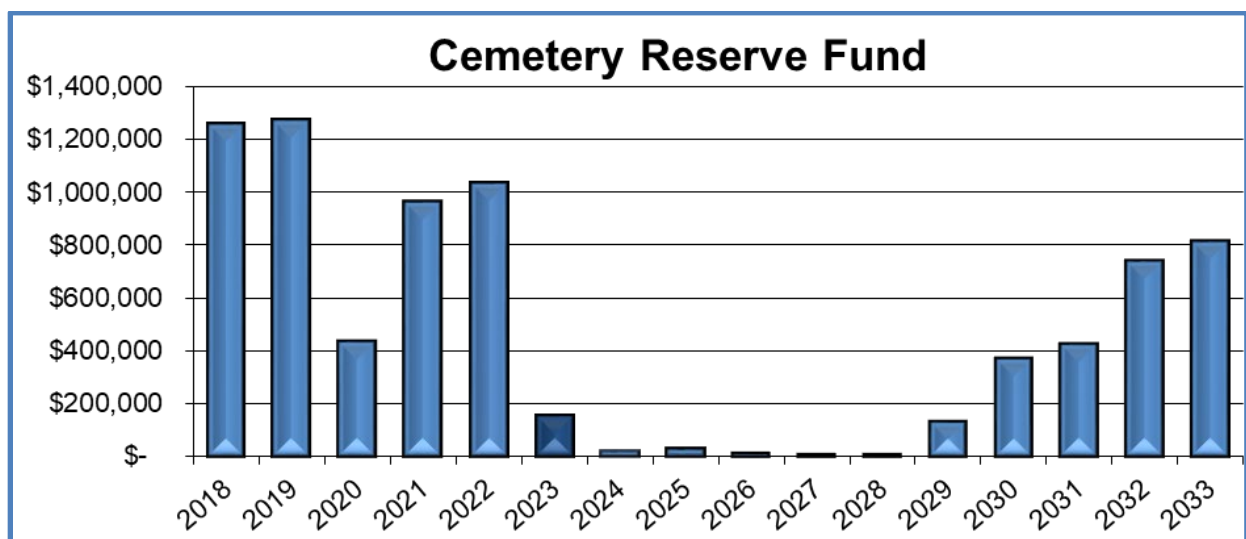


Cemetery (CEM) - provides a source of funding for the purchase, replacement and expansion of capital items related to Cemetery operations.

The Cemetery Reserve Fund is required to fund any operating deficits that may be incurred and fund all capital items related to the Cemetery operations, including replacement, expansion and modernization of the City's cemetery and crematorium assets. Cemetery fees have risen by an average 3.5% to align with regional standards.

The cemetery is experiencing a slight decline in cremations this year due to service disruption from the upgrades to the crematorium. The duration of this decline is unknown and cremation numbers are down slightly from 2022. Once the renovations are completed near the end of 2023, it is expected that cremation levels will begin to stabilize to the new expected standards. This reduction in cremations is reflected in the cemetery's revenue and projected reserve fund levels are forecasted to be overdrawn for a few years.

The projected ending balance for 2023 is \$156,000.



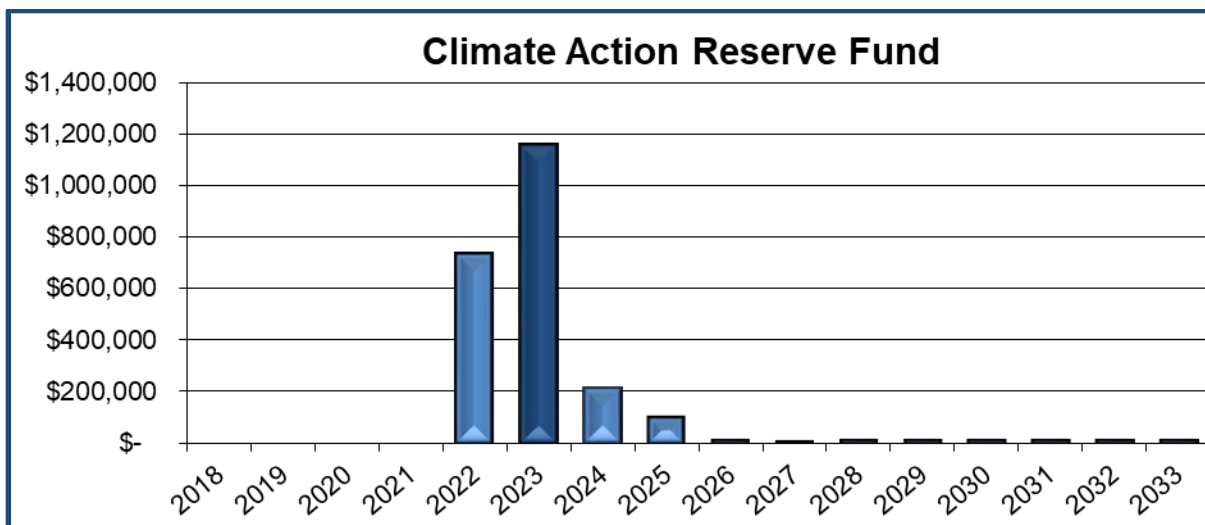
Climate Action (CARF) - helps facilitate projects, initiatives, and studies that support climate change mitigation and adaptation by targeting energy and greenhouse gas (GHG) reduction in alignment with the Council approved GHG emissions reduction targets of 50% by 2030 and net zero by 2050.

The current annual operating budget transfer to this reserve fund is \$918,000. This newly established reserve fund provides a permanent source of funding to move the City toward its emission reduction targets, however, additional capital investment will be needed. Included in this report are recommendations #4 and #5 for policy updates to direct 25% portions of investment income surplus and year-end property tax surplus, if any, to this reserve to continue to build the balance to support this important work.

In the next few years, it is also recommend as per recommendation #3 that the annual contribution be increased by \$100,000 in 2024, \$50,000 in 2025, and an additional \$50,000 in 2026, through a redirection of a portion of the annual CRF allocation.

Recommendation #7 has also been included in this report to reallocate \$500,000 to the Climate Action Reserve Fund from the RIM Park Investment Reserve surplus, as a one-time transfer established by the staff Budget Committee as part of the 2024-2026 budget development process. This reallocation opportunity is being recommended by the Budget Committee to provide necessary funding to support various initiatives within the 2024-2026 budget without adding additional ongoing pressure to the property tax base. As an example, the allocation to the Climate Action Reserve Fund is being recommended to fund the increased Electric Vehicle Charging Program (ref #145).

The projected ending balance in 2023, if the transfer is approved, is \$1,160,000.

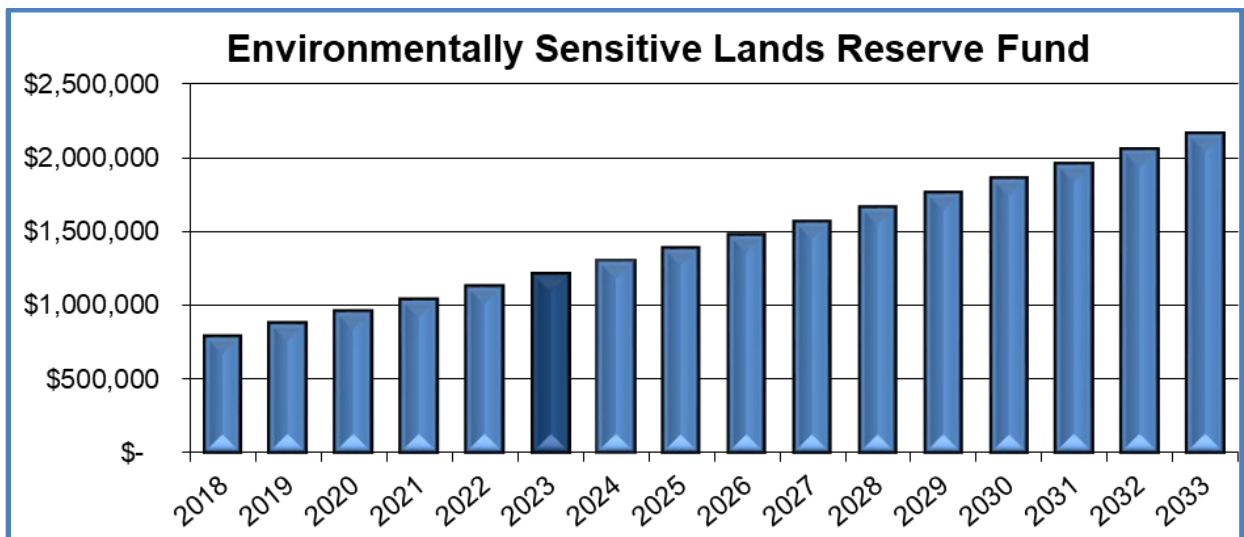


Environmentally Sensitive Lands (ESL) - provides for the acquisition and purchase of environmentally sensitive lands to ensure protection, preservation and conservation, in alignment with the City of Waterloo's Official Plan, and the Environmental Lands Acquisition Strategy.

Approximately 530 acres of land have been purchased from this reserve fund to date. Additional strategic environmental lands (as determined by the City) are anticipated to be purchased over time, for protection through municipal ownership. Land acquisitions from this reserve fund are intended to be in addition to environmental lands secured through development applications; it is the City's standard of practice that environmental lands associated with development applications be conserved, through conveyance to the City free of charge, wherever feasible.

The annual operating budget transfer to this reserve fund is \$62,000. The projected ending balance in 2023 is \$1,213,000.

There is currently no budgeted spending from this reserve fund planned, therefore, the graph does not reflect any draws, but an ongoing increasing balance. The timing of land acquisition cannot be determined and is driven by opportunity. Any future opportunities for environmentally sensitive land acquisition recommended to be funded through this reserve fund would be brought forward through a staff report for Council's consideration as they arise.



Industrial Land (ILA) – Consolidated - provides for expenditures related to the acquisition, servicing, and betterment of the City of Waterloo's Industrial Land inventory and to accumulate Industrial Land holdings sale proceeds, unless otherwise allocated by Council. Costs incurred are planned to be fully recovered through the subsequent sale of those lands.

The Industrial Land Reserve Fund is split into several sub-reserve funds, specific to location and these funds are detailed on the following pages.

Due to the nature of funding for ILA, the projections in this report rely heavily on estimates. As such, the information is not intended to display an exact picture of the ILA nor the City's selling price, as that is subject to negotiations, land value appraisals and an agreement of purchase and sale. Rather, this report intends to provide a reasonable forecast of the future ILA financial position. The information is presented based on the best information currently known, and will change over the course of time.

The pricing of land can vary greatly depending on a number of factors that include, however, are not limited to: specific location, current market demand, proximity to transit, zoning, and constraints or performance criteria applied to the land by the City upon disposition. For this report Uptown land projections use approximately \$2,500,000 per acre for office/commercial use, East Side land projections use approximately \$600,000 per acre, and West Side land uses approximately \$600,000 per acre. It should be noted that the use of approximately \$2,500,000/acre for Uptown is not applicable to all potential uses, and depending on use or mixed use could potentially be valued much higher. Any land sale transaction is subject to Council approval and would include a third party appraisal.

Any sale of land will follow the City of Waterloo's Land disposition process with revenue from the land sale to be determined during negotiations and an agreement of purchase and sale for the subject lands. The above amounts are meant to provide a general range of real estate pricing and by no means limits prices to that range. Values will change and are subject to market conditions.

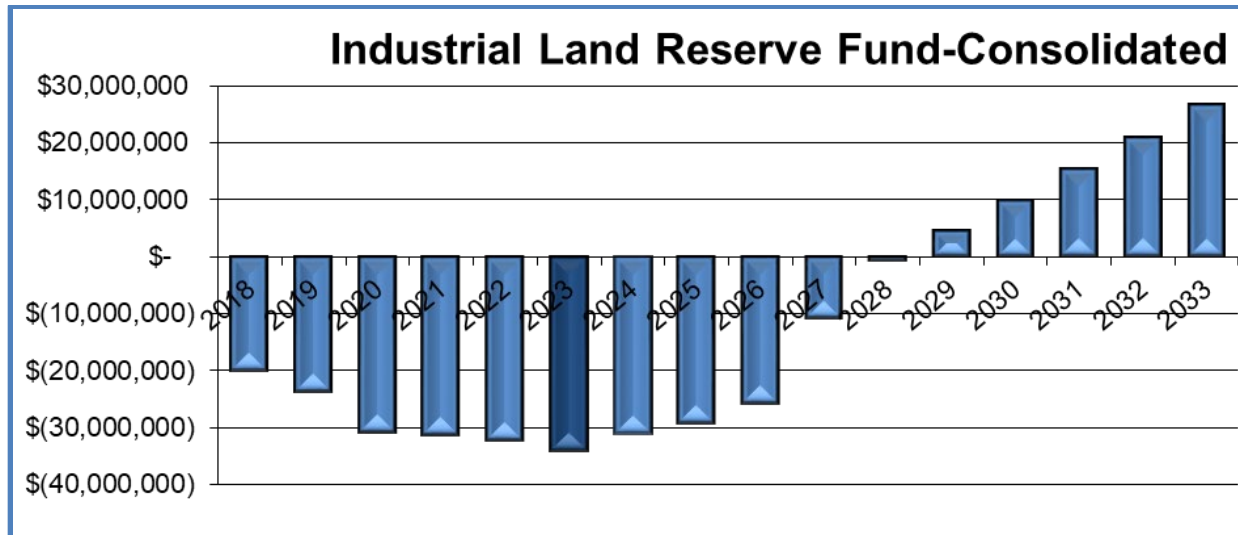
Anticipated costs to complete projects are based on knowledge of the project to date and an industry average on a per acre basis. These estimates will change over the course of time.

As costs are incurred upfront, and the timing of revenues is dependent on many factors, this reserve fund is likely to maintain a deficit position until the future sale of lands is completed. Once the individual land parcel proceeds have been received and utilized to reimburse the outstanding ILA balance, the site sub-reserve will be closed out to ILA-General.

It is important to note that the recovery of costs incurred to date should be prioritized first, before decisions are considered on the potential use of net land sale proceeds

exceeding the existing deficit balances. As such, this recovery has been included in the projections that follow.

The 2023 projected ending balance is -\$34,088,000.

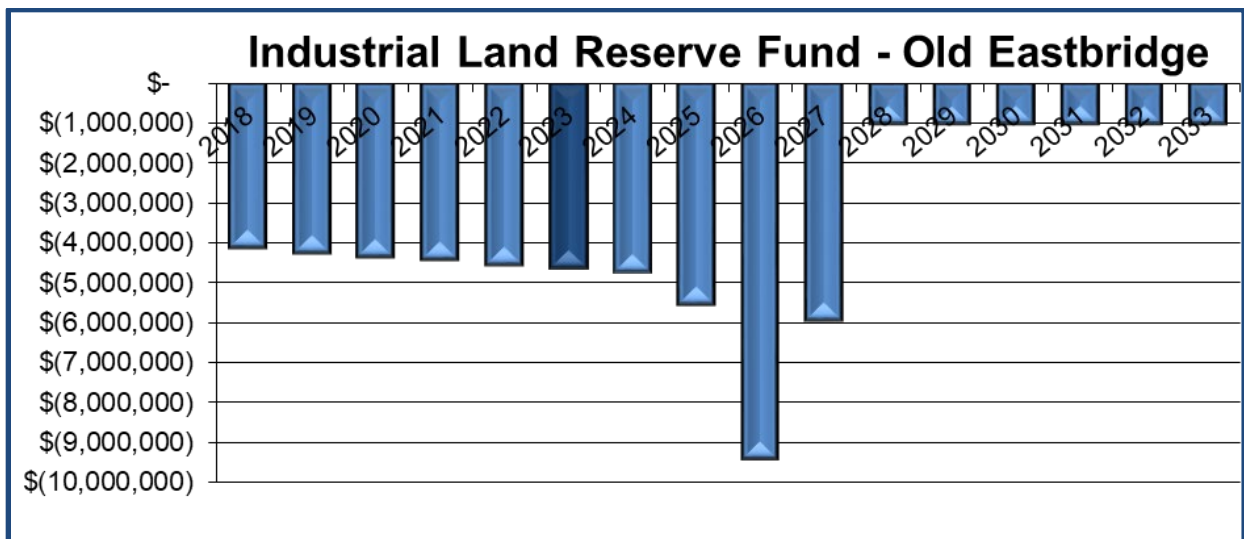


Old Eastbridge (ILA-OLDEAST) Lands - There are approximately 24.5 acres of land available for sale just west of the RIM Park buildings on the north side of University Avenue. Due to the potential ongoing need of the existing stormwater pond, as well as a hydro corridor on the site, further investigation will be needed to determine the full saleable area, which will impact the projections.

Using an estimate of \$600,000 per acre for serviced land, the total estimated land value is approximately \$9,800,000.

Staff has estimated the cost of servicing this land to be approximately \$5,700,000 and have included the servicing cost within the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast. A portion of these costs may be saved, depending upon the outcome of the saleable land determination and final site servicing needs.

Currently staff estimates the potential disposition timing to be 2027/2028. The 2023 projected ending balance is -\$4,620,000.

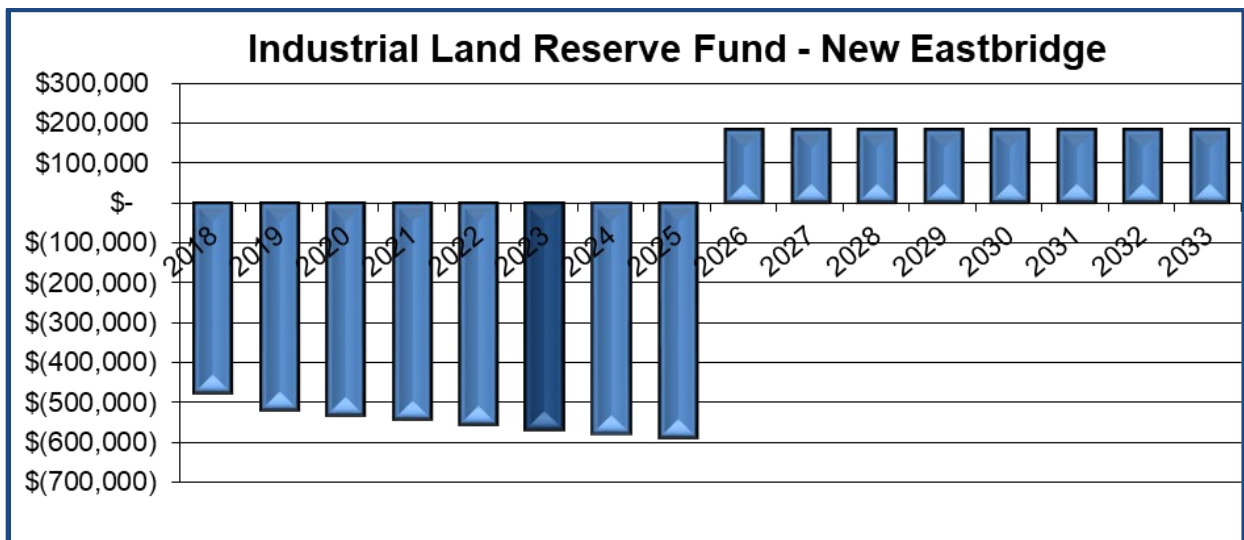


New Eastbridge (ILA-NEWEAST) Lands - Since the original purchase of the land, 1.8 acres has already been sold.

The land remaining available for sale is approximately 1.3 acres in size, with another area not available for sale due to an existing stormwater pond. The stormwater management pond services all of the Eastbridge Industrial lands and sports fields.

Based on approximately 1.3 acres remaining available for sale, and an estimate of \$600,000 per acre for serviced land, the estimated land value is approximately \$780,000. There is no further anticipated cost for servicing this site for sale.

Currently staff estimates the potential disposition timing to be 2026, closing out the sub-reserve. The projected ending balance for 2023 is -\$566,000.



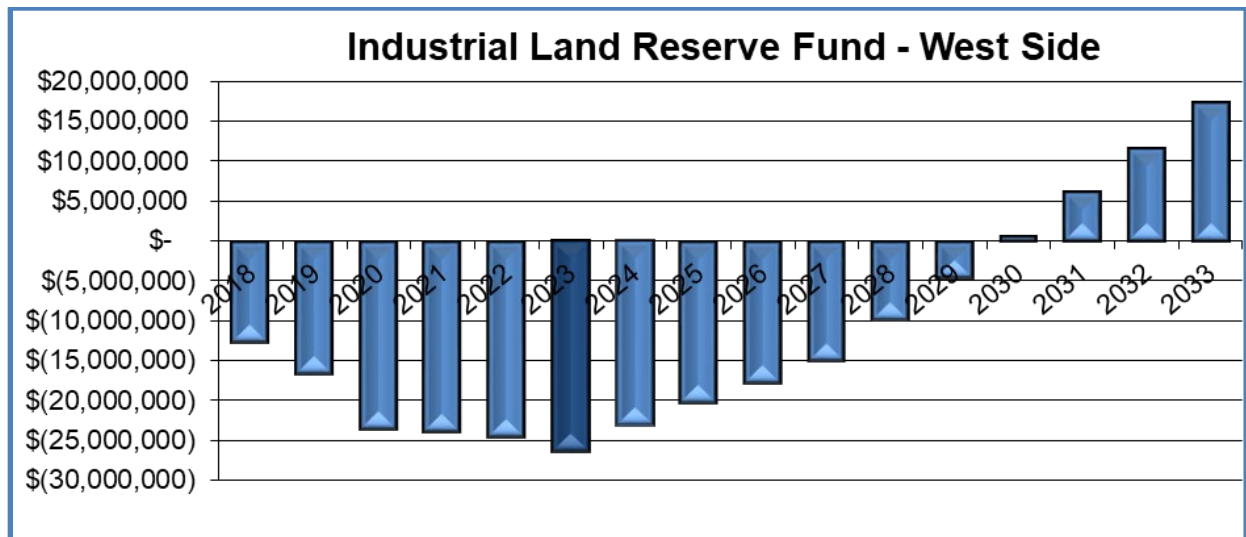
West Side (ILA-WEST) Lands - The City has approximately 91 acres of employment land, now known as Generation Park, on the West Side near the West Side Commercial Shopping Centre.

Using an estimate of \$600,000 per acre for serviced land, the total estimated land value is approximately \$54,600,000. The remaining anticipated cost for servicing the land is \$11,200,000 and has been included in the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast. This work is projected to be completed in 2027. The collector road, Platinum Drive, between Erb Street and Columbia Street, was completed and opened in late 2020.

Guidelines outlining design requirements for energy efficiency and other sustainable practices to be used in the development of the site were brought to Council for consideration in November 2022.

The first sale of land within the site closed in 2023 and staff currently estimate the potential disposition of the remainder of the site to occur over the next ten years.

The 2023 projected ending balance is -\$26,323,000.



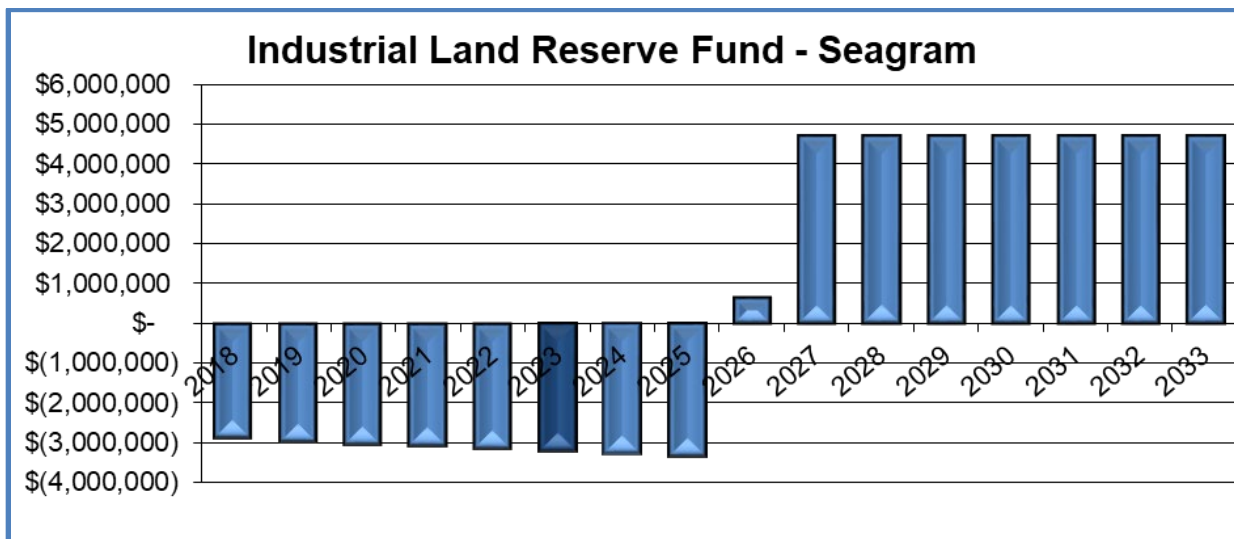
Seagram (ILA-SEAG) Lands - The City has three parcels of land on the west side of Caroline Street and south of Erb Street totalling 3.23 acres.

At a land value of approximately \$2,500,000 per acre for office/commercial use, the total estimated land value is approximately \$8,075,000. It should be noted, however, that the use of approximately \$2,500,000/acre for Uptown lands is not applicable to all potential uses, and depending on future use or mixed use the land value could potentially be much higher. This valuation gives the City strategic flexibility for the ultimate use as approved by Council.

Currently staff estimates the potential disposition timing of 2026-2027.

Worth highlighting, a portion of these lands is currently encumbered as part of an Uptown parking agreement.

The 2023 projected ending balance is -\$3,209,000.

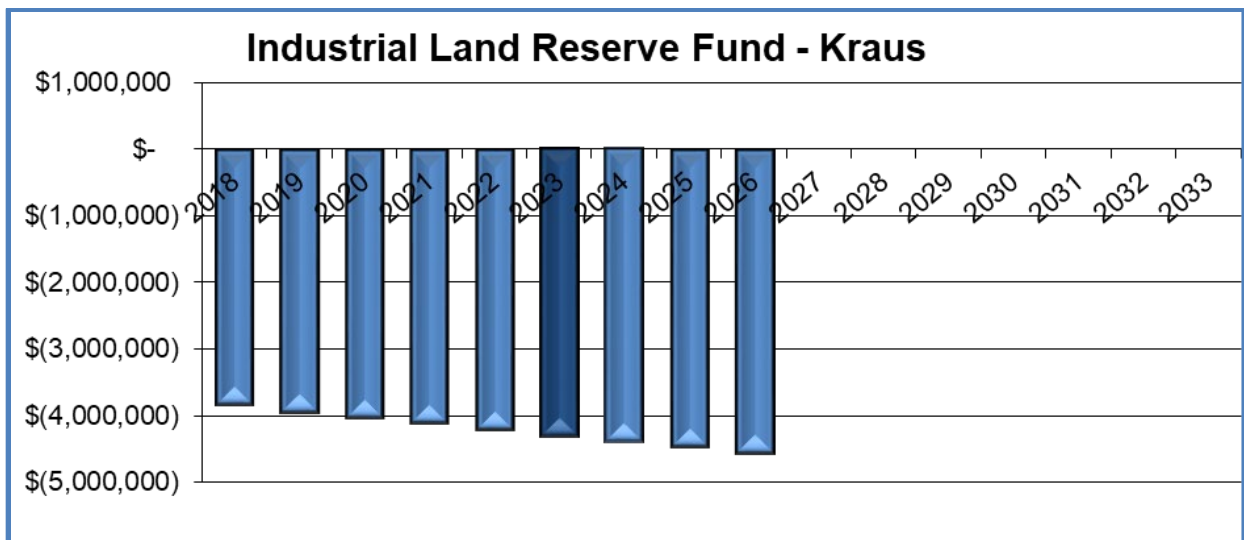


Kraus (ILA-KRAUS) Lands - The City has approximately 40 acres near RIM Park, and the “Kraus” lands are approximately 33 acres that can be developed. The most recent appraised value of the land was \$25 million.

This land currently is designated low density residential with permissions for a limited range of medium density residential and commercial uses, however, ultimate future use will be determined following a future public engagement process.

The projection within the graph currently reflects future cost recovery only, in 2027.

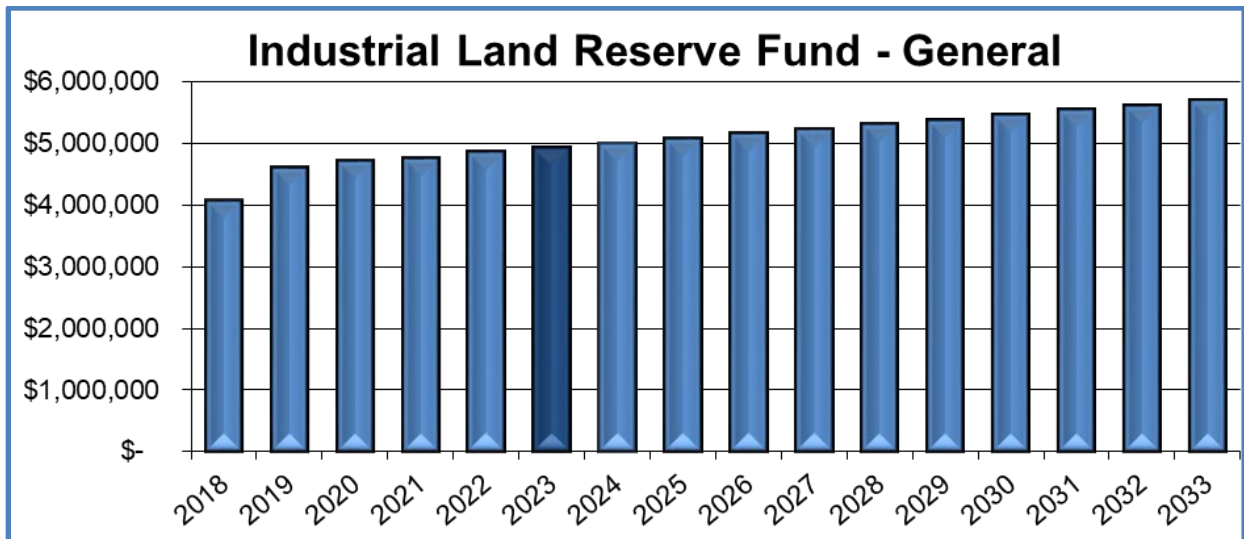
The 2023 projected ending balance is -\$4,305,000.



Industrial Land (ILA-GEN) - General – is used as the consolidating account for any surplus / deficit that may arise from the land disposals. Once land disposal is complete, unless Council has approved an alternative use/allocation, any remaining balance in the site sub-reserve would be cleared to this account and the site sub-reserve would be closed.

It is also used to fund minor ILA related costs such as repairs, studies, and land appraisals.

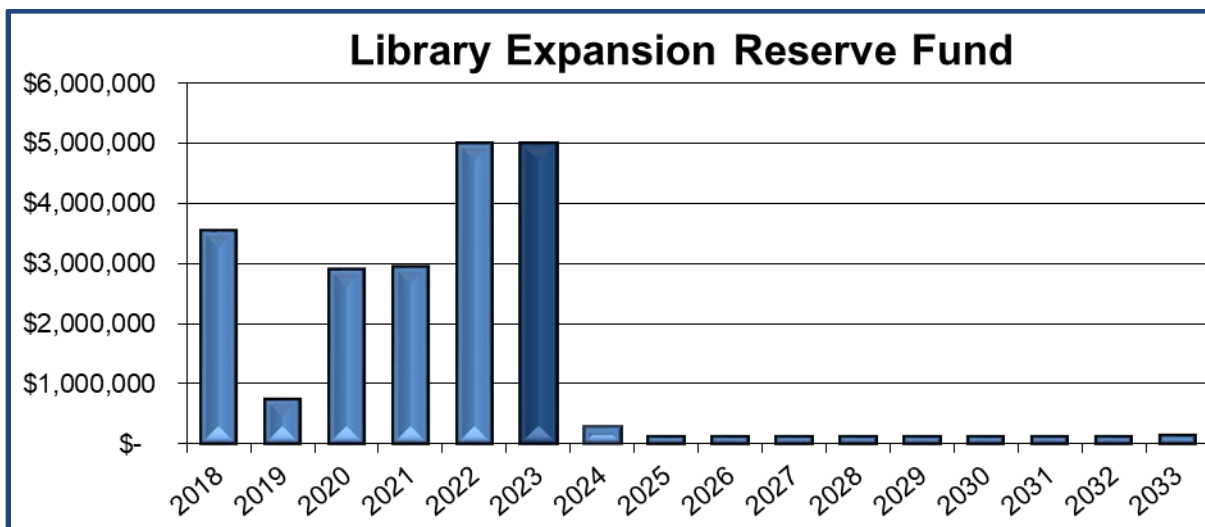
The 2023 projected ending balance is \$4,936,000.



Library Expansion and Rehabilitation (LXPR) - contributes to future library expansion and rehabilitation. An annual amount of \$750,000 from 2013-2016 and \$525,000 in 2017 was directed to the Library Expansion Reserve Fund from the Capital Reserve Fund, for the East Side Branch Library expansion. The East Side Branch Library project was funded in 2019 and with a significant portion of the project ultimately eligible for development charge funding, as well as Council's approval of the reserve consolidation of the East Side Library contingency dollars (formerly CIRRF-LIB), a sizeable balance is now in this reserve fund for use towards future Library needs.

The projected ending balance in 2023 is \$5,006,000. The reserve fund has no ongoing funding source and following the completion of the East Side Branch Library Expansion this reserve fund was originally intended to be closed. However, subsequent budget cycles have identified additional needs for rehabilitation and expansion at the McCormick Branch, as well as the Main Library Branch. Work at the McCormick Branch is anticipated to utilize a significant portion of the current balance, beginning in 2024, in conjunction with the Albert McCormick Community Centre Sportsplex facility renovation and revitalization project. To that end, recommendations #8d and #8e have been included within this report to update the LXP Reserve Fund policy to permit this fund to be utilized for Library rehabilitation, in addition to Library expansion, and includes an update to the reserve fund name. In addition, recommendations #4 and #5 have been included within this report to allocate 25% of property tax operating surplus, if any, to this reserve annually, along with 25% of any annual investment income surplus to this reserve fund, as a strategy for replenishing this reserve.

A feasibility study for a Main Library Redevelopment and Expansion has also been included in the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast.

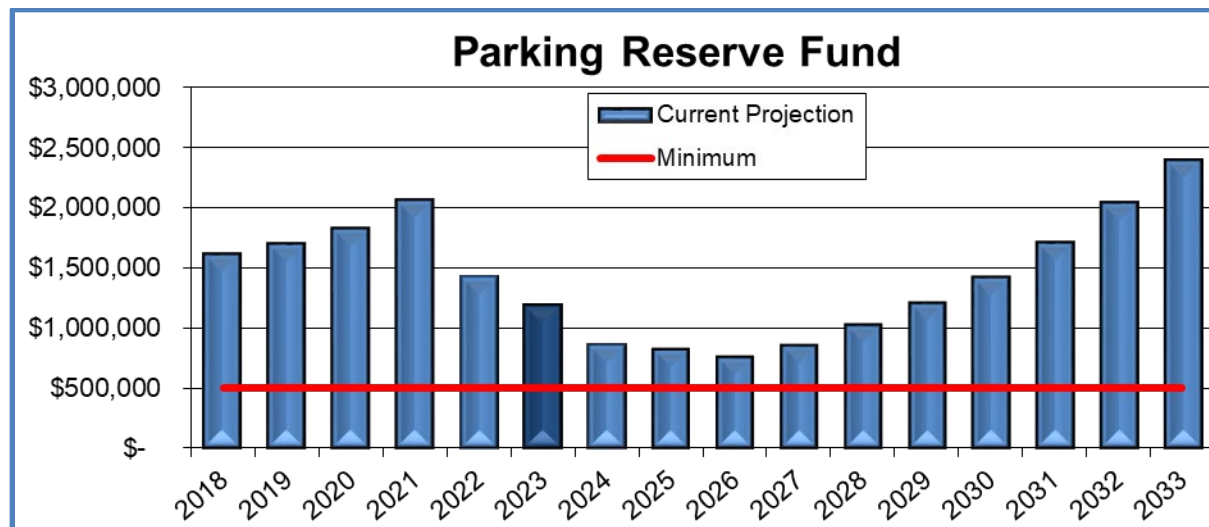


Parking (PKG) - Consolidated - established in 1999 to provide for the ongoing maintenance of the City's Uptown Parkade and Surface Lots. On May 12, 2008, Council approved the Uptown Parking Strategy, which identified the need for additional parking infrastructure and a resulting shift in emphasis from maintenance to future increased parking infrastructure. On May 25, 2009 the Parking Reserve by-law 09-062 was established.

The 2023 monthly parking permit revenue budget was reduced to account for decreased parking lot utilization as compared to 2019, initially as a result of pandemic restrictions but continuing due to the increase in working from home. A gradual recovery has been estimated and included in the Parking enterprise financial model from 2024 to 2027, but will be monitored closely. This budget adjustment better aligns the budget with actual revenue levels and helps to minimize the need to draw upon the Parking Reserve Fund balance to offset a continued enterprise deficit.

For 2020 and 2021, the Parking enterprise incurred deficits of (\$490,000), and (\$492,000) to budget as a result of COVID-19. These deficits were fully covered by the Federal/Provincial Safe Restart Grant funding, however, this funding was exhausted in 2022 and the 2022 deficit of (\$331,000) was fully drawn upon the Parking Reserve Fund. For 2023, a smaller deficit of (\$22,000) is anticipated.

The projected ending balance in the reserve fund is \$1,185,000 for 2023.



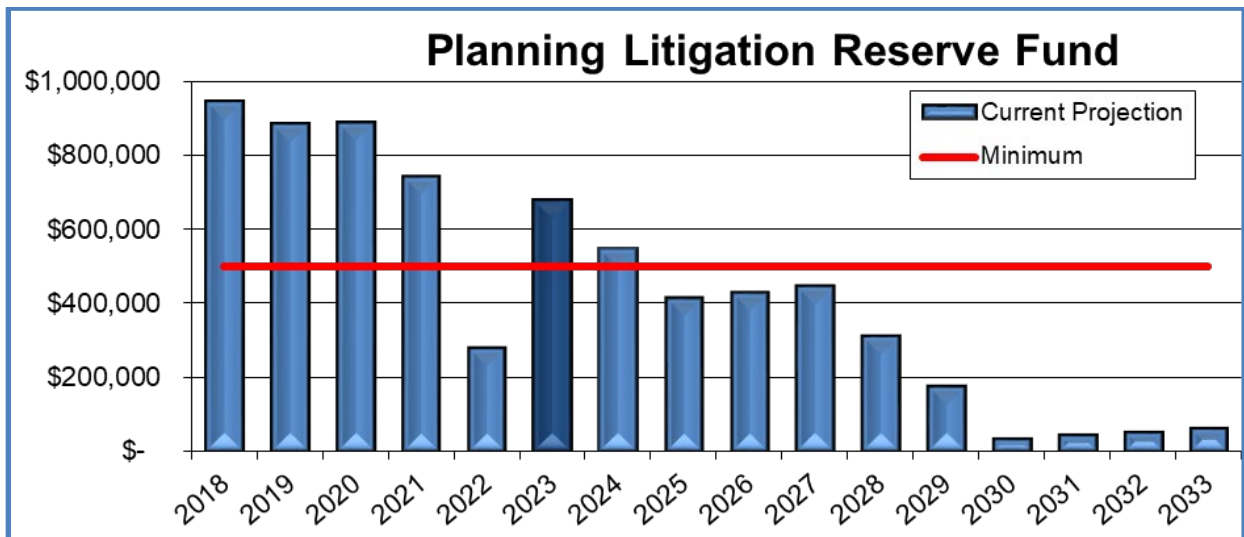
Planning Litigation (LIT) - provides for the cost of planning litigation hearings that may be commenced against the City for various legal reasons.

The name of this reserve fund was changed from the OMB Hearing Reserve Fund to the Planning Litigation Reserve Fund in 2018 to align the name with the use of the fund rather than the name of the board. Furthermore, this will avoid the need for revisions should future name changes of the tribunal occur (currently the Ontario Land Tribunal).

The base operating budget currently provides \$38,000 annually to this fund and annual spending can vary significantly from year to year. Average spending, however, over the last 5 years has seen a considerable increase, drawing down the reserve fund balance and finishing the year in 2022 below the minimum threshold. 2023 also has the potential for a sizeable draw, depleting the reserve.

Recommendation #7 has been included in this report to reallocate \$750,000 to the Planning Litigation Reserve Fund from the RIM Park Investment Reserve surplus, as a one-time transfer established by the staff Budget Committee as part of the 2024-2026 budget development process. This reallocation opportunity is being recommended by the Budget Committee to replenish the LIT Reserve Fund in the short term, without adding additional ongoing pressure to the property tax base. Staff will continue to monitor actual reserve activity closely and may recommend an ongoing increase to the annual contribution to this reserve fund as a part of a future budget process.

The projected ending balance in 2023, including the recommended transfer, is \$679,000.



Sick Leave & Vacation Liability (SL&V) - provides financing for the accumulated sick leave benefit payable to eligible employees upon retirement, termination, or death.

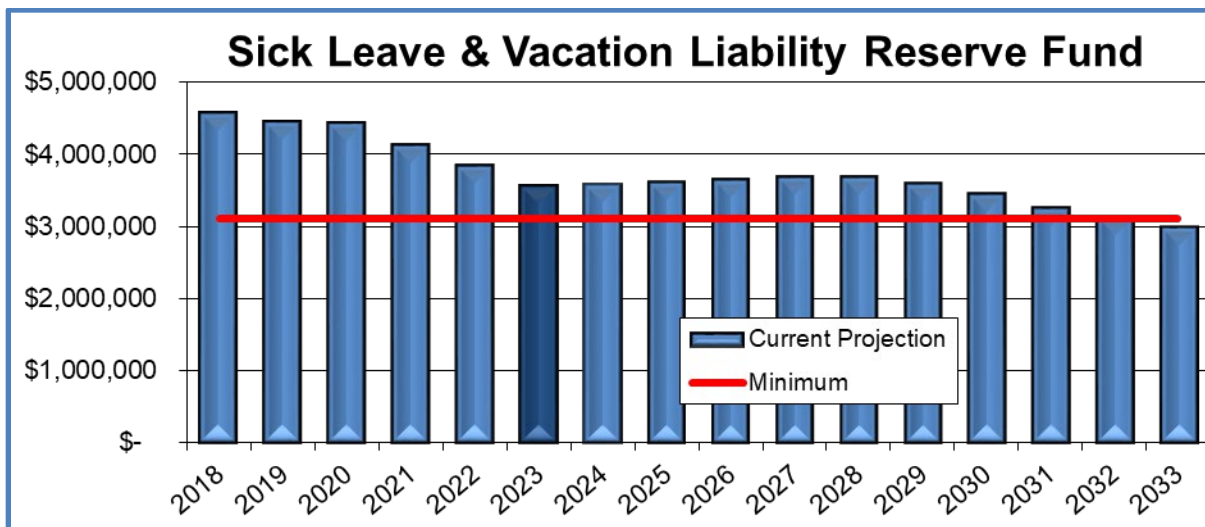
The Sick Leave & Vacation liability was \$8,516,000 at December 2022. The projected payout for the next three years is \$560,000. This sets the minimum balance for this reserve fund at approximately \$3,100,000 for 2023.

Revenues to this reserve fund are projected to be \$441,000 in 2023, and expenditures are projected to be \$802,000, including presumptive claims.

Since the inception of this reserve fund, new legislation regarding Presumptive Claims has come in to effect recognizing entitlement for full time firefighters who have incurred certain occupational diseases. Under this legislation, for an allowed claim, monies could be awarded for health care costs, equipment, form completion, non-economic loss based on impairment, and in the case of an attributable death, survivor and death benefits. Staff have factored in adequate provision within the reserve fund for this purpose.

A housekeeping correction to the revenue policy of this reserve fund has been included in this report for Council's consideration as per recommendation #8f.

The projected ending balance in 2023 is \$3,555,000.



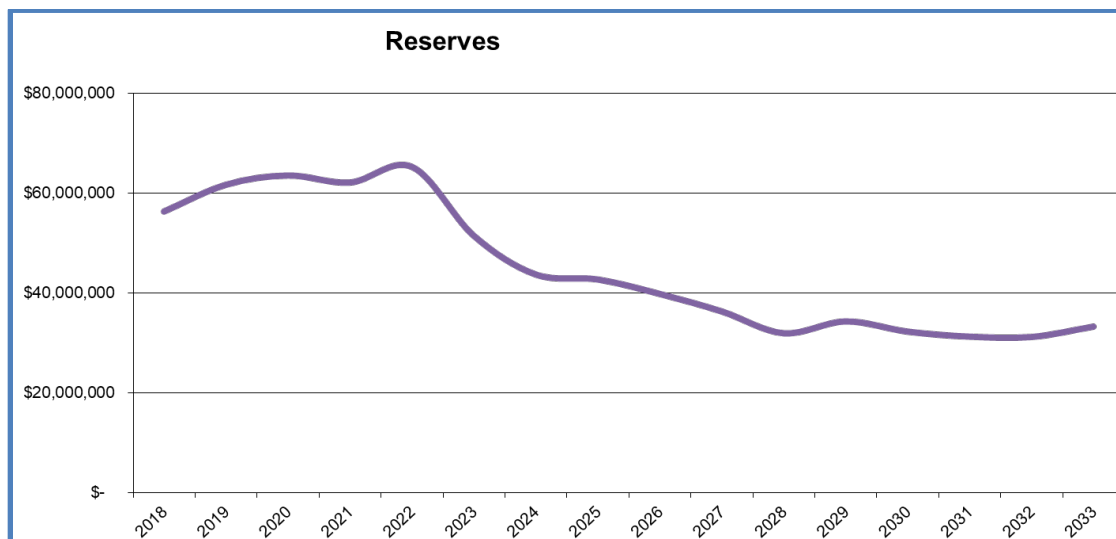
RESERVES ANALYSIS, HISTORY and FORECAST:

Reserves are monies set aside by approval of Council for a set purpose. They are not restricted by legislation or bylaw but do require Council approval for any change, as outlined in FC-006 Reserves and Reserve Funds Policy. No interest is paid into reserves.

Reserve balances between 2023 and 2024, shown in purple below, are projected to decrease by approximately \$7.8 million, mainly due to the staff tabled 2024 capital program and driven by the usage of the utility enterprise capital reserves.

Over the current 10 year projection, reserve balances are anticipated to gradually decline due to the planned drawing down of the RIM Park Investment Reserve to 2031, before leveling out, with minor fluctuations in all other reserves from year to year.

Graph 6: 2018-2033, reserve levels



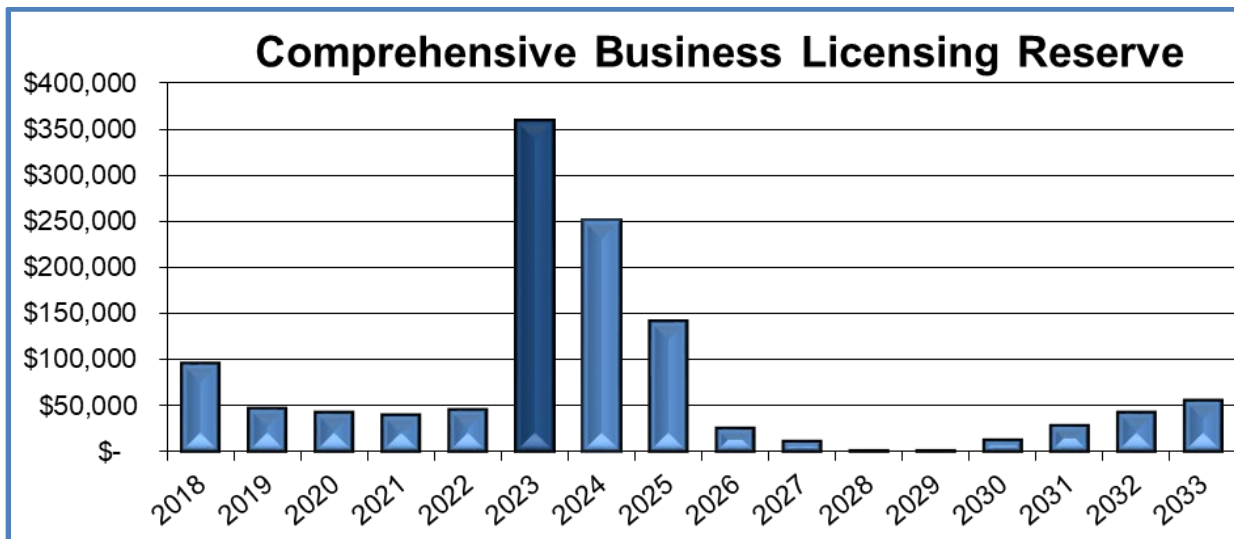
Comprehensive Business Licensing (BUS) - established in 2015 to fund any annual deficit and collect any annual surplus from the Comprehensive Business Licensing Program.

In the early months of 2020, revenues were trending ahead of 2019, indicating that program resource adjustments were having a positive impact on revenue generation. This progress, however, was necessarily put on hold to focus on providing relief to the business community in the wake of COVID-19, and the program has since seen a significant drop in both licensing compliance and revenues over the last three years. In 2020-2022, deficits were incurred of (\$96,000) in 2020, (\$114,000) in 2021, and (\$108,000) in 2022, however, these deficits were offset via Federal/Provincial Safe Restart Grant funding, allowing the reserve to remain whole.

For 2023, a further deficit is anticipated of (\$87,000) that will require a draw on the reserve, fully depleting it.

Recommendation #7 has been included in this report to reallocate \$400,000 to the Comprehensive Business Licensing Reserve from the RIM Park Investment Reserve, via a one-time transfer established by the staff Budget Committee as part of the 2024-2026 budget development process. This reallocation opportunity is being recommended by the Budget Committee to replenish the BUS Reserve in the short term, without adding additional ongoing pressure to the property tax base at this time.

The projected 2023 ending balance, including the recommended transfer, is \$359,000.



Council's Community Priority and Contingency (CCPC-Gen) -

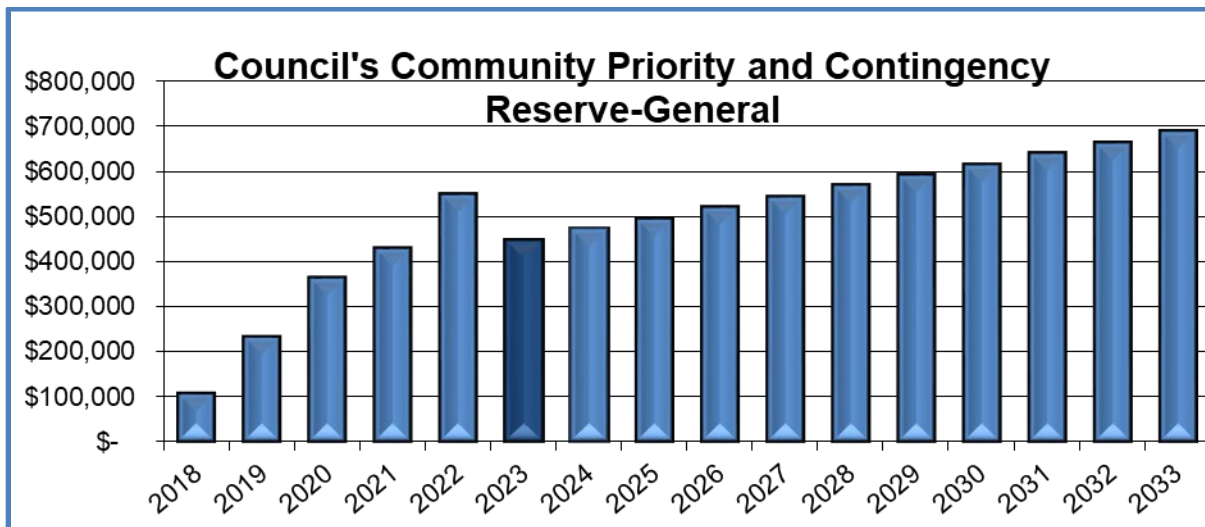
established in 2009 to provide for expenses that are not a part of the approved budget but that Council determines to be necessary or of considerable merit.

The CCPC-GEN reserve currently receives an annual allocation of \$95,500. For the purposes of the projection, it has been assumed that spending will be 75% of the contribution annually.

Draws upon the reserve for 2023 have been for Housing and Homelessness support, and a donation to assist those impacted by the earthquake in Turkey/Syria.

Full details of Council's use of the reserve for the last five years have been provided in Appendix A.

The projected ending balance for 2023 is \$449,000.

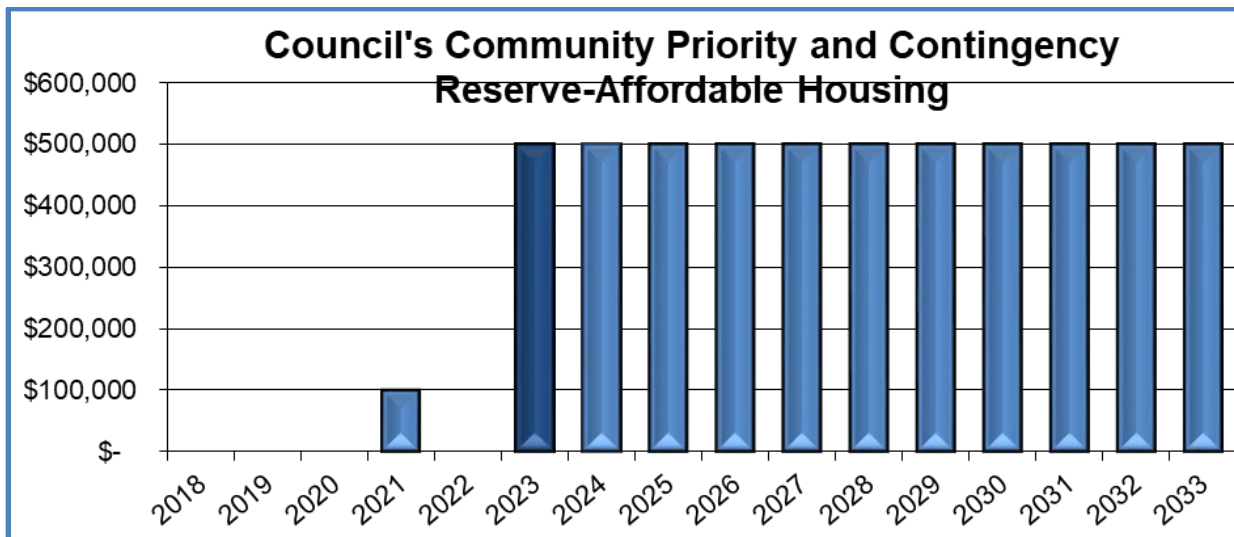


Council's Community Priority and Contingency (CCPC-AH) - created by Council through the 2020-2022 budget process, this program within the Council's Community Priority and Contingency Reserve is intended to establish a sustainable funding source to support and facilitate more affordable housing within the community in alignment with the Strategic Plan.

Council approved an annual allocation to the reserve of \$100,000 beginning in 2021. As a part of the 2023 budget process, Council approved a further increase to the contribution to this portion of the reserve of \$25,000 annually, through a redirection of a portion of the annual contribution to the general portion of the CCPC Reserve.

In 2022, the balance was fully drawn down to establish the new Affordable Housing Grant Program. Going forward, the annual contributions are anticipated to be fully utilized each year through the Affordable Housing Strategy project.

Recommendation #7 has been included in this report to reallocate \$500,000 to the Council's Community Priority and Contingency Reserve-Affordable Housing Program from the RIM Park Investment Reserve surplus, as a one-time transfer established by the staff Budget Committee as part of the 2024-2026 budget development process. This reallocation opportunity is being recommended by the Budget Committee to provide flexibility within the CCPC-AH reserve to address additional affordable housing related needs.



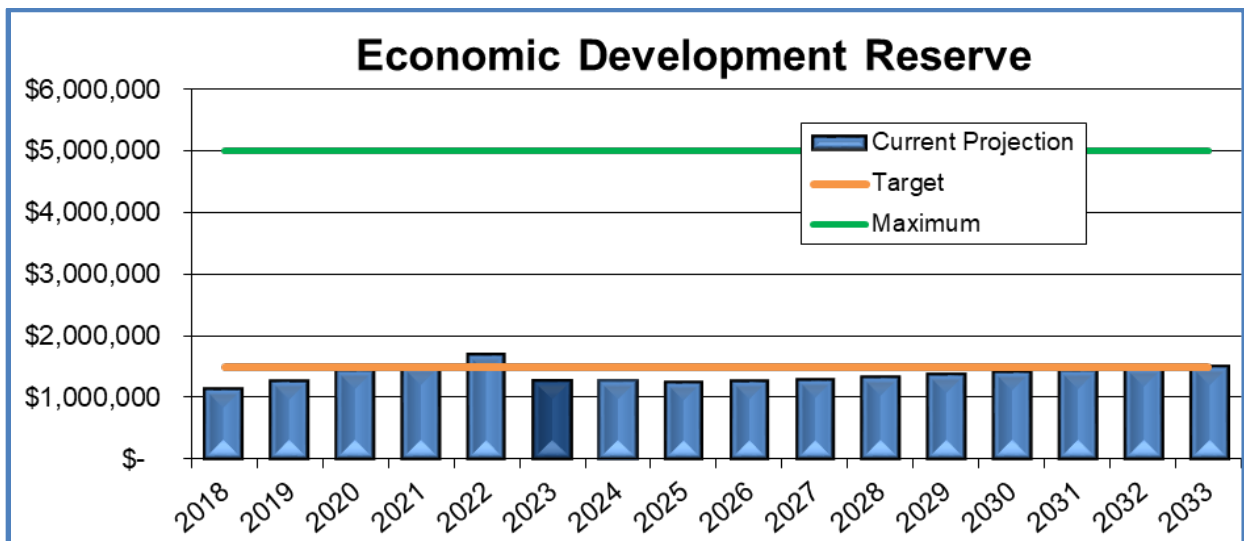
Economic Development (ECDEV) - established to provide one-time funding for opportunities to enhance the business environment within the City of Waterloo, and to create a catalyst to stimulate and support continued economic growth.

The Economic Development Reserve receives annual funding of \$325,000 through an operating budget allocation, approved through the Long Term Financial Plan report in April 2018.

Expenditures from the Economic Development Reserve in 2023 are projected to be \$754,000, and include the annual budgeted transfer to economic development operating, capital projects, an allocation toward physician recruitment, and the annual budgeted allocation to Arts & Culture.

Requests have been included in the 2024-2026 operating budget for Council's consideration, to support an increase to the allocation for physician's recruitment for 2024-2026, as well as annual increases to the Arts & Culture allocation.

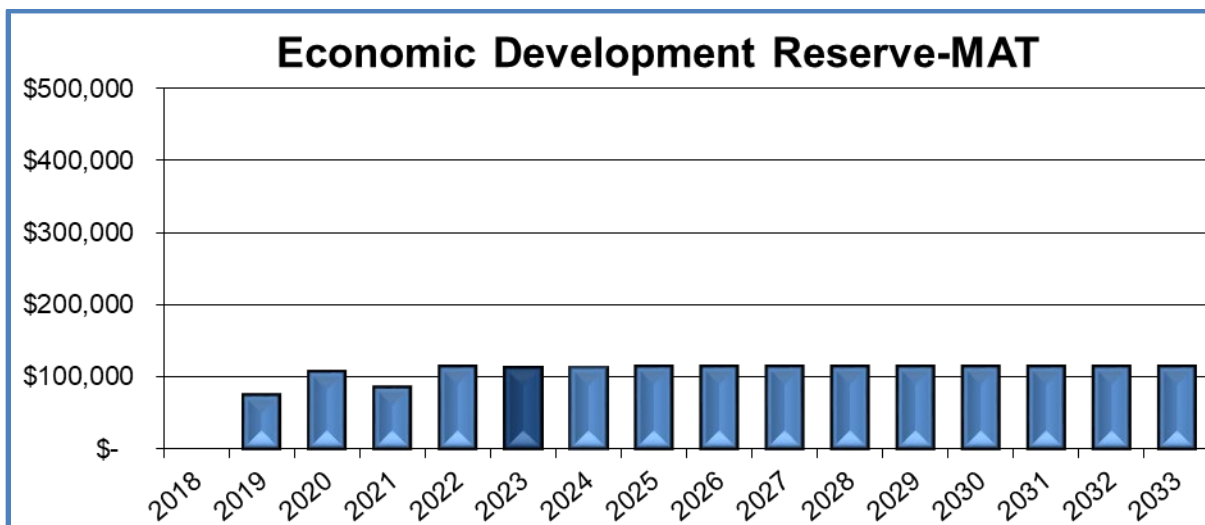
The projected ending balance for 2023 is \$1,256,000.



Economic Development (ECDEV-MAT) - In April 2019, Council approved report CAO2019-014, implementing a 4% Municipal Accommodation Tax, effective July 1, 2019. In addition, Council directed staff to create a reserve fund policy to isolate the City's portion of the tax revenue, for the uses outlined in that report. As a result of this direction, staff established a separate program number within the Economic Development Reserve to isolate the MAT funds, and the Economic Development Reserve revenues and expenditures policies were updated to include this revenue and the permitted usage.

2019, the first year of this program, ended with a \$74,000 MAT surplus, which was contributed to the reserve. Due to COVID-19 restrictions, revenue attainment in the MAT program reached only 43% of target for 2020, and 45% of target for 2021, resulting in program deficits. However, the cancellation of a MAT funded initiative as a result of COVID-19 resulted in the return of \$32,000 in funding to the reserve, offsetting the deficit. For 2022, MAT revenues trended more positively, finishing the year at 84% attainment and contributing a surplus of \$27,000 to the reserve. 2023 revenues continue to trend well, currently at 89% attainment.

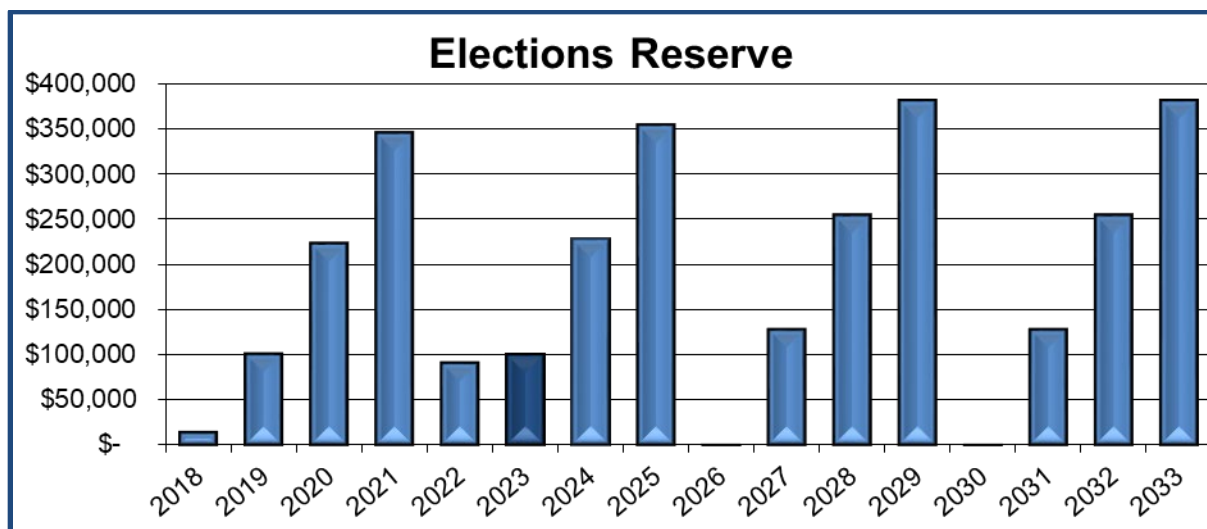
In December 2020, Council approved that this reserve be permitted to temporarily enter a negative position, up to a maximum of one year's worth of budgeted MAT program operating expenditures, in order to continue to provide much needed arts and culture grants during the pandemic. Any deficit would then be recovered from future MAT operating surplus contributions over the next 5 years as tourism and travel recover from COVID-19 restrictions. Any unrecovered amount at the end of five years would be recovered in full from the general portion of the Economic Development Reserve. To date, it has not been necessary to take advantage of this allowance as MAT revenues have recovered well since the lifting of pandemic restrictions.



Elections (ELEC) – spreads the cost of savings for municipal election over four years, rather than funding the entire amount in the year of the election.

The reserve receives an annual ongoing budget allocation. This allocation was increased beginning in 2020 in recognition of the increasing costs of running a paper based election and to prevent the need to access contingency funding to meet this legislative requirement. In addition, \$75,000 in Federal/Provincial Safe Restart Agreement grant funding was used in 2022, to provide support for the anticipated increase in election costs due to the pandemic.

The projected ending balance for 2023 is \$100,000.

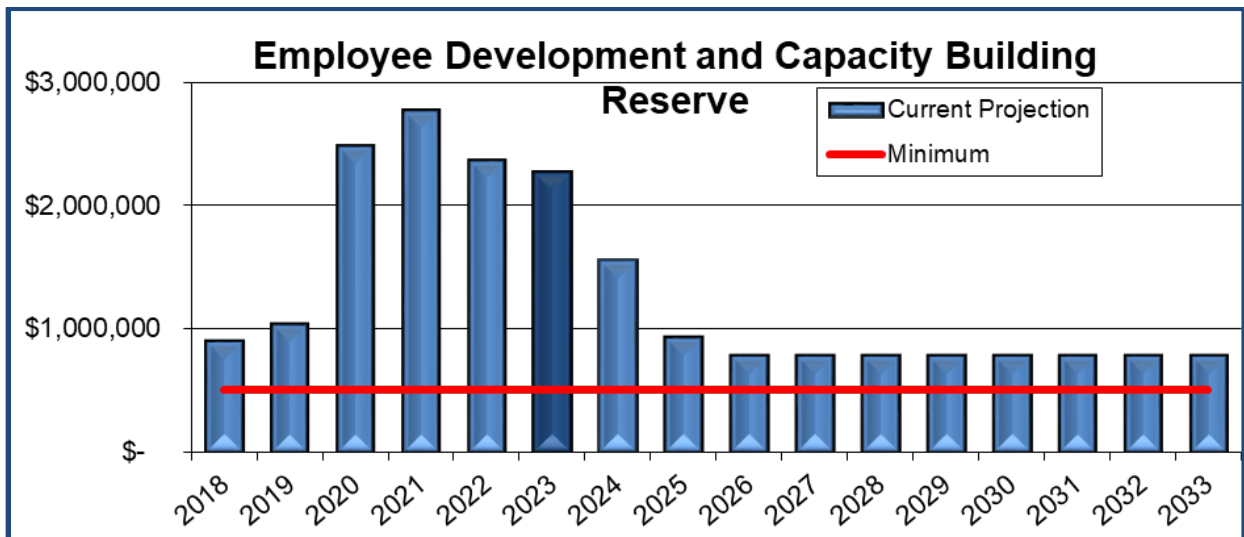


Employee Development and Capacity Building (EMPDV) – is used to accumulate corporate savings from staffing vacancies to support employee-based initiatives.

This reserve is the main funding source of employee-related initiatives, such as continuing education, training, leadership development, and corporate space planning. Any budgeted funds for these reserve-funded initiatives that were not spent in 2023 will be returned to the reserve for future use.

A budget request has been included in the 2024-2026 operating budget for Council's consideration, to continue the contract resource program (held within Human Resources), funded from this reserve fund.

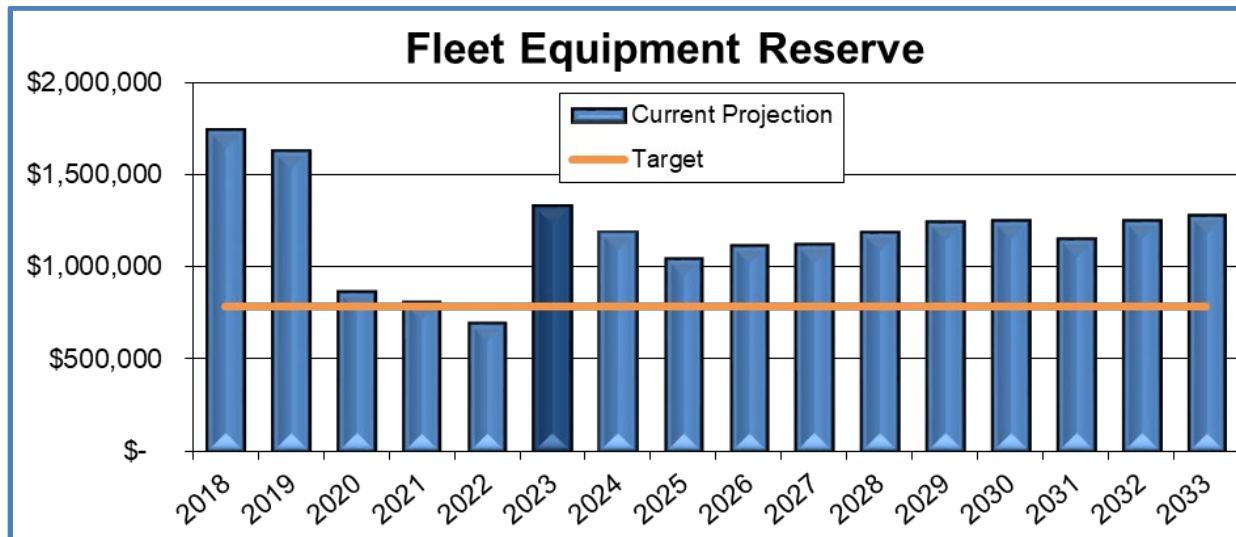
The projected ending balance for 2023 is \$2,270,000.



Fleet Equipment (ER-GEN) – provides for the replacement of vehicles and equipment.

Changes within the manufacturing industry have resulted in longer wait times to receive equipment purchased. Staff have therefore incorporated reduced capital cost recovery revenue projections for the reserve and will continue to monitor and adjust going forward as appropriate.

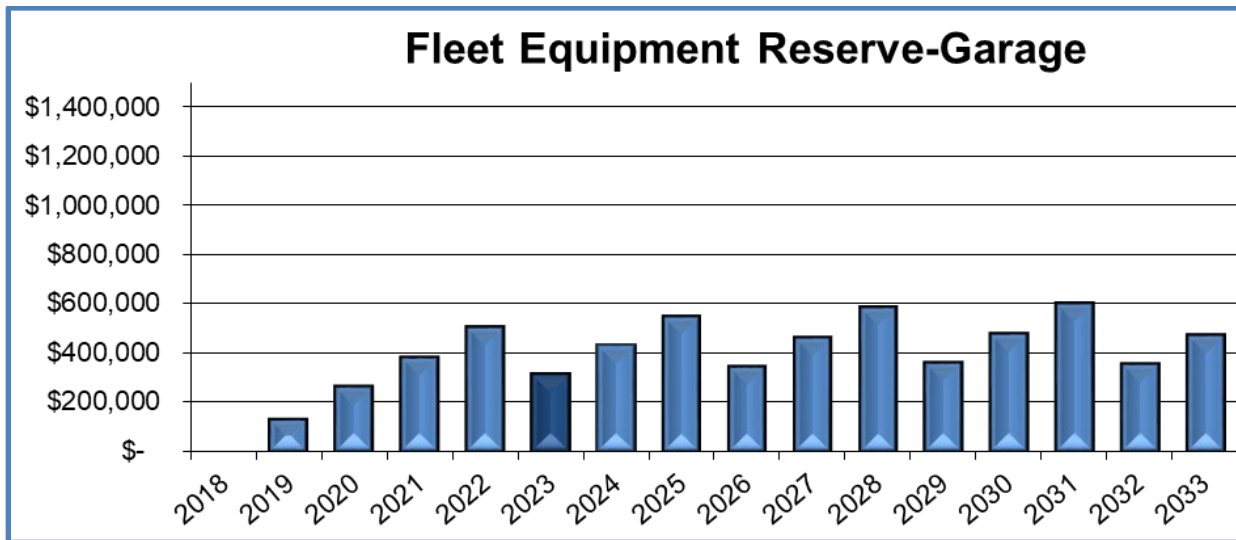
The projected ending balance for 2023 for the general portion of the Fleet Equipment Reserve is \$1,325,000.



Fleet Equipment (ER-Garage) - A unique program number was established in 2019 within the Fleet Equipment Reserve to separately track the replacement of Fleet garage assets. Council has not approved a separate policy for this portion of the reserve. These assets include items such as hoists, cranes, lifts, compressors and fuel pumps.

The base operating budget currently provides \$120,000 annually to this program. Expenditures funded from this capital program within the reserve have been included in the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast.

The projected ending balance for 2023 is \$311,000.



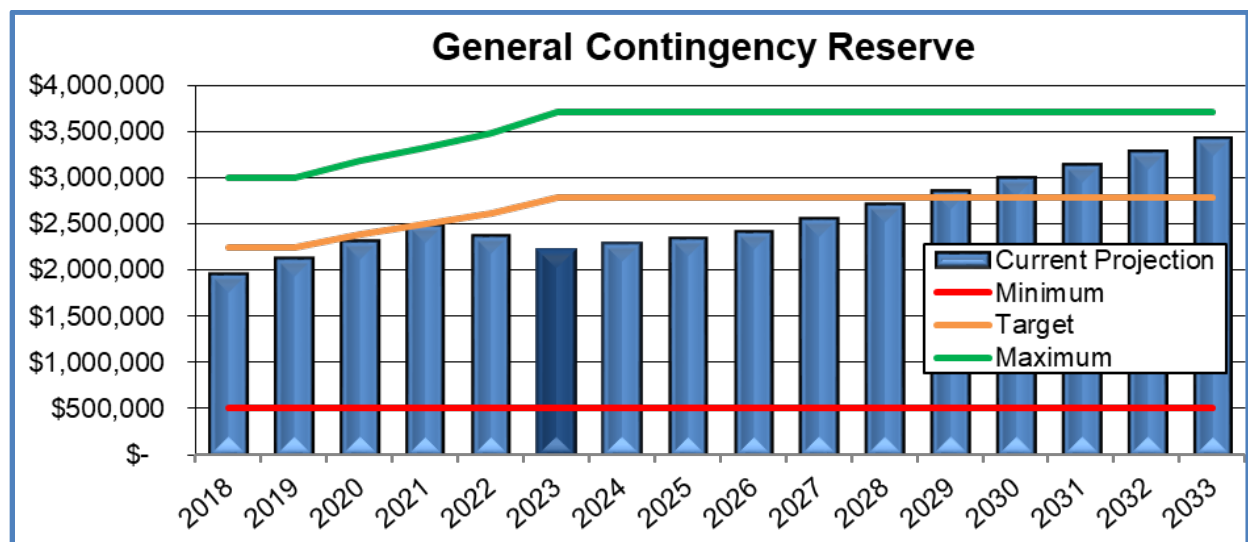
General Contingency (GENCON) – funds operating expenditure variations that result from cyclical spending, unanticipated operating opportunities or pressures, or anticipated pressures with undetermined timing.

The reserve has not been accessed as an operating contingency reserve since it was established, allowing the balance to build towards its target level. This reserve also has a maximum level, after which surplus funds would be redirected to Tax Rate Stabilization Reserve, and ongoing contributions would be reviewed for potential temporary or permanent redirection to other funding needs.

While the reserve was originally established as an operating contingency reserve, it was used for the first time in 2022 to fund the Temporary Excess Soil Storage Area at the Waterloo Service Centre capital project, which experienced soil contamination during construction. In 2023, Council approved use of the reserve for the Waterloo City Centre and Waterloo Service Centre HVAC Sanitation capital project as well. With the ongoing high cost of tenders and continued higher than average inflation, it is anticipated that there may be continued demand to access this contingency reserve in the future for unanticipated capital contingency needs.

Staff, therefore, recommend that the reserve policy be updated to add that the reserve may be used for strategic, one-time, capital contingency expenditures along with operating contingency expenditures, as approved by Council. In addition, Staff recommend that the reserve name be updated to General Contingency Reserve and that the reserve continue to be precluded from being used as a planned funding source for capital (contingency for capital and operating only). Recommendations #8h and #8i have been included in this report for Council's consideration.

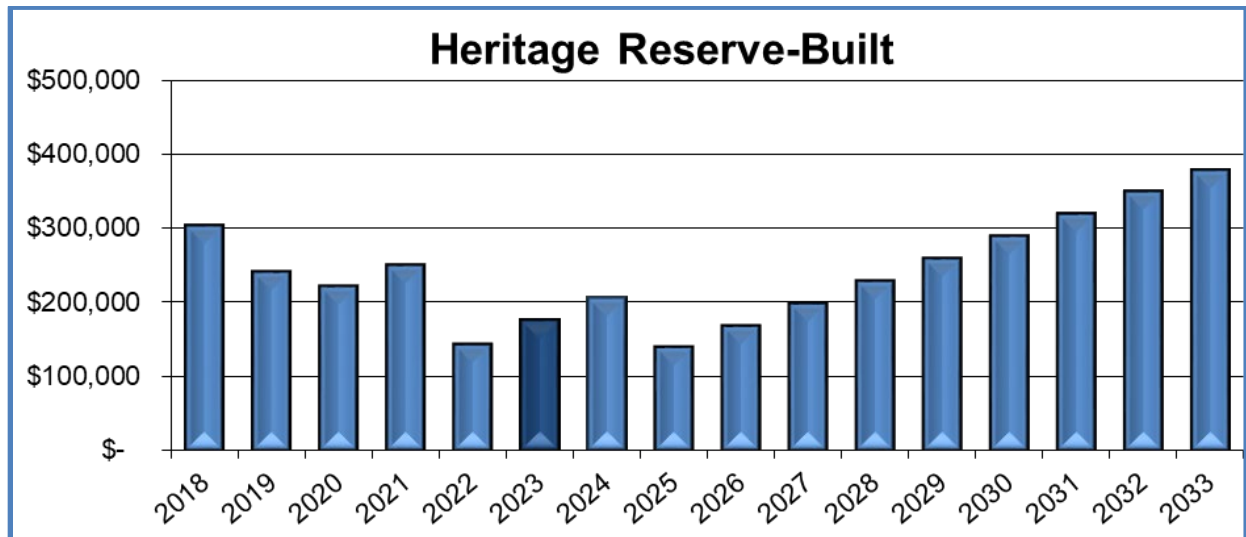
The projected ending balance for 2023 is \$2,215,000.



Heritage-Built (HER-Built) – funds expenditures related to the management of Waterloo’s heritage, which includes the City’s built heritage conservation efforts. The reserve received an annual contribution of \$30,000 through a base operating budget transfer.

In 2022, this reserve funded the Heritage Property Grant project, as well as the Culture Heritage Landscape Study and Plan project. The next update of the Cultural Heritage Landscape Study is planned for 2025.

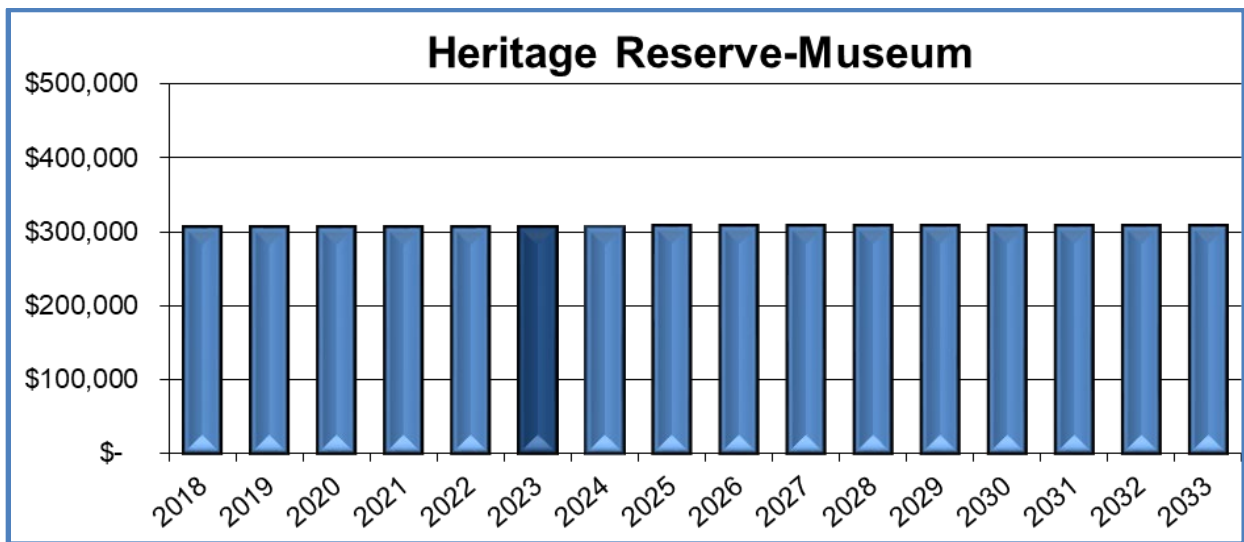
The projected ending balance for 2023 is \$175,000.



Heritage-Museum (HER-MUS) – for artifact acquisitions, loans, restorations, and capital costs related to program delivery for the City of Waterloo’s Museum, and studies to further the City of Waterloo Museum’s development.

In June of 2023, via COM2023-013, Council directed staff to conduct a feasibility study to pursue consideration of moving the City of Waterloo Museum to the former Carnegie Library building. While the total costs to facilitate this move are subject to confirmation pending the results of the feasibility study, both the Museum and Built heritage components of the Heritage Reserve would potentially be utilized for this project, either as a direct funding source, or as a source of matching funds to leverage grant opportunities in support of the project.

The projected ending balance for 2023 is \$306,000.

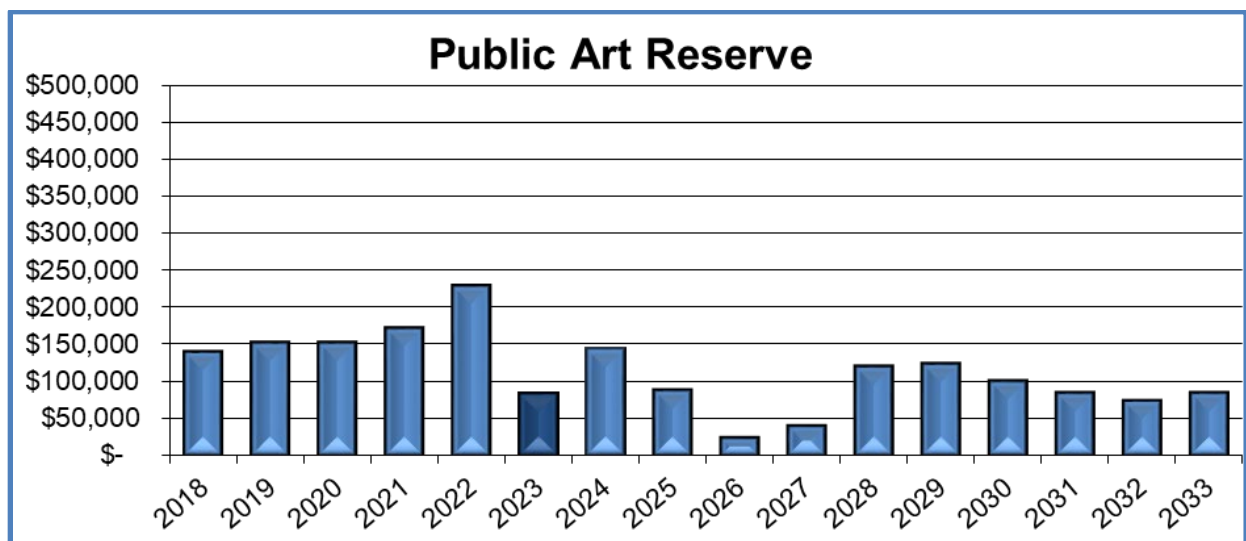


Public Art (ART) – provides funding to acquire artistic works to be located on or staged in municipally owned public spaces.

The Public Art Reserve was established in 2016, and contributions to the reserve to date have come from developer contributions, as well as a 1% allocation of funding from capital projects that meet the criteria outlined in the Public Art Policy. A review and potential update to the Public Art Policy is planned for 2024.

The 10-year capital projection includes projects for public art implementation.

The projected ending balance for 2023 is \$83,000.

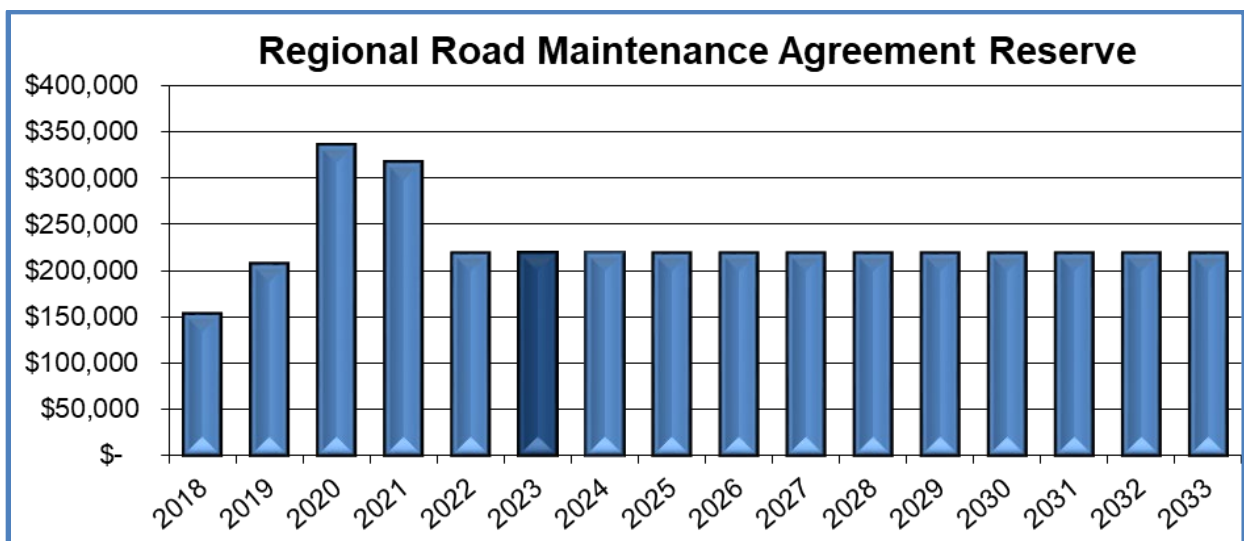


Regional Road Maintenance Agreement (RRMA) – provides funding for summer and winter maintenance as per the RRMA in the event of a deficit in the regional maintenance operating budget.

The RRMA reserve aids in minimizing the financial implications resulting from extreme weather conditions.

The 10-year projection does not reflect future surpluses or deficits, as reserve impacts are weather dependent and cannot be predicted.

The projected ending balance for 2023 is \$219,000.

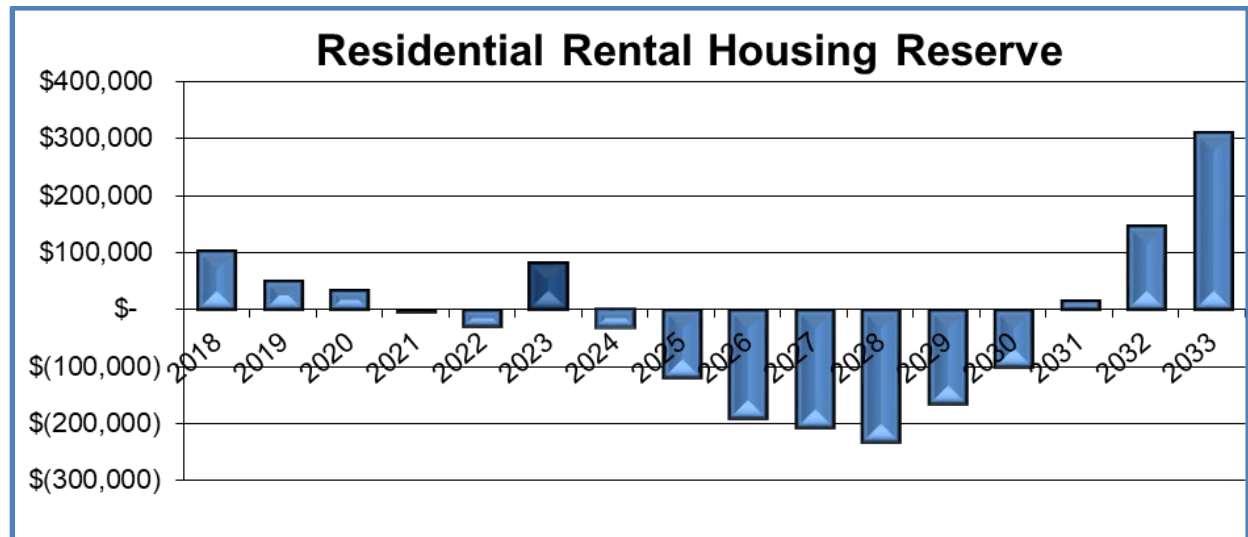


Residential Rental Housing (RHR) – funds any annual deficit and collects any annual surplus for the Residential Rental Housing enterprise, as well as funds the RHR capital program.

Rental Housing program licence unit sales were significantly impacted during the pandemic. In addition, the rental housing enterprise did not raise fees for 2021 due to the ongoing COVID-19 impacts to the rental market. As a result, Federal/Provincial Safe Restart Grant funding was required in 2020 (\$68,000), 2021 (\$131,000), and 2022 (\$66,000) to offset program deficits. In 2023, a small surplus of \$7,000 is anticipated to be contributed to the reserve.

Recommendation #7 has been included in this report to reallocate \$100,000 to the Residential Rental Housing Reserve from the RIM Park Investment Reserve surplus, via a one-time transfer established by the staff Budget Committee as part of the 2024-2026 budget development process. This reallocation opportunity is being recommended by the Budget Committee to replenish the RHR Reserve in the short term, without adding additional ongoing pressure to the property tax base. Without this infusion, the reserve will remain in a negative position until 2032 vs 2030 as outlined in the below table.

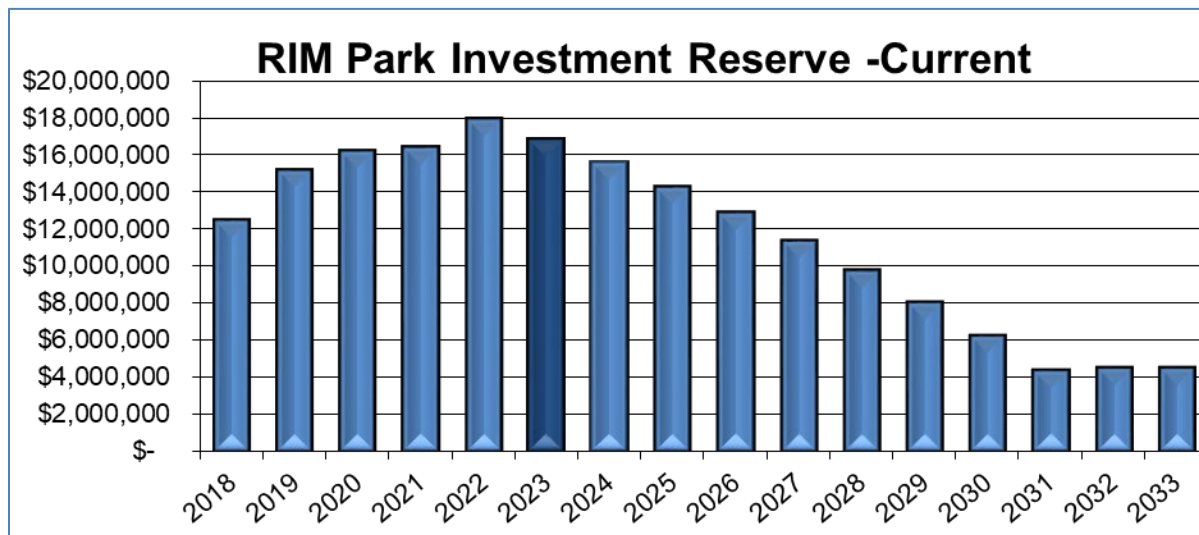
The projected 2023 ending balance, including the above noted transfer, would be \$81,000.



RIM Park Investment (RIM) – established to offset the lease liability of RIM Park.

This reserve was originally funded via the redemption of a Waterloo North Hydro (now ENOVA) Senior Promissory note in the amount of \$15,157,000 in 2006. In addition, as the City Centre debt was retired in 2012, \$700,000 of that annual operating budget allocation was redirected to this reserve as an annual contribution. In 2012, Council also approved that any investment surpluses would be allocated to this reserve, and in 2022 this amounted to a transfer of approximately \$1.9 million. Also since 2012, the first \$200,000 of any year-end operating surplus has been contributed to this reserve.

Contributions to this fund are reviewed each budget cycle to ensure adequate funding is available that will meet, but not exceed, the obligation which ends with the final payment in 2031. As seen in the graph, without incorporating any further investment surpluses or year-end operating surplus contributions, funding in the reserve now exceeds the repayment needs, providing a funding reallocation opportunity.



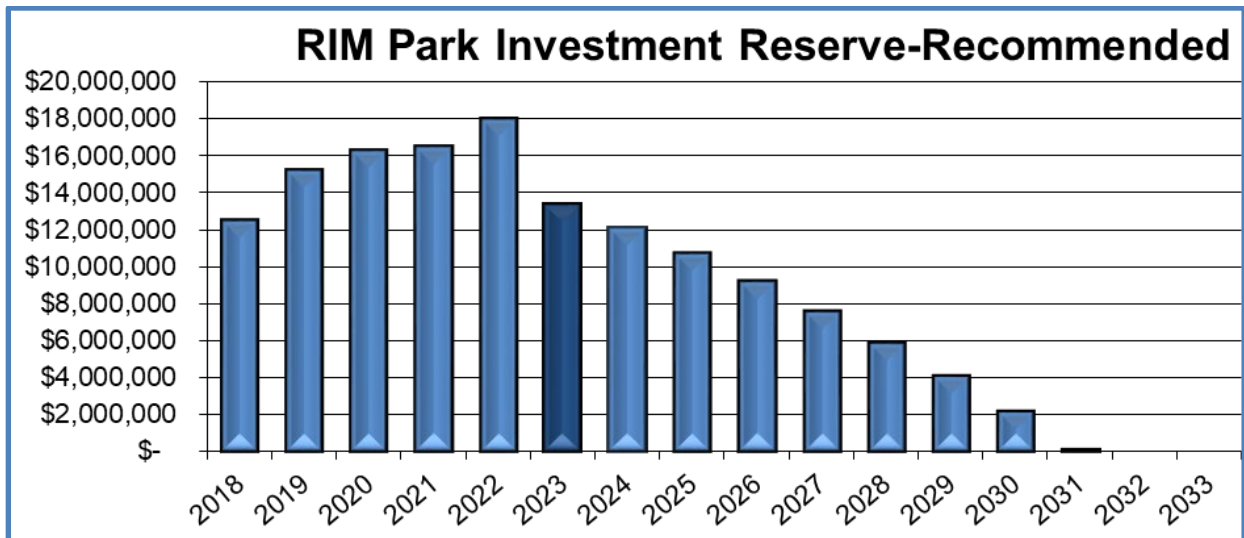
Staff are therefore recommending a number of changes to reallocate surplus funding from this reserve to address other pressures and priorities:

- That Council approve that the related individual reserve and reserve fund policies within FC-006 Reserve and Reserve Fund Policy be updated to reflect that:
 - When actual investment income exceeds budgeted investment income, the surplus is transferred:
 - 25% to the Climate Action Reserve Fund (CARF)
 - 25% to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
 - 25% to the Capital Reserve Fund (CRF)
 - 25% to the Library Expansion and Rehabilitation Reserve Fund (LXPR)
 - The RIM Park Investment Reserve no longer receives \$200,000 from year end operating surplus (if available)

- That Council approve that FC-003 Surplus Allocation Policy be updated to reflect that the RIM Park Investment Reserve no longer receives \$200,000 from any year end surplus.
- That Council approves one-time transfers from the RIM Park Investment Reserve surplus of:
 - \$1,200,000 to Capital Reserve Fund (CRF)
 - \$750,000 to Planning Litigation Reserve Fund (LIT)
 - \$500,000 to Climate Action Reserve Fund (CARF)
 - \$500,000 to Affordable Housing Reserve Fund (CCPC-AH)
 - \$400,000 to Comprehensive Business Licensing Reserve (BUS)
 - \$100,000 to Rental Housing Reserve (RHR)

These one-time transfer amounts have been established by the staff Budget Committee as part of the 2024-2026 budget development process. This reallocation opportunity is being recommended by the Budget Committee to provide necessary funding to the above areas in support of various initiatives within the 2024-2026 budget without adding additional ongoing pressure to the property tax base. As an example, the allocation to the Capital Reserve Fund is being recommended to fund the Winter Sidewalk Maintenance Service Enhancements Capital Equipment (ref #327), while the allocation to the Climate Action Reserve Fund is being recommended to fund the increased Electric Vehicle Charging Program (ref #145).

The lease liability payment for 2023 is \$5,365,000. The projected ending reserve balance in 2023, after factoring in the approval of the above recommendations, would be \$13,383,000, and is fully funded, forecasted to be drawn down to \$0 by 2032.

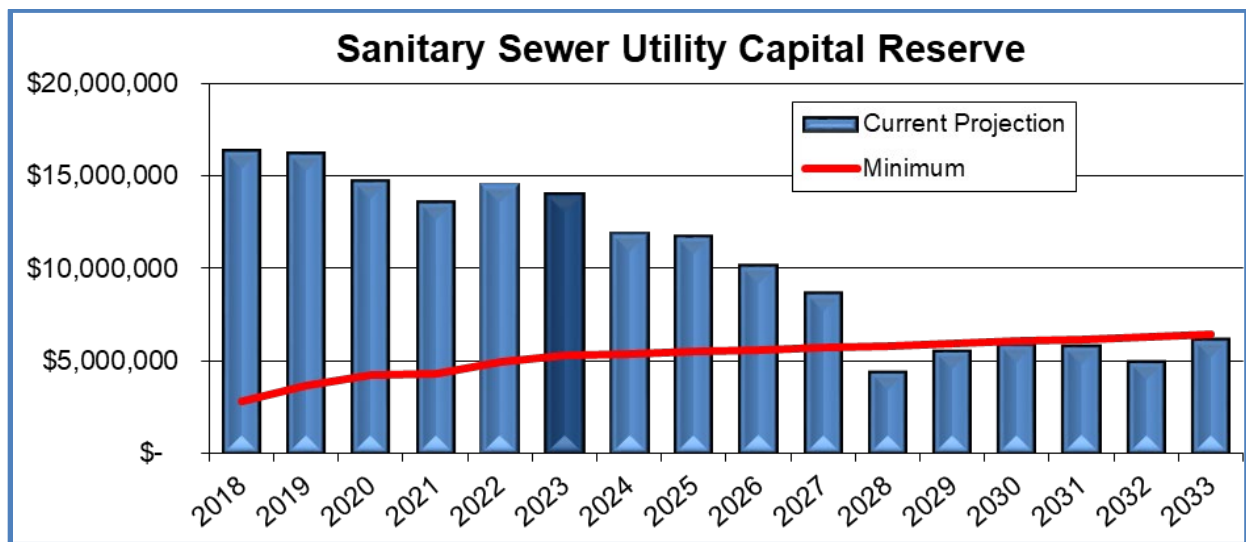


Sanitary Sewer Utility Capital Reserve (SEWCAP) – provides funding for budgeted asset replacement or rehabilitation capital projects, as well as unbudgeted needs.

On November 14, 2016, Council approved separate capital and stabilization reserves and policies for both the water and sanitary sewer utilities. These new reserves came into effect on January 1, 2019, as outlined in IPPW2016-032.

The Sanitary Sewer Utility Capital Reserve has faced increasing pressures over the past two years due to inflationary effects and general supply chain and labour cost increases associated with road reconstruction projects. The recommendation regarding the rates for 2024 will be brought forward for Council consideration on December 11, 2023.

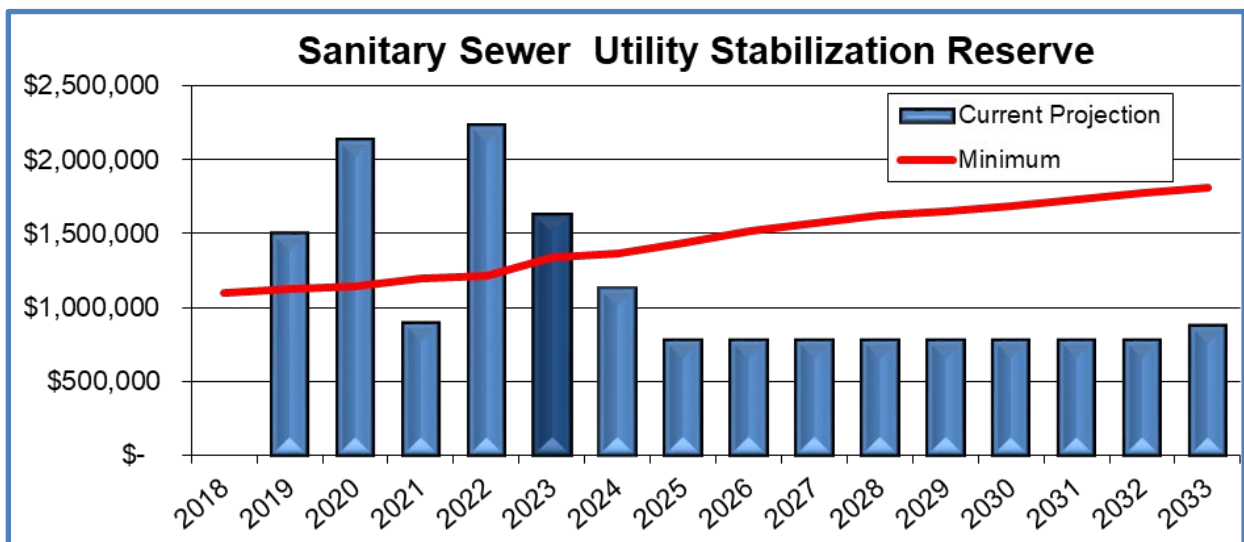
The projected ending balance for 2023 is \$13,997,000.



Sanitary Sewer Utility Stabilization Reserve (SEWOP) – accumulates any sanitary sewer operating surpluses and provides a source of financing, to offset any sanitary sewer operating deficits, as well as to avoid unplanned rate spikes in the subsequent year.

Based on the impacts of COVID-19, Council approved that sanitary sewer rates for 2021 remain frozen at the 2020 level, to provide some relief to Waterloo residents and businesses. An increase to rates was approved, however, for 2022 via IPPW2021-069 on December 6, 2021 and for 2023 via IPPW2023-062 on December 12, 2022. The recommendation regarding the rates for 2024 will be brought forward for Council consideration on December 11, 2023.

The projected balance for 2023 is \$1,629,000.

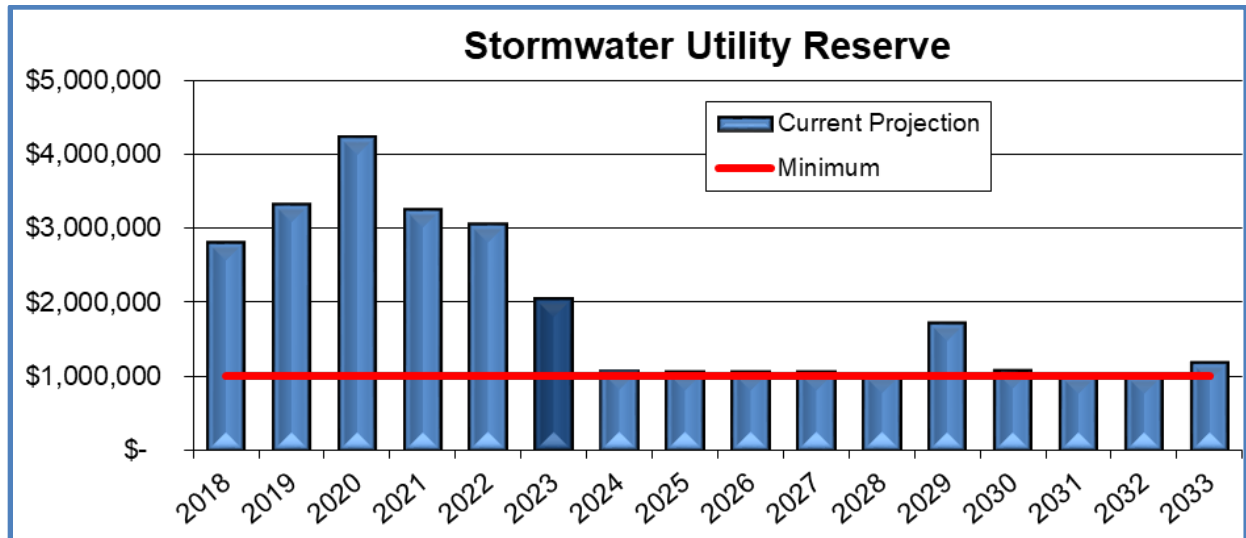


Stormwater Utility Reserve (SWM) – funds the entire Stormwater utility day-to-day operations, as well as capital projects. It is also used to assist in the gradual introduction of rate increases as required.

As this reserve is still relatively new, it will take some time to build the reserve to a sustainable level, and therefore debt has been used as a financial tool in the interim. This will allow much-needed projects to move forward now, while ensuring that the reserve does not drop below the minimum level requirement. This debt will be fully recoverable through the Stormwater user rates.

The Stormwater Utility Reserve has faced increasing pressures over the past two years due to inflationary effects and general supply chain and labour cost increases associated with road reconstruction projects. The recommendation for 2024 rates will be brought forward for Council consideration on December 11, 2023.

The projected ending balance for 2023 is \$2,041,000.

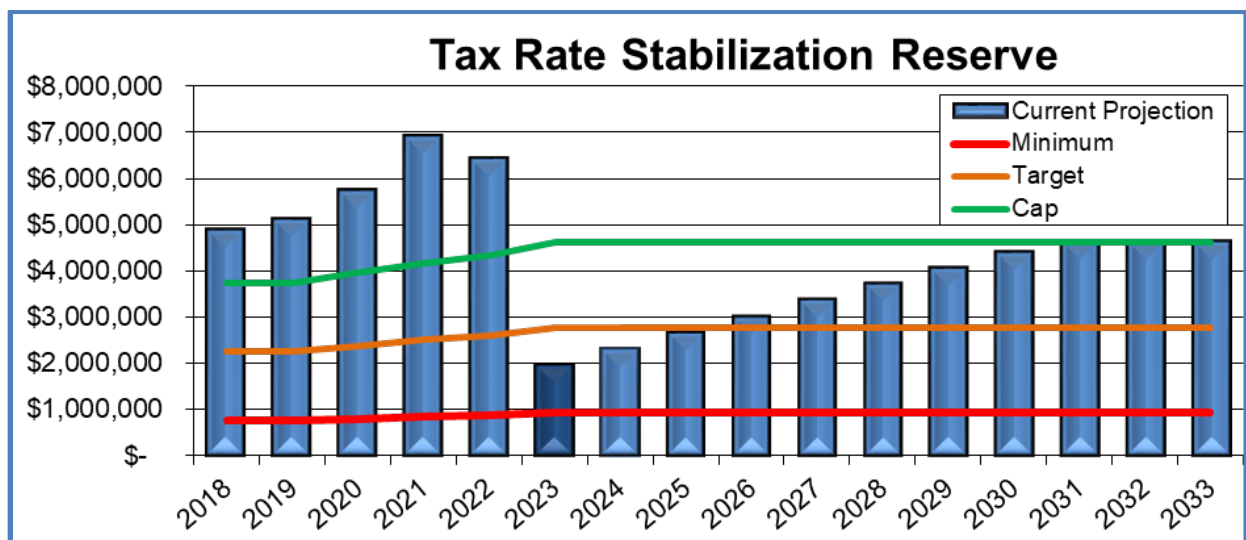


Tax Rate Stabilization Reserve (TRS) – provides a contingency for unforeseen events that might put pressure on the tax rate.

While future costs may be incurred, the number of instances, timing, and expense cannot be predicted. For this reason, the graph does not account for these future costs.

Council approved new minimum, target, and maximum levels for this reserve through the Long Term Financial Plan –Staff Scenario report in 2018. In 2019, this reserve was on track to reach its cap of 5% of the net tax levy, and as per policy, any funds over the cap were to be directed to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF). However, in early 2020 before the final accounting close of the 2019 operating year, the impacts of COVID-19 began to be realized and the application of the cap required reconsideration. Council approved the temporary suspension of the cap the last few years via CORP2020-028 (2020), CORP2020-053 (2021) and CORP2021-037 (2022), to maintain flexibility and allow additional funds to remain in the reserve if needed to help address the financial impacts from COVID-19. Any funds in excess of cap at the end of 2022 were transferred to CIRRF in early 2023 as per policy.

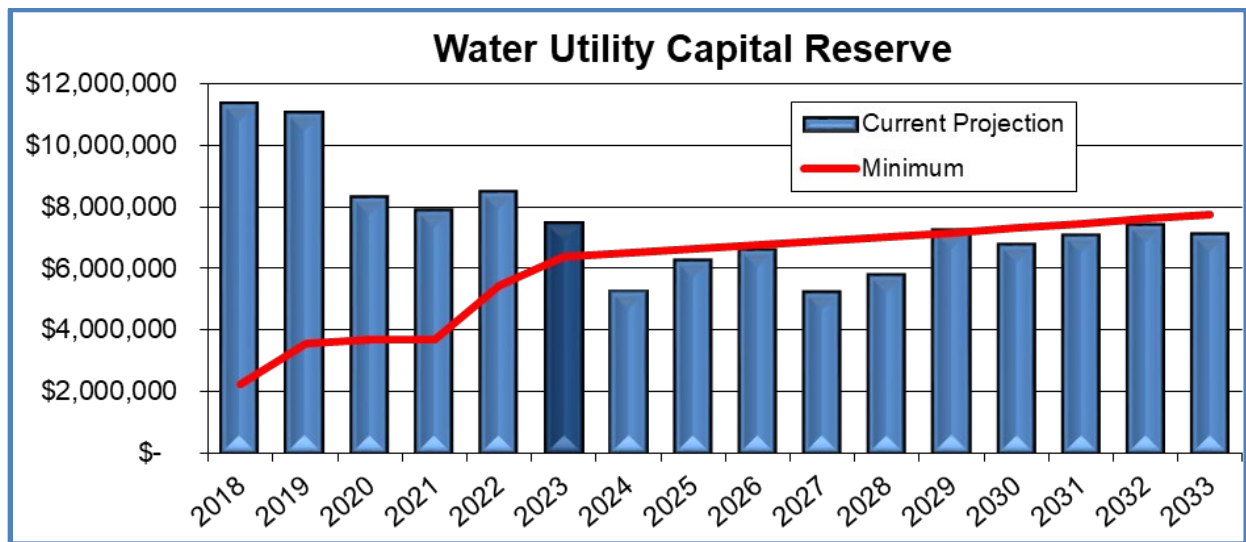
The projected ending balance for 2023 is \$1,969,000.



Water Utility Capital Reserve (WATCAP) – provides funding for city owned budgeted asset replacement or rehabilitation capital projects, as well as unbudgeted capital needs. On November 14, 2016, Council approved separate capital and stabilization reserves and policies for both the water and sanitary sewer utilities. These new reserves came into effect on January 1, 2019, as outlined in IPPW2016-032.

The Water Utility Capital Reserve has faced increasing pressures over the past two years due to inflationary effects of watermain materials and general supply chain and labour cost increases associated with road reconstruction projects. The recommendation regarding the rates for 2024 will be brought forward for Council consideration on December 11, 2023.

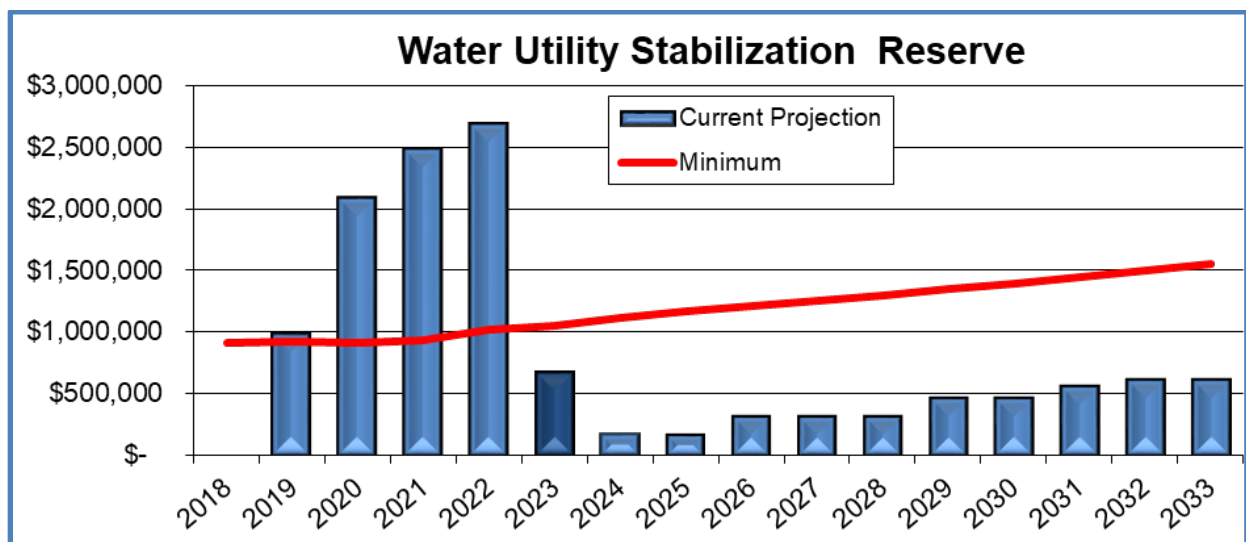
The projected ending balance for 2023 is \$7,479,000.



Water Utility Stabilization Reserve (WATOP) – accumulates any water operating surpluses and provides a source of financing, to offset any water operating deficits, as well as to avoid unplanned rate spikes in the subsequent year.

The use of the Water Utility Stabilization Reserve allowed the flexibility to freeze the rates for 2021 at 2020 levels (0% increase), to provide short-term assistance for ratepayers (residents and businesses) amid the COVID-19 pandemic. An increase to rates was approved, however, for 2022 via IPPW2021-069 on December 6, 2021, and for 2023 via IPPW2023-062 on December 12, 2022. The recommendation regarding the rates for 2024 will be brought forward for Council consideration on December 11, 2023.

The projected ending balance for 2023 is \$672,000.



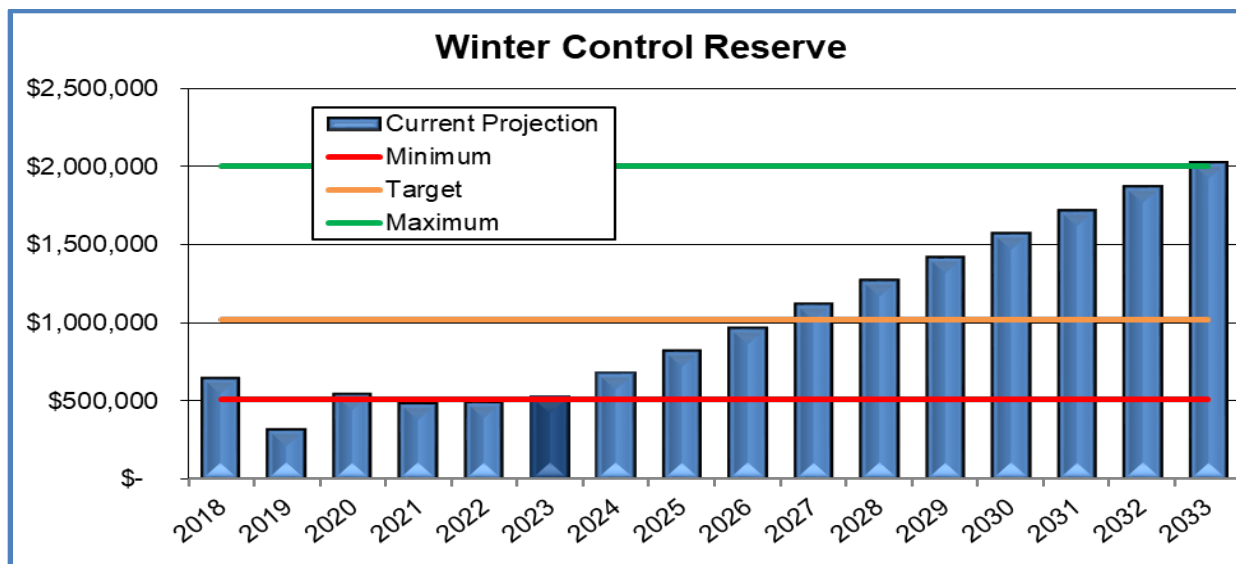
Winter Control Reserve (WC) – funds winter maintenance for city owned streets and sidewalks in the event of a shortfall in the winter control operating budget.

The reserve helps to minimize the financial impact resulting from extreme weather conditions. While future costs may be incurred, the number of instances, timing, and expense cannot be predicted. For this reason, the graph does not account for these future costs.

In conjunction with the Long Term Financial Plan in April 2018, Council approved an ongoing contribution to this reserve to provide sustainable funding, as well as new minimum, target and maximum levels. Any amounts in excess of the maximum level will be redirected to the Tax Rate Stabilization Reserve, however, the reserve is not expected to reach and exceed the maximum level within the current ten-year projection.

Due to a significant 2022 winter control deficit, the reserve was depleted and required a contribution in 2022 from year-end surplus to ensure the reserve maintained its minimum balance. The 2023 projected draw for the winter control operating deficit is estimated at \$125,000.

Staff will continue to monitor activity to determine if a contribution adjustment request should be submitted for consideration as part of a future budget cycle.



APPENDIX A

	Actual	Actual	Actual	Actual	Projected
	2019	2020	2021	2022	2023
Opening Balance	\$ (106,888)	\$ (232,888)	\$ (364,552)	\$ (430,052)	\$ (548,052)
ACTUALS:					
<u>Revenues</u>					
Council's Contingency	(170,500)	(170,500)	(170,500)	(170,500)	(95,500)
Returned from Previously funded Projects		(664)			
Total Revenues	\$ (170,500)	\$ (171,164)	\$ (170,500)	\$ (170,500)	\$ (95,500)
<u>Expenses</u>					
Physician Recruitment	20,000				
Uptown Waterloo BIA-Graffiti Removal	9,500	9,500			
Museum Anniversary	15,000				
Additional Neighbourhood Support-COVID 19		5,000			
KW4-OHT Membership		25,000	25,000	25,000	
BIA Support-Mtce/Beautification			50,000		
Immigration Partnership Fund			15,000		
Canadian Red Cross-Flooding/Extreme Weather			15,000		
Northdale On Street Parking				12,500	
Canadian Red Cross-Hurricane Fiona				15,000	
Canadian Red Cross-Earthquake Relief					10,000
Housing and Homelessness					130,000
KidsAbility - Playground					25,000
Earmarked-Potential 2023 Spending					30,000
Total Expenses	\$ 44,500	\$ 39,500	\$ 105,000	\$ 52,500	\$ 195,000
GL BALANCE	\$ (232,888)	\$ (364,552)	\$ (430,052)	\$ (548,052)	\$ (448,552)

APPENDIX B CORPORATE POLICY



Policy Title: **Reserves and Reserve Funds Policy**
 Policy Category: **Financial Control**
 Policy No.: FC-006
 Department: Corporate Services
 Approval Date: November 19, 2012
 Revision Date: **December 11, 2023**
 Author: Julie Koppeser
 Attachments: None
 Related Documents/Legislation:
 Municipal Act, S.O. 2001, c. 25
 Development Charges Act, S.O. 1997, c. 27
 Occupational Health and Safety Act, R.S.O. 1990, c. O.1
 Community Benefit Charge, By-Law No. 2022-072
 Development Charges, By-Law No. 2019-064
 Duties of the Chief Administrative Officer, By-Law No. 2021-065
 City of Waterloo Official Plan
 Uptown Parking Strategy
 Financial Requests Outside of the Budget Process, Policy No. FC-002
 Public Art, Policy No. A-018
 Comprehensive Business Licencing Review, Staff Report
 No. COM2014-021

Key Word(s): Reserve

POLICY STATEMENT:

Council approval is required for any transactions not approved via the approved budget or individual Reserve and Reserve Fund policies that will impact a Reserve Fund or Reserve. In addition, any changes to the established policy or use of an individual Reserve or Reserve Fund requires Council approval.

PURPOSE:

The primary objective of the Reserves and Reserve Funds Policy is to ensure that monies are set aside for the long-term goals of the municipality and that those funds are available when needed.

Reserves and Reserve Funds are important long-term financial planning tools for municipalities, and are used to set aside funds for a future purpose. Many of the Reserve Funds and Reserves have funding included in the Operating Budget, and are the main funding sources of the Capital Budget. There are a number of instances where using Reserves or Reserve Funds is appropriate, including:

- To facilitate long term financial planning (Capital Reserve Fund)
- To smooth tax rate impacts (Tax Rate Stabilization Reserve)
- To plan for the impact and financing of major capital projects over time (Library Expansion and Rehabilitation Reserve Fund)
- To absorb the cost of one-time expenses not included in the operating budget (Council's Community Priority and Contingency Reserve)
- To provide for the cost of equipment or facility replacements (Capital Infrastructure Reinvestment Reserve Fund)
- To fund known future obligations (RIM Park Investment Reserve)

DEFINITIONS:

Reserve Fund Monies set aside for a specific purpose as required by provincial legislation, a municipal by-law, or agreement. Reserve Funds receive an annual interest allocation based on the average annual balance. The City of Waterloo has both Obligatory and Discretionary Reserve Funds

Obligatory Reserve Fund Monies set aside and legally restricted by provincial legislation, a municipal by-law, or agreement. The funds are raised for a specific purpose and cannot be used for any other purpose. The main Obligatory Reserve Funds are the Development Charges Reserve Funds that are regulated by the Development Charges Act.

Discretionary Reserve Fund Monies set aside for a specific purpose by Council and legislated by municipal by-law. If Council should decide to spend the money for purposes other than what it was originally intended for, then a new by-law must be passed under section 417(4) of the Municipal Act.

Reserve Monies set aside by approval of Council and not restricted by legislation. Reserves can be related to projects that are of a nature prescribed and managed by approval of Council. Reserves do not receive an annual interest allocation.

SCOPE:

The Reserves and Reserve Funds Policy applies to all Reserves and Reserve Funds established by the City of Waterloo.

POLICY COMMUNICATION:

The Reserves and Reserve Funds Policy will be posted on the City of Waterloo Intranet to be available to all staff.

POLICY:

Under section 417(1) of the Municipal Act, municipalities have the authority to provide for Reserve Funds in annual budgets for any purpose for which it has the authority to spend money.

The following individual Reserves and Reserve Fund policies have been established with approval of Council. Council approval is required for any transactions outside of the approved budget or Reserve and Reserve Fund policies, as well as any changes to the established policy or use of a Reserve or Reserve Fund.

RESERVE FUNDS:

BUILDING PERMIT RESERVE FUND (BLD)
(Obligatory)
860030

POLICY:

The Building Code Act states that the fees collected are to be used to administer the Act; surpluses cannot be used to fund general City expenditures, and deficits should be funded from a Reserve Fund and not from the City funds. For this reason, the Building Permit Reserve Fund was established for the Building Standards division to provide for capital expenditures and revenue stabilization, as building permit activity is highly cyclical.

Revenues

Revenues to the Building Permit Reserve Fund are surpluses from Building Permits. Contributions and balances associated with building permits should be reviewed every 5 years.

Expenditures

Expenditures from the Building Permit Reserve Fund stabilize the building permit revenue line in the Operating Budget and fund Building Standards division capital expenditures.

Council Approved Target Level

The Building Reserve Fund balance maintains a minimum target equal to 18 months of projected operating expenses, to mitigate the sharp cyclical drops experienced, or when the economy faces a recessionary period, and to protect against building activity down turns.

CANADA COMMUNITY-BUILDING RESERVE FUND (CCBF)
870034

POLICY:

The Canada Community-Building Reserve Fund provides funding for investments in Environmentally Sustainable Municipal Infrastructure (ESMI) Projects and Capacity Building Projects as per the Agreement for the Transfer of Federal Gasoline Tax Revenues.

Revenues

The City of Waterloo receives a semi-annual allocation of funds from the AMO on behalf of the Federal Government per the Agreement for the Transfer of Federal Gasoline Tax Revenues.

Expenditures

Expenditures from the Canada Community-Building Reserve Fund are used to support environmentally sustainable municipal infrastructure to help ensure cleaner air, cleaner water, and reduced greenhouse gas emissions. Eligible project categories relevant to the City of Waterloo include:

- water
- wastewater
- community energy systems
- local roads
- bridges
- capacity building

- disaster mitigation
- broadband connectivity
- brownfield redevelopment
- cultural, tourism
- sport and recreation infrastructure

The Transfer of Federal Gasoline Tax Revenues Agreement sets out Eligible projects/categories as well as terms & conditions in further detail.

Unused gas tax funds will be returned to the Canada Community-Building Reserve Fund and redistributed to other eligible and similar projects as approved by the appropriate authorizing officers as per policy FC-015 Credit Balances & policy FC-002 Financial Requests Outside of the Budget Process, for administrative ease and improved tracking.

Council Approved Target Level

The balance of the Canada Community-Building Reserve Fund should not drop below \$0 and should be monitored regularly to make best use of the opportunity available to the City of Waterloo.

CAPITAL RESERVE FUND (CRF) (Capital Out of Operating) (Discretionary) 860001

POLICY:

The Capital Reserve Fund provides a source of financing for the purchase, construction, or development of new capital assets and studies, as defined under the Definition of Capital Policy (FC-010). Rehabilitation, refurbishment, and maintenance projects for existing capital assets will not be funded from the Capital Reserve Fund.

Revenues

The Capital Reserve Fund receives an annual operating budget allocation. The Capital Reserve Fund also receives an allocation of 10% of Assessment Growth. In addition, when actual **Enova Power Corp.** dividend/investment income exceeds budget, 75% of the surplus is transferred to the Capital Reserve Fund. This year-end surplus transfer will only occur to the extent that the City remains in an overall surplus position. **In addition, when actual investment income exceeds budgeted investment income, the surplus is transferred 25% to the Capital Reserve Fund.**

Expenditures

The Capital Reserve Fund provides the funding for new assets and studies.

Council Approved Target Level

The combined balances of the Capital Reserve Fund and the Capital Infrastructure Reinvestment Reserve Fund are not to fall below \$2 million, to provide each of these funds the flexibility to temporarily offset a greater need in the other. A target to maintain the Capital Reserve Fund balance at approximately \$5 million has been established to provide flexibility to address a significant new priority, or to allow funds to be accumulated over several years towards a larger project. A maximum level of \$10 million has been established for this fund. If funding levels reach this maximum, funds would be redirected to the Economic Development Reserve, provided the Capital Reserve Fund will

have a sufficient balance remaining to meet the project funding requirements of the 10-year capital projection.

CAPITAL INFRASTRUCTURE REINVESTMENT RESERVE FUND (CIRRF)
(Discretionary)
860035

POLICY:

The Capital Infrastructure Reinvestment Reserve Fund provides for expenditures associated with the rehabilitation or replacement of all existing tax-based capital infrastructure. The Capital Infrastructure Reinvestment Reserve Fund may be used to help meet the funding requirements of matching programs developed by senior levels of government for rehabilitation or replacement of existing capital infrastructure.

Revenues

The Capital Infrastructure Reinvestment Reserve Fund receives:

- an annual allocation of 30% of Assessment Growth.
- any new infrastructure revenues associated with the rehabilitation of roads or facilities from the Provincial or Federal Governments, not including Gas Tax Funding.
- a 25% allocation of property tax surplus is contributed to this Reserve Fund, as outlined in the Allocation of Surplus policy (FC-003).
- 25% of dividend income/investment surplus, when actual Enova Power Corp. dividend/investment income exceeds budget. The year-end surplus transfer will only occur to the extent that the City remains in an overall surplus position.
- 100% of capital overhead revenue surplus
- When actual investment income exceeds budgeted investment income, the surplus is transferred 25% to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
- an annual operating budget allocation.
- ~~an annual allocation of 50% of parking revenues generated from the sale of permits for the WMRC parking lot is split 70% to this reserve fund and 30% to GENOP.~~

Expenditures

Expenditures from the Capital Infrastructure Reinvestment Reserve Fund are for the rehabilitation or replacement of all existing tax-based capital infrastructure, including facilities and equipment. Costs resulting from emergency infrastructure failure or impending failure are also eligible to be funded from this Reserve Fund. This Reserve Fund may also be used to help meet the unbudgeted funding requirements of government matching programs.

Council Approved Target Level

The combined balances of the Capital Reserve Fund and the Capital Infrastructure Reinvestment Reserve Fund are not to fall below \$2 million, to provide each of these funds the flexibility to temporarily offset a greater need in the other. The target for the Capital Infrastructure Reinvestment Reserve Fund is approximately \$5 million. These levels will provide the flexibility to adjust project timing as priorities are updated and provide for unplanned or emergency rehabilitation or replacement. No maximum has been established for this reserve fund.

CEMETERY RESERVE FUND (CEM)
(Discretionary)
860090

POLICY:

The Cemetery Reserve Fund provides funding for the purchase, replacement and expansion of capital items related to Cemetery operations.

Revenues

Revenue to the Cemetery Reserve Fund is provided through an annual allocation from the Cemetery Enterprise operating budget. Additionally, 100% of the Cemetery year-end operating budget surplus, if any, is allocated to this Reserve Fund.

Expenditures

Expenditures funded from the Cemetery Reserve Fund are for capital items related to Cemetery operations. This includes both replacement and expansion items.

Council Approved Target Level

The Council approved target level for the Cemetery Reserve Fund is a minimum of \$50,000 to mitigate the impact of an unbudgeted or emergency capital requirement.

CLIMATE ACTION RESERVE FUND (CARF)
(Discretionary)
860054

POLICY:

The Climate Action Reserve Fund helps facilitate projects, initiatives, and studies that support climate change mitigation and adaptation by targeting energy and greenhouse gas (GHG) reduction in alignment with the Council approved GHG emissions reduction targets of 50% by 2030 and 80% by 2050.

Revenues

A one-time allocation of 2021 capital overhead surplus, a one-time allocation from capital project surplus, and a transfer of the final balance from the now closed Innovation Reserve Fund, established initial funding for the Climate Action Reserve fund.

In addition, when actual investment income exceeds budgeted investment income, the surplus is transferred 25% to the Climate Action Reserve Fund (CARF), and 25% allocation of property tax surplus is contributed to this Reserve Fund, as outlined in the Allocation of Surplus policy (FC-003). Also, the Climate Action Reserve Fund will be funded by ongoing or one-time contributions as approved by Council through the budget process, or other amounts designated by Council as contributions.

Expenditures

The Climate Action Reserve Fund provides funding for capital projects, initiatives, and studies that support the City's work toward both the mitigation of and adaptation to climate change. Examples could include, but would not be limited to:

- implementation of the Corporate Climate Action Plan (CorCAP) and actions in TransformWR, the community climate action plan
- climate change adaptation projects
- corporate energy management, monitoring and strategy implementation, as outlined in the Energy Conservation and Demand Management Plan (ECDM)
- implementation of an electric vehicle charging program
- matching funding to attract Climate Action stimulus/grant opportunities through senior levels of government

Council Approved Target Level

The balance of the Climate Action Reserve Fund should not drop below \$0 and should be sufficient to support the associated projects identified in the ten-year capital projection. Ongoing monitoring will be required to ensure the reserve fund is adequately funded to facilitate projects to achieve the Council approved reduction targets.

COMMUNITY BENEFITS CHARGE RESERVE FUND (CBC) **(Obligatory)** **860053**

POLICY:

The Community Benefits Charge Reserve Fund supports growth related capital expenditures not otherwise provided for through development charges or cash in lieu of parkland contributions, and in alignment with the City's Community Benefits Charge By-law, which came into effect on September 26, 2022.

Revenues

A one-time allocation of the closing balances from the cessation of the DC-Parking Reserve Fund, DC-Cemeteries Reserve Fund, and legacy Section 37 Density Bonusing accounts, established the initial funding for the Community Benefits Charges Reserve Fund.

The ongoing source of revenue for the reserve fund is dependent upon overall development and redevelopment. The maximum permissible Community Benefits Charge is 4% of the appraised value of the land that is subject of development/redevelopment as of the valuation date, and is imposed on buildings with five (5) or more storeys and ten (10) or more residential units.

Expenditures

The Community Benefits Charge Reserve Fund provides funding for the anticipated needs required to service growth related capital projects identified in the Council approved Community Benefit Charge Strategy.

The allocation of funds will occur on an annual basis, in accordance with legislation under the Planning Act, and in consultation with Council and staff of the applicable service areas. During the annual capital planning process, the use of Community Benefits Charge funding will be reviewed and the capital costs associated with each eligible service and project will be confirmed and identified for approval by Council.

Other services or projects not otherwise identified in the Community Benefits Charge Strategy may be considered by Council in the future and are subject to approval by resolution and inclusion in the capital budgeting process. Further, any additional services or projects approved and funded from

Community Benefits Charges will be reported through the annual Treasurers statement that summarizes the reserve fund activity.

Council Approved Target Level

The balance of the Community Benefits Charge Reserve Fund should not drop below \$0 and should be sufficient to support the associated projects identified in the 10-year capital projection.

CONSOLIDATED DEVELOPMENT CHARGES RESERVE FUNDS (DC) (Obligatory) Summary of Combined Funds

POLICY:

The Development Charges (DC) Reserve Funds provide financing for growth related projects undertaken by the City as detailed in the DC Background Study and By-law. The DC Reserve Funds include 860039-Fleet & Public Works, 860040-DC Roads, 860041-DC Water & Sewer, 860042-DC Stormwater, 860043-DC Parks & Indoor Rec, 860045-DC Library, 860047-DC Fire, and 860048-DC Studies.

For all Development Charges Reserve Funds:

- Annual debt repayments will be made first from the DC Reserve Funds once the Capital Budget is approved by Council
- DC Reserve Funds activity will be tracked quarterly and reported to ECMT
- Routine projects will be reviewed to determine which projects can move forward for funding based on cumulative DC revenue collections compared to cumulative capital spending
- Non-routine projects brought forward for capital funding consideration when the Reserve Fund balance is in a positive position, will only be recommended if:
 - there is sufficient funding and revenues are at least 75% of the cumulative target outlined in the current approved DC Background Study, or
 - cumulative capital spending % is less than cumulative revenues collected % as per the current approved DC Background Study
- Non-routine projects brought forward for capital funding consideration when the Reserve Fund balance is in a negative position or will become negative with the project, will only be recommended if:
 - revenues are at least 85% of the cumulative target outlined in the current approved DC Background Study, or
 - cumulative capital spending % is less than cumulative revenues collected % as per the current approved DC Background Study
- Projects failing to meet these requirements will be subject to a Management Review.

Revenues

DC legislation took effect in 1991. A charge is imposed and collected prior to the issuance of a building permit on new development and redevelopment that will result in the demand for **engineered** and **general** services.

Expenditures

Projects being funded from DC are restricted to those included in calculating the rate and are listed in the approved DC Background Study and By-law (comparable substitutions permitted for the same value).

An eligible project can be defined as one that would benefit new development during the term of the by-law. Projects that arise during the term of the approved DC Background Study and By-law, that were not originally included, may still be eligible for DC funding. Such projects must be for growth and a Management Review is required. Council must then approve that the projects are for growth and direct that any recoveries be incorporated into the next DC Background Study and Bylaw.

Council Approved Target Level

The Reserve Funds balances should cover projected expenditures and debt charges in the current approved DC Background Study and By-law.

**ENVIRONMENTALLY SENSITIVE LANDS RESERVE FUND (ESL)
(Discretionary)
860008**

POLICY:

The Environmentally Sensitive Lands Reserve Fund provides for the acquisition and purchase of environmentally sensitive lands to ensure protection, preservation and conservation, in alignment with the City of Waterloo Official Plan, and the Environmental Lands Acquisition Strategy.

Revenues

Revenues to the Environmentally Sensitive Lands Reserve Fund are provided through an annual allocation from the operating budget, as per the capital budget policy.

Expenditures

Land is targeted for purchase as per the Environmental Lands Acquisition Strategy, and purchases are approved annually by Council.

Council Approved Target Level

The balance should not drop below \$40,000 and should be sufficient to purchase targeted lands as they become available over the 10-year capital forecast.

**INDUSTRIAL LAND RESERVE FUND (ILA)
860052**

POLICY:

The purpose of the Industrial Land Reserve Fund is to provide for expenditures related to the acquisition, servicing, and betterment of the City of Waterloo's Industrial Land inventory, and to accumulate Industrial Land holdings sale proceeds. Costs incurred are to be recovered through the subsequent sale of those lands.

Revenues

Proceeds generated by the sale of industrial land holdings fund this Reserve Fund. Market value of lands will be monitored annually to ensure up to date land values are used in projections, however

the information is only intended to provide a reasonable forecast of proceeds. Actual sale prices are subject to negotiation.

Expenditures

Expenditures from the Industrial Land Reserve Fund are tracked through site-specific program numbers within the Reserve Fund to ensure that costs incurred for a given site do not exceed the projected value of that land. The Industrial Land Reserve Fund provides for:

- Costs incurred to acquire new industrial land
- Costs incurred to service existing industrial land
- Improvements to existing industrial land, such as re-grading, to increase future value

Council Approved Target Level

Expenditures from the Industrial Land Reserve Fund are not to exceed the projected recovery from land sales. As costs are incurred initially, and the timing of revenues is dependent on many factors, including market conditions, this Reserve Fund is likely to maintain a negative position until the sale of lands is completed.

LIBRARY EXPANSION and REHABILITATION RESERVE FUND (LXPR) (Discretionary) 860026

POLICY:

The Library Expansion and Rehabilitation Reserve Fund contributes to future library expansion.

Revenues

An allocation of 25% of property tax surplus is contributed to this Reserve Fund, as outlined in the Allocation of Surplus policy (FC-003). Also, when actual investment income exceeds budgeted investment income, the surplus is transferred 25% to the Library Expansion and Rehabilitation Reserve Fund.

Expenditures

Expenditures from the Library Expansion and Rehabilitation Reserve Fund are to be used for future Library expansion and rehabilitation needs.

Council Approved Target Level

The balance of the Library Expansion and Rehabilitation Reserve Fund should not fall below \$0.

PLANNING LITIGATION RESERVE FUND (LIT) (Discretionary) 860003

POLICY:

The Planning Litigation Reserve Fund provides for the cost of planning litigation hearings that may commence against the City for various legal reasons.

Revenues

An operating budget allocation is transferred annually to maintain the Planning Litigation Reserve Fund.

Expenditures

Expenditures from this Reserve Fund are legal or administrative in nature. In addition, the Planning Litigation operating account is closed to this Reserve Fund annually.

Council Approved Target Level

The Planning Litigation Reserve Fund balance should not drop below \$500,000.

**PARKING RESERVE FUND (PKG)
(Discretionary)
860020**

POLICY:

The Parking Reserve Fund was originally established in 1999 to provide for the ongoing maintenance of the City's Uptown Parkade and Surface Lots. On May 12, 2008, City Council approved the Uptown Parking Strategy, which identified the need for additional parking infrastructure and a resulting shift in emphasis from maintenance to future increased parking infrastructure, and on May 25, 2009, the Parking Reserve by-law 09-062 was established.

Revenues

The Parking Reserve Fund shall be funded through the following sources:

- a) an annual contribution from the Regional Municipality of Waterloo pursuant to the Agreement to Amend the Master Agreement for the Waterloo Regional Health and Social Services Building, dated July 10, 1992;
- b) 100% of all net parking program revenue
- c) any monies obtained by the City from entering into an agreement exempting an owner/occupant from the City's parking requirements pursuant to section 40 of the Planning Act, as amended; and
- d) any net proceeds from the sale of City owned parking lot property.

Expenditures

The Parking Reserve Fund shall be used for the:

- a) purchase and capital maintenance of any City parking infrastructure and related components, including parking-related technology;
- b) design and construction of new City parking infrastructure and the purchase of associated land, including financing costs;
- c) costs associated with parking-related studies, analysis, policy or strategy development, including those involving external consultants; and
- d) operating deficit incurred by the City's Parking Program, if any.

Council Approved Target Level

The minimum balance for the Parking Reserve Fund is \$500,000 to mitigate risk as Parking operations continues to move towards operating under an enterprise model.

PARKLAND DEDICATION RESERVE FUND (PUB)
(Obligatory)
860010

POLICY:

The Parkland Dedication Reserve Fund provides for the purchase and development of parkland in developing areas and redeveloping areas and/or supports the upgrading of existing parks/facilities (neighbourhood, community or city-wide) **provided the need to upgrade is due to intensification of the surrounding neighbourhood.** This Reserve Fund is a legislative requirement of the Planning Act. A staff team comprised of Finance and Directors of Integrated Planning & Public Works and Community Services will determine which proposed capital projects meet the objectives to receive funding from this account, prioritize timing of projects within the budget, allocate appropriate funding amounts, and provide their recommendations as part of the Capital budget process for Council approval.

Revenues

Under Section 42, 51.1 & 53(13) of the Planning Act municipalities are given the authority to request the conveyance of land to the City for parks at a rate of 5% for residential development and 2% of industrial and commercial development. Cash in lieu of parkland can be taken at the discretion of the municipality consistent with the City of Waterloo Parkland Dedication By-law 2022-073 and Policies, enacted by Council on September 26, 2022. Cash in lieu payments populate this Reserve Fund. The source of revenue for this Reserve Fund is dependent on overall development and redevelopment. It is anticipated that this Reserve Fund will continue to grow.

Expenditures

The use of the Reserve Fund will be prioritized as follows:

1. Land acquisition for additional parks in developing areas or redeveloping areas.
2. To fund the development of the newly acquired lands.
3. To support the redevelopment of existing parks (not new parkland) **IF the need for the redevelopment of the park is due to redevelopment/intensification of the immediate neighbourhood served by that park. This would include parks defined as neighbourhood, Community and City parks as defined in the approved 2008 Recreation and Leisure Services Master Plan.**
4. Additions to facilities to support growth where the need is due to growth.
5. The non-growth component of growth-related capital projects for Parks Development and Recreation Facilities identified in the City's Development Charges Background Study

Council Approved Target Level

The funding level should be sufficient to purchase and develop new parkland opportunities and to provide funding for the upgrade of parks/facilities in areas undergoing intensification as required.

SICK LEAVE & VACATION LIABILITY RESERVE FUND (SL&V)
(Discretionary)
860004

POLICY:

The Sick Leave & Vacation Liability Reserve Fund provides financing for the accumulated sick leave benefit payable to eligible employees upon retirement, termination, or death.

Revenues

Revenues to this Reserve Fund are provided by 100% of the **net** difference between Fire salary budget and actual, less 50% of vacancy related savings for Fire positions. In addition, the yearly increase in vested sick leave liability for Municipal Building Officers I, II, and III, (MBO's) and fire inspectors is contributed to this Reserve Fund.

Expenditures

This payout benefit is only for Staff Association and CUPE members who began prior to 1985 and any member of the fire union (firefighters, MBO'S, inspectors) with 10 years or more of service. In addition, the Reserve funds a retirement stipend from banked sick leave for CUPE staff hired after June 1, 1985 who are voluntarily retiring and who meet the eligibility criteria. Allowable expenditures under this reserve also include costs incurred in relation to presumptive claims, as well as health care costs for retired firefighters in alignment with the current collective agreement. The payout is calculated annually and the appropriate transfer is processed at year end.

Council Approved Target Level

The Sick Leave & Vacation Liability Reserve Fund balance should be sufficient to cover 25% of the liability for both Sick Leave and Vacation, as well as projected presumptive claims. The balance should also be sufficient to cover payouts over a three-year period.

RESERVES:

COMPREHENSIVE BUSINESS LICENSING RESERVE (BUS)
870042

POLICY:

The Comprehensive Business Licensing Reserve was established to fund any annual deficit and collect any annual surplus from the Comprehensive Business Licensing Program approved by Council on August 11, 2014, with report COM2014-021. The Comprehensive Business Licensing Program has been developed as a full cost recovery enterprise system.

Revenues

Revenues to the Comprehensive Business Licensing Reserve result from any surplus earned by the Comprehensive Business Licensing Program.

Expenditures

Expenditures from the Comprehensive Business Licensing Reserve are to fund the Comprehensive Business Licensing Program expense lines in the Operating Budget and to fund capital expenditures.

Council Approved Target Level

The balance in the Comprehensive Business Licensing Reserve should not fall below \$0.

**COUNCIL'S COMMUNITY PRIORITY and CONTINGENCY RESERVE (CCPC)
870002-10464**

POLICY:

Council's Community Priority and Contingency Reserve was established in 2009 to provide for expenses that are not a part of the approved budget but that Council determines to be necessary or of considerable merit.

Revenues

The Council's Community Priority and Contingency Reserve receives an annual contribution from Operating.

Expenditures

This Reserve provides funding for unforeseen expenditures that may occur within a year. It is used for unbudgeted or new expenditures of considerable merit.

Council Approved Target Level

The Reserve should not drop below \$0.

**ECONOMIC DEVELOPMENT RESERVE (ECDEV)
870040**

POLICY:

The Economic Development Reserve is to provide one-time funding for opportunities to enhance the business environment within the City of Waterloo, and to create a catalyst to stimulate and support continued economic growth within the City of Waterloo.

Revenues

The Economic Development Reserve is funded from an annual transfer. In addition, any annual Municipal Accommodation Tax (MAT) surplus is allocated to this reserve, in a separate program.

Expenditures

The Reserve provides funding to the Economic Development Division to implement various economic development related initiatives that provide lasting and sustainable economic benefit that are supported by a business case including metrics as follows:

- initial financial support to attract financial contributions or commitment from other levels of government or the private sector;
- implement initiatives as planned through Council's Strategic Plan, Economic Development Strategy, or any related Economic Development Strategies/priorities;
- provide incentives to retain or attract businesses to the City of Waterloo and maintain a positive business environment

The reserve also provides funding to position the City to respond quickly to new opportunities for economic growth and development and transfer annually \$75,000 to the Economic Development Operating Budget.

In addition, surplus funds collected and held in the separate Municipal Accommodation Tax program are to be used for purposes recommended by the Executive Director of Economic Development, including but not limited to:

- market research
- tourism, sport and cultural infrastructure (permanent and event related)
- bid and grant funding for International, National, and Provincial-scale events
- major festival and event expansion/development
- one-time Festival and Event acquisition costs
- collaborative tourism marketing efforts
- additional staff resources, if required, to support the efforts above
- any other items that may be prescribed / allowed by provincial legislation

Municipal Accommodation Tax operating deficits, if any, would also be posted to the MAT program of this reserve at year-end.

Prior to submission to Council all reports, funding requests, or budget allocations related to the Economic Development Reserve are subject to review by the Executive Director of Economic Development or designate.

This Reserve is not intended to provide funding for permanent on-going expenses such as permanent staff.

Council Approved Target Level

The Economic Development Reserve balance is to remain positive. The target balance is \$1.5 million, to provide flexibility to address a significant new priority or to allow funds to be accumulated towards a larger project. The maximum for the reserve is \$5 million. If funding levels reach this maximum, funds would be redirected to the Tax Rate Stabilization Reserve, provided the Economic Development Reserve will have a sufficient balance remaining to meet the project funding requirements of the 10-year capital projection.

ELECTIONS RESERVE (ELEC) **870006**

POLICY:

The Elections Reserve was established to amortize the cost of a municipal election over 4 years, rather than expensing the entire amount in the year of the election.

Revenues

The Elections Reserve received an allocation from the operating budget.

Expenditures

Expenditures from the Elections Reserve are to be for election related expenses. The draw on the reserve for election costs is calculated annually and the appropriate transfer is processed at year-end, if needed.

Council Approved Target Level

The Elections Reserve balance should not drop below zero.

**EMPLOYEE DEVELOPMENT and CAPACITY BUILDING RESERVE (EMPDV)
870032**

POLICY:

The Employee Development and Capacity Building Reserve is used to accumulate corporate savings from staffing vacancies to support employee-based initiatives.

Revenues

- Vacancy savings for all regular positions, including all Management positions and all regular positions governed by CUPE and Staff Association.
- Vacancy savings related to Fire Services positions are divided evenly between the Employee Development and Capacity Building Reserve and the Sick Leave and Vacation Liability Reserve Fund.
- Positions that are a part of Utilities, Cemeteries, or other Enterprise Units are exempt from this policy, as these savings are allocated to the respective enterprise Reserve or Reserve Fund.
- Vacancy management savings/transfers are calculated based on a minimum of eight (8) weeks of vacancy, which represents on average the natural gap that occurs during the recruitment process. Further details on the treatment of vacancies that are greater than 8 weeks, savings from vacancies related to terminations, and the approval process for exemptions are included in the Council Approved Human Resources Employee Development and Capacity Building Reserve Policy.

Expenditures

- This Reserve funds employee-based initiatives such as: staff and leadership development, employee recognition, reorganization/restructuring implementation, employee wellness initiatives, terminations, back filling staff on extended sick leave if funds are not available in the division, and space planning.
- Any unbudgeted expenses requested to be funded from this Reserve are subject to the following approval process:
 - CAO can approve unbudgeted expenses from this Reserve pursuant to By-Law #2021-065 (as amended), a by-law to define the duties of the office of the Chief Administrative Officer, and any successor by-laws, provide there is sufficient funding in the Reserve

Council Approved Target Level

The minimum balance for this reserve is \$500,000.

FLEET EQUIPMENT RESERVE (ER) 870017

POLICY:

The Fleet Equipment Reserve provides a source of funding for the replacement of vehicles and equipment, as outlined in the Fleet Management policy

Revenues

Revenues for the Fleet Equipment Reserves are generated by applying an annual Capital Cost Recovery charge per vehicle/equipment (unit). Units repay the Reserve over the useful life of the unit, including a 25% markup factor as per the Fleet Financial procedures.

Expenditures

Expenditures are for the replacement of vehicles and equipment. Expenditures related to the replacement of Fleet Garage assets will be tracked through a separate program number within the reserve.

Council Approved Target Level

The Reserve balance should be adequate to replace existing equipment on a replacement schedule based on estimated life span of the equipment. The Council approved target level of the reserve is 30% of the 5-year average spending for fleet capital.

GENERAL CONTINGENCY RESERVE (GENCON) 870043

POLICY:

The General Contingency Reserve funds operating expenditure variations that result from cyclical spending. In addition, unanticipated operating opportunities and pressures, and those which are anticipated but for which the timing is undetermined would also be funded from this reserve. The reserve may also be used for strategic, one-time, capital contingency expenditures.

Revenues

The General Contingency Reserve receives an annual operating budget allocation. In addition, an annual allocation of 10% of gross rent from City Centre leases is transferred to this reserve. An annual allocation of 50% of parking revenues generated from the sale of permits for the WMRC parking lot is split 30% to this reserve and 70% to CIRRF.

Expenditures

This Reserve provides for operating expenditure variations resulting from cyclical spending, unanticipated operating opportunities and pressures, and anticipated expenditures for which the timing cannot be anticipated. Examples would include but are not limited to:

- expenditures from unexpected environmental issues such as soil or groundwater contamination
- emergency maintenance requirements at any corporate facilities
- expenditures relating to significant storm events
- a major work related injury
- offsetting the impact of tenant vacancy
- the acquisition of new tenants and related leasehold improvements

In addition, this reserve may at Council's discretion be used for select one-time capital contingency pressures.

Costs related to the acquisition of new tenants and leasehold improvements, approved in accordance with financial control policy FC-002 Financial Requests Outside of the Budget Process, are charged to the leasehold improvement operating program code and closed to the General Contingency Reserve as a part of year-end processing.

Council Approved Target Level

The General Contingency Reserve minimum balance is \$500,000, which is equal to the highest potential charge per incident by the Ministry of Labour under the Occupational Health & Safety Act, Section 66. The target balance of the reserve is 3% of the net tax levy. The maximum balance for the reserve is 4% of the net tax levy. If funding levels reach this maximum, funds would be redirected to the Tax Rate Stabilization Reserve.

HERITAGE RESERVE (HER) 870024

POLICY:

The purpose of the Heritage Reserve is to fund expenditures related to the management of Waterloo heritage, which includes the City's heritage collection, heritage programming, and built heritage conservation efforts.

Revenues

Revenue sources of the Heritage Reserve include:

- Donations made with or without a specified purpose
- Proceeds received from fundraising activities
- Budgeted contributions
- Grants or subsidies
- Insurance payments received for historical property loss, damage, or theft
- Proceeds from the sale of City-owned designated properties
- Proceeds from the de-accessioning of artifacts

Expenditures

The Heritage Reserve funds:

- Costs of artifact acquisitions, loans, and restorations
- Capital costs related to program delivery for the City of Waterloo Museum and built heritage conservation
- Studies to further the City of Waterloo's heritage conservation and the City of Waterloo Museum's development

Council Approved Target Level

The Heritage Reserve will remain in a positive position.

**PUBLIC ART RESERVE (ART)
870012****POLICY:**

The Public Art Reserve provides funding to acquire artistic works to be sited on or staged in municipally owned public spaces, as identified by the Public Art Master Plan, and in accordance with the City of Waterloo Public Art Policy (A-018).

Revenues

Revenue sources of the Public Art Reserve include:

- 1% of the City's contribution to the total budgeted non-land costs of applicable capital projects over \$1 million, as defined in the City of Waterloo Public Art Policy, to a maximum of \$300,000
- Developer contributions, as outlined in the Official Plan
- Private sector and community donations
- Proceeds from the de-accessioning of artistic works

Expenditures

The Public Art Reserve funds expenditures related to designing, fabricating, installing and documenting public works or community art projects chosen through an objective juried selection process, allowing for the strategic inclusion of artistic works in public spaces.

The Interdepartmental Public Art Team may also recommend this Reserve as a funding source for extraordinary costs associated with the conservation or repair of artistic works that exceed the annual operating maintenance budget.

Council Approved Target Level

The Public Art Reserve will remain in a positive position.

**REGIONAL ROAD MAINTENANCE AGREEMENT RESERVE (RRMA)
870037****POLICY:**

The Regional Road Maintenance Agreement (RRMA) began on January 1, 2010. This Reserve provides funding for summer and winter maintenance as per the RRMA in the event of a deficit in the Regional Road Maintenance Operating Budget. The Reserve aids in minimizing the financial implications resulting from extreme weather conditions.

Revenues

This Reserve is funded from the surplus from the annual Operating Budget for summer Regional Road Maintenance, if any.

For summer maintenance, the City receives a flat rate per lane kilometre. The City can keep any surplus or must fund any deficit. The service level must be maintained, however, as per the agreement.

For winter maintenance, the City receives 100% cost recovery up to the 5-year baseline average. The first 5% in cost over-runs is to be funded by the City, and any amount over 5% is fully cost recovered from the Region. Additionally, new for 2015 is the introduction of a monthly minimum winter payment. Each winter month, the City's winter payment will be equal to or greater than 65% of

the monthly baseline average. This monthly minimum clause was added to the contract to recognize the City's fixed cost associated with performing this winter work and may lead to a winter surplus.

Any surplus generated from summer or winter maintenance can be used to offset any deficits generated by summer or winter maintenance.

Expenditures

This Reserve provides additional funding for Regional Road Maintenance summer and winter expenditures in the event of a deficiency in the Operating Budget amount for summer and winter Regional Road Maintenance.

Council Approved Target Level

The Reserve should not drop below \$0. There is no upset limit imposed by the RRMA.

**RESIDENTIAL RENTAL HOUSING RESERVE (RHR)
870038****POLICY:**

The Residential Rental Housing Reserve was established to fund any annual deficit and collect any annual surplus for the Residential Rental Housing Program approved by Council on May 9, 2011, with report PS-BL2011-016.

Revenues

Revenues to the Residential Rental Housing Reserve result from any surplus earned by the Rental Housing Program.

Expenditures

Expenditures from the Residential Rental Housing Reserve are to fund the Residential Rental Housing Program expense lines in the Operating Budget and to fund capital expenditures.

Council Approved Target Level

The reserve should remain in a positive position.

**RIM PARK INVESTMENT RESERVE (RIM)
870033****POLICY:**

The RIM Park Investment Reserve was established to offset the lease liability of RIM Park.

Revenues

This reserve fund no longer has an ongoing funding source as no further contributions are anticipated to be needed, beyond interest earned.

Expenditures

Expenditures from the RIM Park Investment Reserve are to offset the lease payments from the operating budget related to RIM Park.

Council Approved Target Level

The balance in the RIM Park Investment Reserve should be sufficient to cover lease payments until 2031.

**SANITARY SEWER UTILITY CAPITAL RESERVE (SEW-CAP)
870048****POLICY:**

The Sanitary Sewer Utility Capital Reserve provides funding for budgeted asset replacement or rehabilitation capital projects, as well as unbudgeted capital needs.

Revenues

The Sanitary Sewer Utility Capital Reserve is funded through annual contributions from the operating budget. The annual contribution is to be set at an amount that provides sufficient funding for all approved current asset replacement / rehabilitation capital projects, while maintaining the Council approved minimum target level.

Expenditures

The Sanitary Sewer Utility Capital Reserve provides a source of financing along with any Council approved debt, for all approved asset replacement/rehabilitation capital projects and any unbudgeted capital needs that may arise.

As pressures to sanitary sewer rates can result from either capital or operating activities, transfers between the Sanitary Sewer Utility Capital Reserve and the Sanitary Sewer Utility Stabilization Reserve may be required to minimize sanitary sewer rate impacts. These transfers are considered a normal part of the administration of the sanitary sewer utility model and will be approved by the Chief Financial Officer and related Commissioner.

Council Approved Target Level

The minimum approved target level of the Sanitary Sewer Utility Capital Reserve is 1% of the estimated asset replacement value.

**SANITARY SEWER UTILITY STABILIZATION RESERVE (SEW-OP)
870044****POLICY:**

The Sanitary Sewer Utility Stabilization Reserve accumulates any Sanitary Sewer operating surpluses and provides a source of financing, both to offset any Sanitary Sewer operating deficits, as well as to avoid unplanned rate spikes in the subsequent year.

Revenues

The Sanitary Sewer Utility Stabilization Reserve is funded through an annual contribution from the operating budget and any year-end Sanitary Sewer operating surpluses. The Sanitary Sewer Utility Stabilization Reserve is to be established at a rate of 1% of the annual operating expenditures per year from 2019-2023, until the target level is achieved.

Expenditures

The Sanitary Sewer Utility Stabilization Reserve provides a source of financing to offset any year-end Sanitary Sewer operating deficits that may occur, and to avoid unplanned rate spikes in the subsequent year.

As pressures to sanitary sewer rates can result from either capital or operating activities, transfers between the Sanitary Sewer Utility Capital Reserve and the Sanitary Sewer Utility Stabilization Reserve may be required to minimize sanitary sewer rate impacts. These transfers are considered a normal part of the administration of the sanitary sewer utility model and will be approved by the Chief Financial Officer.

Council Approved Target Level

The minimum approved target level of the Sanitary Sewer Utility Stabilization Reserve is 5% of the annual Sanitary Sewer Utility operating expenditures.

STORMWATER UTILITY RESERVE (SWM)**870045****POLICY:**

The Stormwater Reserve funds the entire Stormwater Utility day-to-day operations, as well as capital projects. It is also used to help gradually introduce Utility rate increases as required.

Revenues

Stormwater Reserve revenues are generated from fees charged to external customers by the utility as approved in the Fees & Charges By-law. Any surplus after expenses that have been processed by the utility are directed to this Reserve.

Expenditures

The Stormwater Reserve funds the entire Utility operations, both operating and capital. A deficit incurred by the Utility will be funded through this Reserve.

Council Approved Target Level

The minimum approved target level for the Stormwater Reserve is \$1,000,000 to provide an appropriate contingency based on the current Stormwater Utility operating and capital budgets.

TAX RATE STABILIZATION RESERVE (TRS)**870008****POLICY:**

The Tax Rate Stabilization Reserve provides a contingency for unforeseen events that might put pressure on the tax rate. This reserve is precluded from being used as a planned funding source for capital.

Revenues

The Tax Rate Stabilization Reserve revenues are the annual step gapping for Staff Association and Management. Step gapping is the difference between a position's salary and benefits budget and the actual level the position is paid at. Enterprise step gapping is exempted from this policy. In addition, this Reserve receives a 25% allocation from year-end property tax surplus, as outlined in the Surplus Allocation Policy.

Expenditures

The Tax Rate Stabilization Reserve is to be used for unforeseen expenditures of a one-time nature.

Council Approved Target Level

This Reserve minimum balance is 1% of the Net Tax Levy. A target balance of 3% of the Net Tax Levy has been set for this reserve, and a maximum of 5% of the Net Tax Levy. If funding levels reach this maximum, funds will be redirected to the Capital Infrastructure Reinvestment Reserve Fund, at year-end.

**WATER UTILITY CAPITAL RESERVE (WAT-CAP)
870046****POLICY:**

The Water Utility Capital Reserve provides funding for budgeted asset replacement or rehabilitation capital projects, as well as unbudgeted capital needs.

Revenues

The Water Utility Capital Reserve is funded through annual contributions from the operating budget. The annual contribution is set to provide sufficient funding for all approved current asset replacement/rehabilitation capital projects, while maintaining the Council approved minimum target level.

Expenditures

The Water Utility Capital Reserve provides a source of financing along with any Council approved debt, for all approved asset replacement/rehabilitation capital projects and any unbudgeted capital needs that may arise.

As pressures to water rates can result from either capital or operating activities, transfers between the Water Utility Capital Reserve and the Water Utility Stabilization Reserve may be required to minimize water rate impacts. These transfers are considered a normal part of the administration of the water utility model and will be approved by the Chief Financial Officer.

Council Approved Target Level

The minimum approved target level of the Water Utility Capital Reserve is 1% of the estimated asset replacement value.

**WATER UTILITY STABILIZATION RESERVE (WAT-OP)
870047****POLICY:**

The Water Utility Stabilization Reserve accumulates any Water operating surpluses and provides a source of financing, both to offset any Water operating deficits, as well as to avoid unplanned rate spikes in the subsequent year.

Revenues

The Water Utility Stabilization Reserve is funded through an annual contribution from the operating budget and any year-end Water operating surpluses. The Water Utility Stabilization Reserve is to be established at a rate of 1% of the annual operating expenditures per year from 2019-2023, until the target level is achieved.

Expenditures

The Water Utility Stabilization Reserve provides a source of financing to offset any year-end Water operating deficits that may occur, and to avoid unplanned rate spikes in the subsequent year.

As pressures to water rates can result from either capital or operating activities, transfers between the Water Utility Capital Reserve and the Water Utility Stabilization Reserve may be required to minimize water rate impacts. These transfers are considered a normal part of the administration of the water utility model and will be approved by the Chief Financial Officer.

Council Approved Target Level

The minimum approved target level of the Water Utility Stabilization Reserve is 5% of the annual Water Utility operating expenditures.

**WINTER CONTROL RESERVE (WC)
870016****POLICY:**

The Winter Control Reserve funds winter maintenance in the event of a shortfall in the Winter Control Operating Budget. The Reserve aids in minimizing the financial implications resulting from extreme winter weather conditions.

Revenues

The Winter Control Reserve receives an annual operating budget allocation. In addition, surplus from the annual operating budget for winter control, if any is contributed to this reserve.

Expenditures

This reserve provides additional funding for winter maintenance expenditures on City roads and parks in the event of a deficiency in the operating budget amount for winter control.

Council Approved Target Level

The Winter Control Reserve minimum balance is 25% of the 5-year average winter maintenance costs. A target of 50% of the 5-year average winter maintenance costs has been set for this reserve, and the maximum has been set at \$2 million. If funding levels reach this maximum, funds would be redirected to the Tax Rate Stabilization Reserve.

COMPLIANCE:

In cases of policy violation, the City may investigate and determine appropriate corrective action.

APPENDIX C

CORPORATE POLICY



Policy Title: **Surplus Allocation Policy**
Policy Category: **Financial Control**
Policy No.: FC-003
Department: Finance
Approval Date: April 16, 2018
Revision Date: December 11, 2023
Author: Kim Reger
Attachments: N/A
Related Documents/Legislation: **CORP2023-029 Allocation of 2022 Surplus**
Key Word(s): Surplus, Allocation

POLICY STATEMENT:

This policy prescribes the annual allocation of property-tax operating surplus.

PURPOSE:

1. Provide a funding source for unanticipated one-time extraordinary expenditures (Tax Rate Stabilization Reserve).
2. **Provide a funding source to address the infrastructure deficit (Capital Infrastructure Reinvestment Reserve Fund).**
3. **Provide a funding source to address Green House Gas emission reduction targets (Climate Action Reserve Fund).**
4. **Provide a funding source to address Library expansion and rehabilitation needs (Library Expansion and Rehabilitation Reserve Fund).**
5. Ensure surpluses are not spent until they are realized.

DEFINITIONS:

N/A

SCOPE:

All departments.

POLICY COMMUNICATION:

This policy will be posted on the City Intranet. Staff will be advised of the policy via distribution to the Operational Leadership Team and Corporate Management Team.

POLICY:

1. That the required amount of the final reported property-tax funded surplus be allocated to the reserves and reserve funds as requested in the annual Reserve and Reserve Fund Report.
2. That 25% of any reported property-tax surplus be allocated to the Tax Rate Stabilization Reserve;
3. That 25% of any reported property-tax surplus be allocated to the Capital Infrastructure Reinvestment Reserve Fund;
4. That 25% of any reported property-tax surplus be allocated to the Climate Action Reserve Fund;
5. That 25% of any reported property-tax surplus be allocated to the Library Expansion and Rehabilitation Reserve Fund.
6. No use or allocation of the surplus shall occur until the final surplus is reported to Council by staff.

COMPLIANCE:

In cases of policy violation, the City may investigate and determine appropriate corrective action.



STAFF REPORT
Finance

Title: Early Approval of Capital Projects
Report Number: CORP2023-049
Author: Julie Koppeser
Council Date: December 11, 2023
File: N/A
Attachments: Appendix A – Project Sheets for Early Approval
Ward No.: City-Wide

Recommendations:

1. That Council approve report CORP2023-049.
2. That Council approve:
 - a. That the 2024 non-routine project, Facilities Design & Management Services – AMCC Sportsplex & WPL McCormick Branch Library Renovations (ref #222), totaling \$7,257,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That staff return with a report prior to February 12, 2024 to request the partial release of \$1,500,000 in non-routine funds for the AMCC Sportsplex & WPL McCormick Branch Library Renovations project (ref #222).
3. That Council approve:
 - a. That the 2024 routine project, Facilities Design & Management Services – Corporate Security System Upgrades (ref #223), totaling \$531,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That the funding for Corporate Security System Upgrades (ref #223) be released on January 1, 2024.
4. That Council approve:
 - a. That the 2024 routine project, Facilities Design & Management Services – Material Storage Building (ref #233), totaling \$1,103,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That the funding for Material Storage Building (ref #233) be released on January 1, 2024.
5. That Council approve:

- a. That the 2024 non-routine project, Facilities Design & Management Services – West Side Satellite Operations Centre (ref #236), totaling \$75,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That staff return with a report prior to February 12, 2024 to request the release of non-routine funds for the West Side Mini Operations Centre project (ref #236).
6. That Council approve:
 - a. That the 2024 non-routine project, Parks, Forestry and Cemetery Services – Action Sports Parks-City Wide (ref #280), totaling \$796,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That staff return with a report prior to February 12, 2024 to request the release of non-routine funds for the Action Sports Parks-City Wide project (ref #280).
7. That Council approve:
 - a. That the 2024 routine project, City Utilities-Sanitary – Inflow and Infiltration Mitigation Program (ref #517), totaling \$84,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That the funding for Inflow and Infiltration Mitigation Program (ref #517) be released on January 1, 2024.
8. That Council approve:
 - a. That the 2024 routine project, City Utilities-Water – Non-potable Water Supply Well Assessment (ref #550), totaling \$56,000, be included in the 2024 Capital Budget prior to the passing of the 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 12, 2024.
 - b. That the funding for Non-potable Water Supply Well Assessment (ref #550) be released on January 1, 2024.

A. Executive Summary

The staff tabled 2024-2026 Capital Budget is being released on December 11, 2023, with Council approval planned for February 12, 2024. Staff is requesting approval of seven (7) projects, to be included in the 2024 Capital Budget prior to that date, in advance of the overall capital budget approval process. These are projects that have been identified as having important timelines and, as such, are required to commence between January 1, 2024 and February 12, 2024. The projects are funded through existing reserve and reserve fund balances. The list of projects requesting early approval is summarized in Table 1. Further details surrounding the projects can be found in the capital project sheets attached as Appendix A of this report.

Table 1: Funding Summary by Project

REF	Reporting Criteria	Service Delivery Division	Project Description	Source	2024	Early Request
222	Non-routine	Facilities Design & Management	AMCC Sportsplex & WPL McCormick Branch Library Renovations	CRF	\$ 2,479,000	\$ 510,000
				LXPR	\$ 4,778,000	\$ 990,000
					\$ 7,257,000	\$ 1,500,000
223	Routine	Facilities Design & Management	Corporate Security System Upgrades	EMPDV	\$ 531,000	\$ 531,000
233	Routine	Facilities Design & Management	Material Storage Building	CRF	\$ 59,000	\$ 59,000
				DC-Public Works	\$ 1,044,000	\$ 1,044,000
					\$ 1,103,000	\$ 1,103,000
236	Non-routine	Facilities Design & Management	West Side Satellite Operations Centre	CRF	\$ 4,000	\$ 4,000
				DC-Public Works	\$ 71,000	\$ 71,000
					\$ 75,000	\$ 75,000
280	Non-routine	Parks, Forestry & Cemetery Services	Action Sports Parks - City Wide	PUB-Gen	\$ 531,000	\$ 531,000
				DC-Parkland	\$ 265,000	\$ 265,000
					\$ 796,000	\$ 796,000
517	Routine	City Utilities-Sanitary	Inflow and Infiltration Mitigation Program	SEWCAP	\$ 84,000	\$ 84,000
550	Routine	City Utilities-Water	Non-potable Water Supply Well Assessment	WATCAP	\$ 56,000	\$ 56,000
Grand Total					\$ 9,902,000	\$ 4,145,000

By approving the recommendations outlined in this report, Corporate Security System Upgrades (ref #223), Material Storage Building (ref# 233), Inflow and Infiltration Mitigation Program (ref #517), and Non-potable Water Supply Well Assessment (ref #550), projects with the Routine classification, would receive the budgeted funding on January 1, 2024.

Also with this approval, AMCC Sportsplex & WPL McCormick Branch Library Renovations (ref #222), West Side Satellite Operations Centre (ref #236) and Action Sports Parks-City Wide (ref #280), classified as Non-routine, would be able to return to Council after January 1, 2024, but before February 12, 2024, to provide additional project information and to request the release of funding.

Early approval, therefore, allows all seven (7) of these projects to move forward as needed prior to Budget Day (February 12, 2024).

B. Financial Implications

The full staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast is being released on December 11, 2023 and will be brought forward for Council's initial consideration on February 5, 2024 (capital review day), with budget approval day targeted for February 12, 2024. These projects are funded from existing reserve and reserve fund balances and will be incorporated into the overall staff tabled budget, but do not fetter any special powers and duties assigned to the Mayor under Part VI.1 of the Municipal Act, 2001.

The Early Capital Approval process is one that is undertaken each budget cycle. It identifies projects with needs that fall outside of the budget approval schedule and presents these needs for Council's consideration in advance of the full budget approval. It is important to note that as projects progress, new projects are identified each budget cycle, and market conditions change with time, early capital needs can vary considerably from cycle to cycle. This variation between budget cycles is evident in Table 2 below, which includes the early capital approval totals for the last five (5) budget cycles, covering 2015 through 2023.

Table 2: Historical Early Capital Approvals

Budget Year(s)	# of projects	Early Request
2023	5	\$ 3,399,000
2020-2022	8	\$ 7,644,000
2019	2	\$ 949,000
2016-2018	4	\$ 313,000
2015	10	\$ 4,626,000

The early request total of the seven (7) projects requesting early approval for the 2024-2026 cycle is \$4,145,000, to be funded as shown below, as well as in Table 1:

- \$1,380,000 Development Charges Reserve Funds (ref #233, #236, ref #280)
- \$990,000 Library Expansion and Rehabilitation Reserve Fund (ref #222)
- \$573,000 Capital Reserve Fund (ref #222, #233, and ref #236)
- \$531,000 Employee Development and Capacity Building Reserve Fund (ref #223)
- \$531,000 Parkland Dedication Reserve Fund (ref #280)
- \$84,000 Sanitary Sewer Utility Capital Reserve (ref #517)
- \$56,000 Water Utility Capital Reserve (ref #550)

C. Technology Implications

None.

D. Link to Strategic Plan

(Strategic Objectives: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

The Reserve and Reserve Fund balances and policies are heavily linked to and influenced by the 2023-2026 Strategic Plan, through the guiding principle of Operational Excellence. However, the capital projects undertaken by the City requesting early approval through this report encompass work under the strategic priorities of Complete

Community (ref #222, #223, and #280), Infrastructure and Transportation Systems (ref #233, #236, and #517) and Environmental Sustainability and Climate Action (ref #550).

E. Previous Reports on this Topic

- CORP2022-052 Early Approval of Capital Projects
- CORP2019-080 Early Approval of Capital Projects
- CORP2018-077 Early Approval of Capital Projects
- CORP2015-114 Early Approval of Capital Projects
- CORP2014-080 Early Approval of Capital Projects



Early Approval of Capital Projects CORP2023-049

Projects Requiring Early Capital Approval

As per report CORP2015-047 – 2016-2018 Budget Strategy Report, Council approved that the following criteria would be used to assist in the decision making of identifying which projects (Non-Routine) would need to return to Council after budget approval, to request final approval and secure the necessary funding prior to any expenditures being incurred:

- Financial Materiality
- High Public/Council Interest
- Request by Council
 - To be requested by Council on Capital Review Day (February 5, 2024)

Projects that fall outside of these criteria, typically projects that are routine in nature, will be recommended for funding release upon approval of the budget.

Council will have the opportunity to review and/or change the classification of projects classified as Routine in the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast on February 5, 2024, prior to Budget Day on February 12, 2024. All projects, regardless of budget value, are required to follow the Purchasing By-law and, if necessary, will return to Council for contract awards, as appropriate.

The seven (7) projects requesting early capital approval are:

1) AMCC Sportsplex & WPL McCormick Branch Library Renovations (ref #222 – Staff Tabled 2024 Capital Budget)

City staff have recently completed a feasibility study for the revitalization of the Albert McCormick Community Centre (AMCC) and the Waterloo Public Library (WPL) McCormick Branch. The goal of this project is to create a vibrant, multi-purpose community centre that meets the present and future needs of the local community. Staff are now ready to initiate the procurement of a consultant to start the detailed design work, in order for the project to proceed to construction. In 2022, the City of Waterloo was awarded a Green and Inclusive Community Buildings (GICB) grant for the AMCC Energy and Accessibility Retrofit project by the federal government, in the amount of \$3 million. This grant is intended to address two key objectives: reduce greenhouse gas emissions and enhance accessibility. It is extremely beneficial for the City of Waterloo to align the planned renovations at the AMCC Sportsplex and McCormick Branch Library with the

grant funded AMCC Energy and Accessibility Retrofit initiative. To meet the grant's stipulated requirements and deadlines, the City needs to proceed with the procurement process for consulting design services as early as possible. With early capital release of this funding, it will allow staff to initiate the design phase, ensuring that all grant-related deadlines are met. The full 2024 project budget is \$7,257,000 funded from the Capital Reserve Fund and the Library Expansion and Rehabilitation Reserve Fund, however, staff will be seeking partial early release of \$1,500,000 of this budget.

This project is classified as Non-Routine and a funding release report will be brought to Council before February 12, 2024 to request the release of these capital funds.

2) Corporate Security Systems Upgrades (ref #223 – Staff Tabled 2024 Capital Budget)

The City-wide CCTV systems at City facilities are an integral component of the City's corporate security infrastructure. The current CCTV systems (both hardware and software) are aging and in need of replacement, in order to ensure that the systems remain functional at City facilities. In recent years, staff have been able to make minor repairs in order to keep the existing systems operational, however, ongoing repair options are now limited and major replacement is required in order to maintain this corporate security function at City facilities. With early capital release of this funding, staff will be able to begin these critical replacements in January 2024, to ensure that CCTV coverage at City Facilities remains operational. The 2024 project budget is \$531,000 funded from the Employee Development and Capacity Building Reserve Fund.

This project is classified as Routine and with early capital approval budgeted funding will be released on January 1, 2024.

3) Material Storage Building (ref #233 – Staff Tabled 2024 Capital Budget)

Existing facility storage space is limited due to growth and new storage space is required to accommodate City operations. Lack of sufficient space has resulted in the relocation of some operational staff to various locations across the city; however, this separation creates logistical challenges and negatively impacts the efficiency of day-to-day operations. Early capital release of this funding is required to secure land for additional operational storage space. The 2024 project budget is \$1,103,000 funded from the Development Charges-Public Works Reserve Fund and the Capital Reserve Fund.

This project is classified as Routine and with early capital approval budgeted funding will be released on January 1, 2024.

4) West Side Satellite Operations Centre (Ref #236 – Staff Tabled 2024 Capital Budget)

The City of Waterloo currently operates maintenance services from two facilities. The primary one is the Service Centre a 57,000 square foot facility, at 265 Lexington Court on the east side, serving as the administrative headquarters and housing various workshops and storage areas, including a greenhouse, salt storage, vehicle storage, and lockers with shower facilities. This hub supports a large majority of city services. The second, smaller 6,000 square foot facility in Waterloo Park in central Waterloo handles maintenance, vehicle storage, offices, and bathrooms for Waterloo Park's operational needs. A need for a new west-side facility arises from strategically managing growth. It would enhance service efficiency, response times, and disaster resilience.

The existing Service Centre faces some capacity challenges, particularly in regards to parking for city equipment. The City of Waterloo is embarking on a comprehensive evaluation of this facility to determine its viability for providing efficient services on the west side while also considering its ability to accommodate projected growth over the next 25 years. Furthermore, development of conceptual plans for an additional satellite operational center strategically positioned on the western side of Waterloo, with a preference for leveraging city-owned property is part of the scope of the feasibility Study.

The submission of the proposals for the feasibility study is currently in progress. To ensure that the feasibility study is completed on schedule, allowing for the procurement of design and construction services to commence in early 2025 and conclude in 2026, it is advisable to initiate the study in early 2024. It is recommended that this study funding be approved ahead of the city's budget full budget approval. The 2024 project budget is \$75,000, funded from the Capital Reserve Fund and the Development Charges-Public Works Reserve Fund.

This project is classified as Non-Routine and a funding release report will be brought to Council before February 12, 2024 to request the release of these capital funds.

5) Action Sports Park-City Wide (Ref #280 – Staff Tabled 2024 Capital Budget)

The RIM Park East Skate Spot is the final action sport park to be implemented, of the collection constructed city-wide, since approval of the city's Action Sport Strategy. It will be located adjacent to the International Rotary Peace Park and has been designed and detailed to include feedback through past community engagement opportunities. Plans have been finalized into a tender-ready package. Community engagement and design for this park occurred through the overall design contract for Action Sports Park design, alongside the Albert McCormick Central Plaza Skate Park, the RIM West Bike Pump Track, and the Y-Library SkateSpot (currently under construction). Project updates will continue to be provided to the community during the pre-construction and construction phases of each project to ensure that the community is aware of the details of each project and has the opportunity to engage. The 2024 project budget is \$796,000, funded from the Parkland Dedication Reserve Fund and the Development Charges (Parkland)

Reserve Fund. Approval of this recommendation will enable staff to proceed with project tendering and award of construction (within budget), in early 2024, and allow for construction in the spring 2024 construction season.

This project is classified as Non-Routine and a funding release report will be brought to Council before February 12, 2024 to request the release of these capital funds.

6) Inflow and Infiltration Mitigation Program (Ref #517 – Staff Tabled 2024 Capital Budget)

This project is requesting early approval of funding to ensure that the data collection and management system is in place prior to February 12, 2024. The City has moved forward with the RFQ for the monitoring component of the inflow and infiltration mitigation program. Loggers are currently installed and contracts are being procured for data collection and delivery. The 2024 project budget is \$84,000, funded from the Sanitary Sewer Utility Capital Reserve.

This project is classified as Routine and with early capital approval budgeted funding will be released on January 1, 2024.

7) Non-potable Water Supply Well Assessment (Ref #550 – Staff Tabled 2024 Capital Budget)

Early capital approval is requested as upgrades are required to the existing bulk water station due to issues with the consistent delivery of water. Inspections of the well system and the bulk water station are required as soon as possible as we have been experiencing delivery issues (shut downs) which need to be addressed as soon as possible. The 2024 project budget is \$56,000, funded from the Water Utility Capital Reserve.

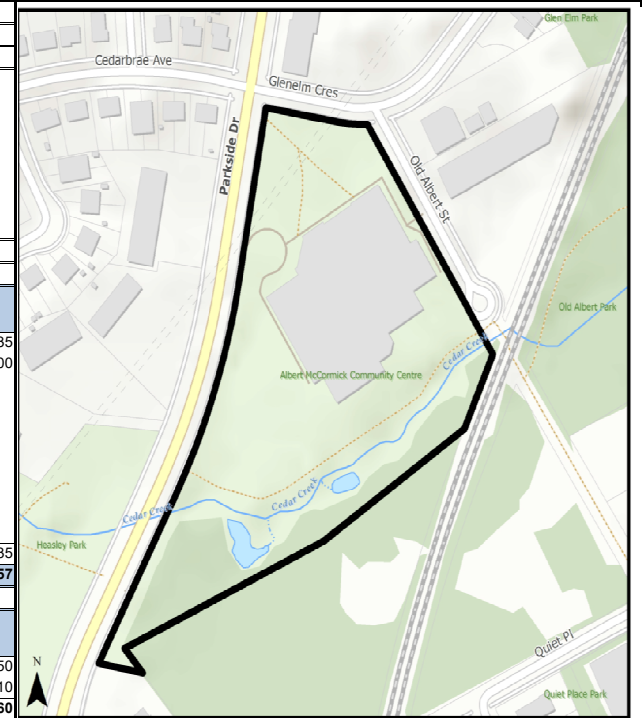
This project is classified as Routine and with early capital approval budgeted funding will be released on January 1, 2024.

Summary

The Early Capital Approval process is undertaken each budget cycle to identify projects with needs that fall outside of the budget approval schedule. These needs are presented for Council consideration in advance of the full budget. With early approval, these seven (7) projects will be able to move forward as needed prior to Budget Day. The balance of the capital budget released on December 11, 2023 will be brought forward to Council for consideration in February 2024. Staff are bringing forward this report for consideration pursuant to section 3 of Mayoral Direction D2023-001. Notwithstanding that direction, nothing in this report will fetter the ability of the Mayor and/or Council to adopt the 2024-2026 budget in February 2024.

APPENDIX A

PROJECT222-AMCC Sportsplex & WPL McCormick Branch Library Renovations						ID#P01562		PSOFT #230017			
STRATEGIC PLAN LINK:			Complete Community			TYPE:		Rehabilitation			
THEME:		Facility Refurbishment				WARD:		Ward 3 - Lakeshore			
The goal of this project is to create a vibrant, multi purpose community centre that meets the present and future needs of the local community. This will be accomplished primarily through renovation and revitalization of the existing building. Some key features will include: facility-wide accessibility upgrades (including a new Universal Washroom), reconfiguration of the existing Sportsplex entrance, significant renovation of the existing WPL McCormick Branch Library, construction of a new library entrance, creation of new City programming spaces, and more. This project will be guided by the Feasibility Study that was completed in 2023 and is in addition to other GHG reduction work that is already scheduled to occur at this facility (i.e. federal grant funding of approximately \$3,000,000).											
SERVICE DELIVERY DIVISION:			COMM-Fac.Design & Mgmt			IMPLEMENTATION DIVISION:		COMM-Fac.Design & Mgmt			
REPORTING CRITERIA:		Non-Routine		All figures in \$'000s							
FUNDING SOURCE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
CRF (New)	2,335										2,335
LXP	4,500										4,500
</											



APPENDIX A

PROJECT		223-Corporate Security System Upgrades					ID#		P01364		PSOFT #		120023	
STRATEGIC PLAN LINK:		Complete Community					TYPE:		Rehabilitation					
THEME:		Equipment Replacement					WARD:		City Wide					
<p>The City of Waterloo hired a Security Consultant to complete an assessment of all City-owned assets. Included in the assessment of City facilities was: hardware, software, programs / procedures, and vulnerabilities. Upon completion of the assessment, recommendations were provided to address any deficiencies. All recommendations were rated by risk level (high, medium, and low) and are to be implemented over a 10-year period. These upgrades will contribute to safe and secure facilities for staff and visitors. Funds for this project will be used for a variety of security related items, including: card access, software upgrades, staff training, loss prevention, and damage prevention across the entire Corporation. High-priority items have been addressed in previous capital work; therefore, this funding will be used to address the remaining items.</p>														
SERVICE DELIVERY DIVISION:		COMM-Fac.Design & Mgmt					IMPLEMENTATION DIVISION:		COMM-Fac.Design & Mgmt					
REPORTING CRITERIA:		Routine			All figures in \$'000s									
FUNDING SOURCE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL			
EMPDV	500	425	76	69	67	64	62	58	57	53	1,431			
TOTAL	500	425	76	69	67	64	62	58	57	53	1,431			
INFLATED	531	479	91	75	74	72	71	68	68	65	1,594			
All figures in \$'000s														
OPERATING IMPACT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL			
ONGOING														
ONE TIME														
TOTAL														



APPENDIX A

PROJECT		233-Material Storage Building				ID#		P01362		PSOFT #		190016	
STRATEGIC PLAN LINK:		Infrastructure and Transportation Systems				TYPE:		Growth					
THEME:		Facility Expansion				WARD:		City Wide					
Existing facility storage space is becoming limited due to growth. New storage space is required to accommodate City operations and needs.													
This funding will be used to secure land for expansion if required, and design/build a multi-purpose storage building or addition to an existing building. The building will be built with minimal amenities and serve primarily for storage needs.													
SERVICE DELIVERY DIVISION:				COMM-Fac.Design & Mgmt				IMPLEMENTATION DIVISION:				COMM-Fac.Design & Mgmt	
REPORTING CRITERIA:			Routine			All figures in \$'000s							
FUNDING SOURCE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL		
CRF (New)	56					27					83		
DC	983					513					1,496		
TOTAL	1,039					540					1,579		
INFLATED	1,103					608					1,711		
All figures in \$'000s													
OPERATING IMPACT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL		
ONGOING							8				8		
ONE TIME													
TOTAL							8				8		



APPENDIX A

PROJECT	236-West Side Satellite Operations Centre					ID#	P01361		PSOFT #	220009	
STRATEGIC PLAN LINK:		Infrastructure and Transportation Systems				TYPE:		Growth			
THEME:		Facility Expansion				WARD:		Ward 2 - Northwest			
<p>This Operation Centre would be constructed at a small scale, essentially to dispatch crews and vehicles to efficiently serve the west-side of the City. The facility is envisioned to have a mini salt shed, material storage bunkers, truck parking, a horticultural transfer station, an above ground fuel station, and a small office space.</p> <p>This project will require a needs study to determine the service level needs and features of services, and architectural/engineering conceptual design.</p> <p>The cost of this project sheet is for construction only (i.e. excludes land purchase and associated servicing). Land use for this project is considered as part of future city owned development sites on the west-side of the City.</p>											
SERVICE DELIVERY DIVISION:			COMM-Fac.Design & Mgmt			IMPLEMENTATION DIVISION:			COMM-Fac.Design & Mgmt		
REPORTING CRITERIA:		Non-Routine		All figures in \$'000s							
FUNDING SOURCE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
CRF (New)	4	10	187								201
DC	67	195	3,414								3,676
TOTAL	71	205	3,601								3,877
INFLATED	75	232	4,311								4,618
All figures in \$'000s											
OPERATING IMPACT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
ONGOING				166	3	3	3	3	3	3	184
ONE TIME				15							15
TOTAL				181	3	3	3	3	3	3	199



APPENDIX A

PROJECT	280-Action Sports Parks - City Wide					ID#	P01189	PSOFT #	190008		
STRATEGIC PLAN LINK:		Complete Community				TYPE:	Growth				
THEME:	Park Expansion				WARD:	City Wide					
City Wide Action Sport Parks are being implemented as per the Action Sport Strategy.											
Background Information: The funding will be used to construct the RIM Park skate park. Previous projects included the skate park at Albert McCormick Community Centre & Branch Library (built in 2021), the bike park at RIM Park (built in 2022) and the skate park at the Harper Branch Library & Stork Family YMCA (previously funded, to be built in 2023/2024).											
SERVICE DELIVERY DIVISION:		COMM-Parks, Forestry and Cemeteries				IMPLEMENTATION DIVISION:		COMM-Parks, Forestry and Cemeteries			
REPORTING CRITERIA:		Non-Routine		All figures in \$'000s							
FUNDING SOURCE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
PUB-GEN	500										500
DC	250										250
TOTAL	750										750
INFLATED	796										796
All figures in \$'000s											
OPERATING IMPACT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
ONGOING		7	25	10							42
ONE TIME											
TOTAL		7	25	10							42



APPENDIX A

PROJECT	517-Inflow and Infiltration Mitigation Program						ID#		PSOFT #	230039	
STRATEGIC PLAN LINK:		Infrastructure and Transportation Systems				TYPE:		Rehabilitation			
THEME:		Wastewater System Rehab				WARD:		City Wide			
Inflow and Infiltration continues to be a significant financial strain on the Sanitary section of City Utilities (CU). To address the issue, CU will be focussing on 4 areas: - assessment / monitoring practices, a disconnect incentive program, storm infrastructure upgrades, and sanitary infrastructure upgrades.											
SERVICE DELIVERY DIVISION:		IPPW-City Utilities				IMPLEMENTATION DIVISION:		IPPW-City Utilities			
REPORTING CRITERIA:		Routine				All figures in \$'000s					
FUNDING SOURCE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
SEW-CAP	80	80	80	80	80	80	80	80	80	80	796
TOTAL	80	80	80	80	80	80	80	80	80	80	796
INFLATED	84	90	95	86	88	90	91	93	95	97	909
All figures in \$'000s											
OPERATING IMPACT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL
ONGOING											
ONE TIME											
TOTAL											



APPENDIX A

PROJECT	550-Non-potable Water Supply Well Assessment						ID#	P01446		PSOFT #	160039	
STRATEGIC PLAN LINK:			Environmental Sustainability and Climate Action				TYPE:		Rehabilitation			
THEME:			Environmental Planning & Management				WARD:		Ward 4 - Northeast			
The City provides local contractors with a non-potable water supply at the service center. The City charges contractors a discounted rate from potable water cost. The pump is quite slow at the station and the City would like to do a conditional assessment and upgrade if possible, along with reviewing direct payment options at the pump.												
SERVICE DELIVERY DIVISION:			IPPW-City Utilities				IMPLEMENTATION DIVISION:		IPPW-City Utilities			
REPORTING CRITERIA:		Routine			All figures in \$'000s							
FUNDING SOURCE	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL	
WAT-CAP	53										53	
TOTAL	53										53	
INFLATED	56										56	
All figures in \$'000s												
OPERATING IMPACT	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	TOTAL	
ONGOING												
ONE TIME												
TOTAL												





STAFF REPORT
City Utilities

Title: City Utilities – 2024 Rates
Report Number: IPPW2023-060
Author: Michael Pugliese, Leigh McDermott
Council Date: December 11, 2023
File: N/A
Attachments: Appendix A: Funding and Expenditures
Appendix B: City Utilities Fees and Charges
Ward No.: City Wide

Recommendations:

1. That IPPW2023-060 be approved.
2. That Council approve the 2024 water rate at \$2.32/m³, comprised of the City portion of the rate at \$1.1150/m³ and the Regional portion of the rate at \$1.2050/m³ as set out in Table 1 of report IPPW2023-060, and that the Fees and Charges By-Law be updated to reflect the water rate effective January 1, 2024.
3. That Council approve the 2024 sanitary rate at \$2.81/m³, comprised of the City portion of the rate at \$1.3323/m³ and the Regional portion of the rate at \$1.4777/m³ as set out in Table 1 of report IPPW2023-060, and that the Fees and Charges By-Law be updated to reflect the sanitary rate effective January 1, 2024.
4. That Council approve the 2024 stormwater rates as outlined below and that the Fees and Charges By-Law be updated to reflect the stormwater rates effective January 1, 2024:
 - Residential; small \$11.19/month, medium \$16.76/month, and large \$22.88/month
 - Multi-Residential; small \$32.11/month, medium \$135.85/month, and large \$723.89/month
 - Institutional; small \$52.04/month, medium \$140.64/month, and large \$287.98/month
 - Commercial/Industrial; small \$43.06/month, medium \$201.08/month, large \$648.02/month, and largest \$1,641.38/month

5. That Council approve the 2025-2033 water, sanitary, and stormwater rate forecast in principle as set out in Table 1 of report IPPW2023-060.
6. That Council approve that the Fees and Charges By-Law be updated for the rates and effective dates as shown in Appendix B of report IPPW2023-060.
7. That Council approve that bi-monthly City Utilities billings no longer use a blended rate when water and sanitary volumetric charges span different years and are billed based on the previous year's rates until the next full billing period.

A. Executive Summary

City Utilities rates pay for the costs associated with providing drinking water, collecting and treating wastewater, and responsibly managing stormwater. Through these services, residents and businesses within Waterloo receive a reliable supply of drinking water, wastewater collection, protection of our source water, stormwater control, and better customer access to information such as water consumption.

The recommended City Utility rates for 2024 are \$2.32/m³ for water supply (comprised of the City portion of the rate at \$1.1150/m³ and the Regional portion of the rate at \$1.2050/m³) and \$2.81/m³ for sanitary wastewater collection (comprised of the City portion of the rate at \$1.3323/m³ and the Regional portion of the rate at \$1.4777/m³).

Unpredictable weather events, climate action, aging infrastructure, and the need to account for various stormwater control capital projects continues to pose financial pressure for stormwater management. Stormwater rates are considered a tiered flat rate with the majority (approximately 58%) of customers in the City of Waterloo categorized in the residential medium rate tier, with a recommended 2024 rate of \$16.76/month.

Recent inflationary pressures and continued supply-chain disruptions have caused a significant increase in material costs over the past couple of years. Costs are further compounded by higher construction-related costs as well. Through the City-wide budgeting process, capital forecasts and associated funding requirements have been updated and adjusted to account for these increased pricing pressures over the 10-year capital planning horizon. The current cost environment, along with continued work on closing the infrastructure gap and addressing climate change, has resulted in a higher rate forecast than previously outlined in past City Utilities rate reports. Higher utility rate conditions are also being experienced by other municipalities within the region and province.

The updated City Utilities rate forecast incorporates a capital financing strategy, including strategic debt financing, to address the increasing cost of capital projects for water, sanitary, and stormwater services, while balancing user rate increases over time.

B. Financial Implications

Through modelling, staff have developed the recommended 2024 water, sanitary, and stormwater rates along with a 2025-2033 rate forecast that aligns with the City of Waterloo staff tabled 2024-2026 Operating and Capital Budgets. As such, it is recommended that the 2024 City Utilities rates be approved as outlined in Table 1 of this report. The 2024 City Utilities rates have been incorporated into the overall staff tabled budget, but do not fetter any special powers and duties assigned to the Mayor under Part VI.1 of the Municipal Act, 2001. If during budget adoption, changes to the staff tabled City Utilities budget are made, staff will review the impacts to the City Utilities rates and bring forward a mid-year rate change if applicable.

The annual financial impact of the recommended overall City Utilities increase for 2024 is 5.6% (or \$68.15 for the year) for the average household that typically consumes 17m³ of water per month and categorized in the residential medium stormwater tier. This is comprised of the City's share at 3.8% (or \$46.79) and the Region's share at 1.8% (or \$21.36) as summarized in Table 4 of this report.

C. Technology Implications

None

D. Link to Strategic Plan

(Strategic Priorities: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

The water, sanitary, and stormwater rates and associated operating and capital budget are linked to the Strategic Plan and Guiding Principles by:

- Infrastructure and Transportation Systems – Ensuring investment in infrastructure through responsible operations and maintenance activities and capital renewal/replacement strategies.
- Environmental Sustainability and Climate Action – Implementing watershed improvement and infrastructure projects and providing incentives to encourage green infrastructure.
- Operational Excellence – creating user rates that reflect full cost recovery for the City Utilities business unit ensuring fiscal responsibility is maintained.

E. Previous Reports on this Topic

IPPW2020-072 – City Utilities – 2021 Rates (December 7, 2020)

IPPW2021-069 – City Utilities – 2022 Rates (December 6, 2021)

IPPW2022-062 – City Utilities – 2023 Rates (December 12, 2022)



City Utilities – 2024 Rates IPPW2023-060

Section 1 – Overview of City Utilities

The City Utilities division within the Integrated Planning and Public Works department is responsible for the distribution of potable drinking water, the collection of wastewater, and the management of stormwater control. Stormwater management projects typically involve water quality control, flood control, or both. Additionally, in 2021, a new section within City Utilities was established to address utilities compliance and handles all legislated requirements in the provision of water services.

Through the services offered by the City Utilities Division, residents and businesses within the City of Waterloo receive a reliable supply of drinking water, wastewater collection, and protection of our source water. For 365 days a year, 24 hours per day, the division responds to critical water distribution system repairs such as main breaks and discoloured water incidents. The work of the division also includes risk mitigation from weather-related incidents (e.g. flooding and surcharging) through preventative measures such as stream rehabilitation and overland flow maintenance.

Through cross-border servicing agreements, City Utilities provides wastewater collection to customers from the Bridgeport area and the Sunbridge subdivision in the City of Kitchener. City Utilities also provides both water and sanitary services to the St. Jacobs Outlet Mall and Farmers Market area in the Township of Woolwich, and the Falconridge subdivision in the City of Kitchener.

Over \$1.923 billion of infrastructure is maintained by the City Utilities division including:

- 442 km of watermain pipes (including 2,601 fire hydrants)
- 421 km of sanitary sewer pipes
- 6 sanitary sewage pumping stations
- 361 km of storm sewer pipes
- 59 stormwater management ponds
- 2 surface water impoundments (Silver Lake and Clair Lake)
- approximately 70 km of natural channels (creeks)

The total cost of this critical infrastructure is as follows based on latest information from the City's asset management system (2023 Asset Management Report Cards as per CORP2023-040):

- water distribution – \$636 million
- sanitary collection (including pumping stations) - \$526 million
- stormwater management and ponds – \$761 million

City Utilities generates all funds for operations, maintenance, and capital projects from water, sanitary, and stormwater rates, service charges, and applicable grants. No revenue is generated from property taxes. City Utilities works closely with Finance (Revenue and Accounting Services and Financial Planning) on utility billing and the preparation of budgets, along with maintaining a rolling 10-year sustainable rate model/forecast.

Section 2 – Stormwater Management Overview

Stormwater management (SWM) involves planning and controlling stormwater runoff from rain and melted snow for the purposes of minimizing risk of erosion, flooding and water quality degradation. Stormwater management serves to reduce the impact created by urbanization and increased impervious landscapes. Good stormwater management practices and infrastructure provides:

- a level of flood risk protection to properties;
- enhancements over conventional approaches to promote pre-to-post water balancing and the use of infiltration measures;
- protection of our drinking water sources; and,
- helps mitigate the impact of pollution and erosion to the natural environment.

Stormwater management systems consist of infrastructure such as pipes, culverts, ditches, catch basins, manholes, stormwater management ponds, infiltration facilities and engineered landscape features, as well as, natural features such as creeks, rivers and lakes. The operation, maintenance, rehabilitation, renewal and replacement of this infrastructure is subject to such legislation as the *Ontario Water Resources Act*, *Canadian Environmental Protection Act*, the *Fisheries Act*, *Clean Water Act*, *Water Opportunities Act* and several guidelines published through the Ministry of Environment, Conservation and Parks, and Ministry of Natural Resources. The Grand River Conservation Authority (GRCA) also provides a significant role in the permit and approvals process.

As noted in previous rate reports, the stormwater section continues to face a significant funding gap as identified by the City's comprehensive asset management plan (AMP). Through work completed over the past year, stormwater subject matter experts and Asset Management staff have determined that additional annual funding of \$12.9 million is required to achieve an acceptable level of performance from stormwater assets. This is based on a comparison of the \$17.2 million average annual funding needed to achieve the acceptable performance level versus the current average annual funding level of \$4.3 million. The 10-year stormwater rate forecast will aim to address this funding gap by phasing in additional capital funding (including debt financing) gradually over the next several years to help moderate stormwater rate increases.

As part of the 2020-2022 budget process, Council approved a proactive increased investment in the Stormwater program with the addition of a Manager of Stormwater and Construction, a Supervisor of Stormwater and Construction, and additional front line resources. These investments are helping to maintain current service levels while addressing a backlog of critical infrastructure maintenance work.

In 2023, the City begin processing all applications for Consolidated Linear Infrastructure Environment Compliance Approvals (CLI-ECA) for both stormwater and wastewater (i.e. sanitary) that were previously completed at a Provincial and Regional level. Such processing activity resulted in an increased staffing resource need. Additional fees were added to the City Utilities Fees and Charges by-law accordingly to recover these new costs.

Additionally, Stormwater is becoming a growing concern because of climate change¹ and there are new best management practices being added for all City Utility sections to address the need to monitor the City-wide systems.

The recommended 10-year stormwater rate forecast is provided in Table 1.

Section 3 – Operating and Capital Budget

Concurrent with this report, the staff tabled 2024-2026 Operating and Capital Budget and 2027-2033 Capital Budget Forecast was released for public review with the target approval date of February 12, 2024 for Council's consideration. The staff tabled Operating and Capital Budget is aligned with the 2024 City Utilities rates and the 2025-2033 rate forecasts. The 2024 City Utilities rates have been incorporated into the overall staff tabled budget, but do not fetter any special powers and duties assigned to the Mayor under Part VI.1 of the Municipal Act, 2001. If during budget adoption, changes to the staff tabled City Utilities budget are made, staff will review the impacts to the City Utilities rates and bring forward a mid-year rate change if applicable.

Details on the City Utilities 2024-2026 budget are provided in the above referenced budget documents and will be available on the City's website at www.waterloo.ca/budget effective December 11, 2023.

Appendix A "2024 City Utilities Projected Revenue and Expenditures" summarizes the overall City Utilities budget by revenue/funding source, wholesale charges paid to the Region, operating expense breakdown, and capital funding sources.

The City Utilities 2025-2033 rate forecast has been adjusted from prior guidance to incorporate a capital financing strategy, utilizing debt financing where appropriate, to address rising construction costs along with service level improvements within the water, sanitary, and stormwater sections.

¹ Bush, E. and Lemmen, D.S., editors (2019): Canada's Changing Climate Report; Government of Canada, Ottawa, ON. Chapter 4.

Section 4 – Recommended Rates

The recommended City Utilities retail rates for 2024 are:

- Water - \$2.32/m³
 - City portion \$1.1150/m³ and Regional portion \$1.2050/m³
- Sanitary - \$2.81/m³
 - City portion \$1.3323/m³ and Regional portion \$1.4777/m³
- Stormwater:
 - Residential; small \$11.19/month, medium \$16.76/month, and large \$22.88/month
 - Multi-Residential; small \$32.11/month, medium \$135.85/month, and large \$723.89/month
 - Institutional; small \$52.04/month, medium \$140.64/month, and large \$287.98/month
 - Commercial/Industrial; small \$43.06/month, medium \$201.08/month, large \$648.02/month, and largest \$1,641.38/month

The effective date for the 2024 rates is January 1, 2024 with the 2025-2033 forecast rates also using an effective date of January 1 for modelling purposes.

City Utilities invoicing currently involves a 'blended rate' period that occurs each year. A blended rate occurs when the water and sanitary volumetric charge is based on a combination of the previous and current year's rates on the same bi-monthly bill. The blended rate billing period process was created after migration to in-house water billing. Bi-monthly billing can include consumption spanning different years from November to January or December to February, and staff have been using blended rates to average the annual rates per year when consumption spans different years (and rates). While the effective date of the rate change is January 1, 2024, since there is a period of time whereby the first water bill in 2024 would contain consumption from 2023 and 2024, staff are recommending that the new 2024 rates be charged starting on the first full bill in 2024 where the consumption reading does not contain any 2023 usage.

In the past, revenue services billing staff would perform a detailed blended rate analysis based on how much of the first billing of the year contained current year and prior year consumption. This would vary by billing section, causing a significant amount of effort for the billing team and is difficult for residents to understand. By eliminating blended period billing, staff will no longer have to change rates in the system multiple times per week which will result in fewer delays for billing, less chance of errors or incorrect rates on bills, and will remove the lengthy explanation in the comment box of each bill providing the blended rate calculation. This will also align with how the fixed fee portion of bills are charged (i.e. no blending of fixed fees). An example without using blended rates is as follows:

- Billing consumption period from December 1, 2023 to January 30, 2024: full consumption billed at 2023 rates

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- Billing consumption period from February 1, 2024 to March 30, 2024: full consumption billed at new 2024 rates

Staff have reviewed the financial impact of the blended rate billing process and confirmed the very small revenue reduction in 2024 from proceeding with no blending period can be recovered through future year revenue collections and the rate setting process.

The 10-year forecast of City Utilities rates is provided for planning purposes and is reviewed on an annual basis. The recommended rate forecasts are intended to accomplish a number of objectives such as:

- fund the water, sanitary, and stormwater operating and capital programs over the 10-year forecast, with sufficient user rate revenue to support these programs;
- provide for stable rate changes over time, instead of volatile increases;
- maintain appropriate reserve balances over the 10-year forecast as approved by Council policy in the annual reserve and reserve fund report;
- meet legislative requirements related to drinking water supply, sanitary wastewater collection, and stormwater management;
- meet the challenges of both an aging and growing infrastructure system so as to renew/replace existing infrastructure and build capacity appropriately to ensure reliable infrastructure for a growing community;
- allow flexibility to respond to unforeseen operating and capital pressures or opportunities as they arise; and
- incorporate the Region of Waterloo wholesale rates and forecast.

Table 1 below provides a summary of the 2024 recommended rates and 2025-2033 rate forecast.

Table 1 – Recommended City Utilities Rates:

Year		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Stormwater Tiers	Water (\$/m3)	2.17	2.32	2.47	2.63	2.79	2.96	3.09	3.22	3.33	3.43	3.53
	Sanitary (\$/m3)	2.69	2.81	2.93	3.06	3.19	3.32	3.46	3.60	3.74	3.88	4.02
	Service Charge - 15mm (\$/month)	3.47	3.63	3.80	4.01	4.24	4.49	4.58	4.67	4.76	4.86	4.96
	Residential Small (\$/month)	10.28	11.19	12.19	13.27	14.19	15.03	15.77	16.54	17.35	18.04	18.58
	Residential Medium (\$/month)	15.39	16.76	18.25	19.87	21.24	22.49	23.59	24.75	25.96	27.00	27.81
	Residential Large (\$/month)	21.01	22.88	24.92	27.14	29.01	30.72	32.23	33.81	35.47	36.89	38.00
	Multi- Residential Small (\$/month)	29.49	32.11	34.97	38.08	40.71	43.11	45.22	47.44	49.76	51.75	53.30
	Multi-Residential Medium (\$/month)	124.75	135.85	147.94	161.11	172.23	182.39	191.33	200.71	210.54	218.96	225.53
	Multi-Residential Large (\$/month)	664.73	723.89	788.32	858.48	917.72	971.87	1,019.49	1,069.45	1,121.85	1,166.72	1,201.72
	Institutional Small (\$/month)	47.79	52.04	56.67	61.71	65.97	69.86	73.28	76.87	80.64	83.87	86.39
	Institutional Medium (\$/month)	129.15	140.64	153.16	166.79	178.30	188.82	198.07	207.78	217.96	226.68	233.48
	Institutional Large (\$/month)	264.44	287.98	313.61	341.52	365.08	386.62	405.56	425.43	446.28	464.13	478.05
	Commercial/Industrial Small (\$/month)	39.54	43.06	46.89	51.06	54.58	57.80	60.63	63.60	66.72	69.39	71.47
	Commercial/Industrial Medium (\$/month)	184.65	201.08	218.98	238.47	254.92	269.96	283.19	297.07	311.63	324.10	333.82
	Commercial/Industrial Large (\$/month)	595.06	648.02	705.69	768.50	821.53	870.00	912.63	957.35	1,004.26	1,044.43	1,075.76
	Commercial/Industrial Largest (\$/month)	1,507.24	1,641.38	1,787.46	1,946.54	2,080.85	2,203.62	2,311.60	2,424.87	2,543.69	2,645.44	2,724.80

The 2024 water, sanitary, and stormwater rates, along with their associated rate forecasts, have been adjusted from the forecasted amounts provided in last years rate report (per IPPW2022-062). The increased rates over prior forecasts is mainly a result of continued inflationary pressures and related supply chain disruptions that have caused an increase in material costs, as well as overall construction related cost pressures. The 2024-2026 capital budget has been inflated in accordance with policy FC-012 using the five year rolling average third quarter Toronto construction price index (with any annual index change capped at 10%) resulting in an inflation factor of 6.18% being applied. This inflation rate very closely aligns with the most recent released Toronto construction price index as of Q3 2023 at a 6.57% increase. Staffing, associated fleet related costs, and service level increases are also impacting future rate forecasts as the City continues to grow and best practice programs are implemented for operations and maintenance of the infrastructure. An example is the operating and maintenance cost associated with new sanitary pumps stations for newly serviced lands.

Through the City-wide budgeting process, capital forecasts along with operating budget increases and associated funding requirements, have been updated and adjusted to account for these increased pressures over the 10-year planning horizon.

The forecast period in general is based on many factors including, but not limited to, any annual operating surpluses/deficits, forecasted regional wholesale rates, and additional capital funding requirements or adjustments for operating budgets to continue addressing the infrastructure gap as derived by the City's Asset Mangement Plan. Rate forecasts are subject to change annually based on the above noted factors or other change drivers that may occur through the budgeting process.

Section 5 – Breakdown of 2024 Rates

Rates recommended by the City of Waterloo include various factors. The single largest factor impacting the water and sanitary rates are the recommended wholesale rate increases from the Region of Waterloo, which is the City's sole supplier of drinking water and treatment provider for wastewater. For these services, the Region charges wholesale rates to the City.

Similar to the City, the Region budgets a 10-year forecast of wholesale water and wastewater rates. The Regional wholesale rate forecast is used by City staff for planning, forecasting, and rate-setting purposes. It should be noted that at the time of report writing, Regional wholesale rates were still being finalized and subject to approval by Regional Council (scheduled for December 13, 2023). Provided there are no significant changes to the Region's 2024 approved wholesale rates from the forecasts used in modelling, City staff will continue with the recommended rates as approved in this report.

The recommended water and sanitary retail rates for 2024 are broken down into a City portion and a Region portion as provided in Table 2.

Table 2 - Breakdown of Rate Increase:

Rates	2023 Actual (\$)	2024 Proposed (\$)	Increase (\$)	Increase (%)
City Portion of Rate - Water	1.0102	1.1150	0.1048	10.37%
City Portion of Rate - Sanitary	1.2813	1.3323	0.0510	3.98%
Sub-total - City Portion / m³	2.2915	2.4473	0.1558	6.80%
Region Portion of Rate - Water	1.1598	1.2050	0.0452	3.90%
Region Portion of Rate - Sanitary	1.4087	1.4777	0.0690	4.90%
Sub-total - Region Portion / m³	2.5685	2.6827	0.1142	4.45%
TOTAL VOLUMETRIC RATE /m³	4.8600	5.1300	0.2700	5.56%

Rates	2023 Actual (\$)	2024 Proposed (\$)	Increase (\$)	Increase (%)
City Stormwater - Res Medium / month	15.39	16.76	1.37	8.90%
City Service Fee - 15mm Meter / month	3.47	3.63	0.16	4.61%
TOTAL FIXED FEES / MONTH	18.86	20.39	1.53	8.11%

Note: The above City/Region breakdown of the City of Waterloo's retail rate is a basic calculation to deduct the wholesale Region rate from the total rate charged to residents. It does not take into account specific factors including: City consumption patterns, effective dates of rate increases and City cost impacts from non-revenue water use and sanitary flows. These impacts are not material on the total % figures noted in the table and have therefore been omitted for simplicity.

Staff aim to balance rate increase fluctuations along with maintaining reserves at the Council approved minimum target level (discussed further below in Section 7). Often times this balancing will result in rate increases in some years in order to build reserves for future years that might have a larger capital program. This helps reduce the volatility of rate increases for users over the entire 10-year forecast period.

Section 6 – Annual Household Impact

The annual City Utilities bill for an average household in Waterloo with an average consumption rate of 17 cubic metres of water per month will be \$1,284 in 2024 for water, sanitary, and stormwater services. This represents an increase of approximately \$68 annually, or 5.6% when compared to the average cost of \$1,216 in 2023. Staff note that consumption amounts, on average, have been decreasing over the past several years as more efficient water fixtures are being installed in homes along with general water conservation. An analysis of how much water the “average” household consumes per month is being continuously monitored and reviewed at a region-wide level to determine what an “average” household represents, and any revisions to the average household figure will be applied for future modelling purposes.

Household impact is a calculation that takes into account not only the volumetric rate increase but also the effective date of the new rates, consumption estimates for the

average household, and the fixed monthly stormwater and service fees. All this information is translated into a dollar figure increase that the average household would pay in 2024 versus 2023. This is why the percentage change for the actual rates as noted in Table 2 above can differ from the percentage change for the average household impact figure, with the latter being the more relevant and informative figure for rate payers.

Table 3 below summarizes the 2024 average household impact along with the forecast over 2025-2033.

Table 3: 2024-2033 Estimated Average Annual City Utilities Household Impact:

Year	2023 *	2024 **	2025	2026	2027	2028	2029	2030	2031	2032	2033
*** Average Household - Annual Impact (\$)	1,215.40	1,283.55	1,358.29	1,438.73	1,517.55	1,596.78	1,667.27	1,737.23	1,804.07	1,867.20	1,927.54
Average Household - Annual Increase (\$)	58.24	68.15	74.74	80.44	78.82	79.23	70.49	69.96	66.84	63.13	60.34
Average Household - Annual Increase (%)	5.0%	5.6%	5.8%	5.9%	5.5%	5.2%	4.4%	4.2%	3.8%	3.5%	3.2%

Notes:

* 2023 effective date of Jan 1, 2023

** 2024 effective date of Jan 1, 2024 (2025 - 2033 effective dates of Jan 1 for modelling purposes)

*** Average Household - Annual Impact: Based on a household consuming 17 m3 of water per month, in the Residential Medium stormwater tier, including the 15mm fixed monthly service charge

Table 4 below breaks down the 2024 City Utilities household cost impact split between City and Region portions.

Table 4: Breakdown of 2024 Average Annual City Utilities Household Impact:

Average Household Annual Impact	2023 *** (\$)	2024 *** (\$)	Increase (\$)	Increase over total cost (%)
City Utilities Rate - City Stormwater *	182.54	198.38	15.84	1.3%
City Utilities Rate - City Water Service Fee **	41.42	43.24	1.82	0.1%
City Utilities Rate - City Portion **** (Water/Sanitary)	467.47	496.60	29.13	2.4%
City Utilities Rate - Region Portion **** (Water/Sanitary)	523.97	545.33	21.36	1.8%
TOTAL COST	1,215.40	1,283.55	68.15	5.6%

* Residential Medium Tier

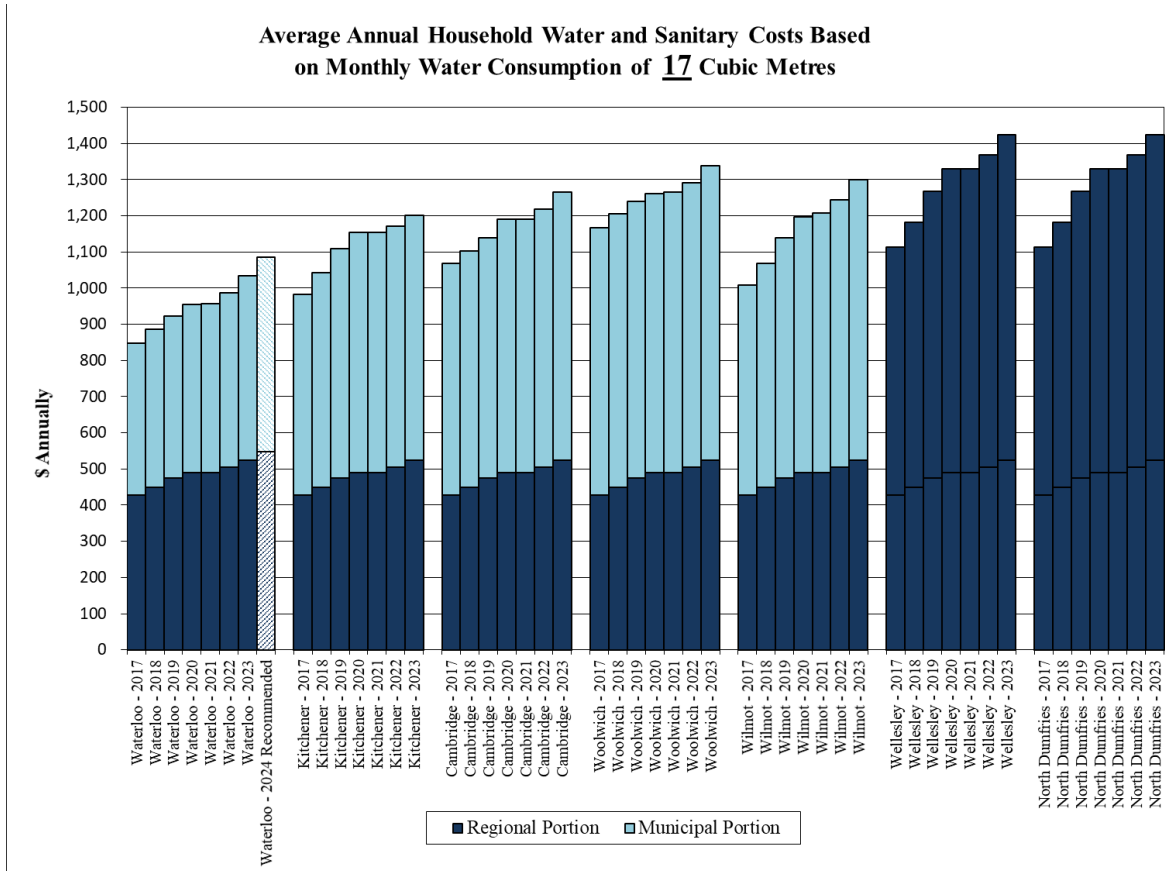
** 15mm Water Service Charge

*** Effective date Jan.1 2023 and Jan.1 2024

**** Using average consumption - 17m3/month

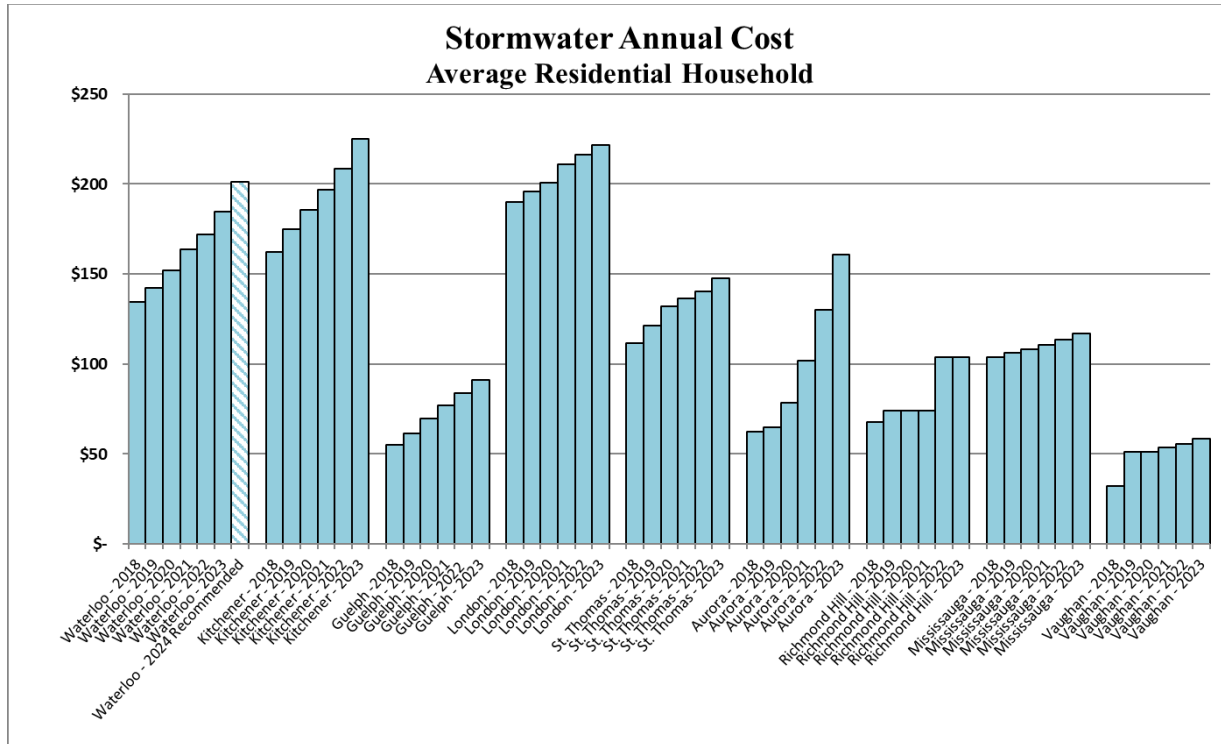
Chart 1 provides insight into the average household water and sanitary cost impacts for local area municipalities over the past several years. The recommended City of Waterloo 2024 impact is provided for reference. Stormwater costs have not been included locally as only Kitchener and Waterloo have a dedicated stormwater utility, although a broader comparison of stormwater utilities is provided in Chart 2.

Chart 1: Average Annual Household Cost: Water and Sanitary



A review of stormwater rates across Southern Ontario, outlined in Chart 2, allows for a relative comparison of annual household impact for various municipalities that have dedicated stormwater rates. It should be noted that a direct comparison is difficult because stormwater utilities are less defined than water and sanitary utilities and vary widely across jurisdictions depending on local geographic characteristics and regulatory requirements. There is an increasing trend amongst municipalities to shift from tax based funding to a dedicated stormwater utility. As this trend continues over time, it is anticipated that better local comparator data will become available.

Chart 2: Average Annual Household Cost: Stormwater



Section 7 – Reserve Levels

The water, sanitary, and stormwater reserves fund the entire City Utilities division including the day-to-day operations, current and future capital needs (including rehabilitation and life cycle needs), and provides a stabilization measure to address revenue shortfalls. It also provides flexibility for Council to respond to unforeseen pressures or opportunities as they arise.

Below are the current reserve policies as last reviewed by Council through the 2023 update to FC-006 - Reserves and Reserve Funds Policy (via CORP2023-043):

- i. The approved target level of the Water and Sanitary Capital Reserves is 1% of the estimated asset replacement value.
- ii. The approved target level of the Water and Sanitary Stabilization Reserves is 5% of the annual operating expenditures.
- iii. The approved target level for the Stormwater Reserve is \$1,000,000.

Those approved reserve levels have been incorporated into the financial models and resultant 10-year rate forecast. Some minor deviations to the reserve targets may be required however to offset rate impacts for a fluctuating capital program year-to-year.

Rate Stabilization Reserves:

The rate stabilization reserves are a source of financing to supply emergency and unplanned funding for the water and sanitary business units in order to avoid operating deficits, causing large fluctuations on user rates in subsequent years.

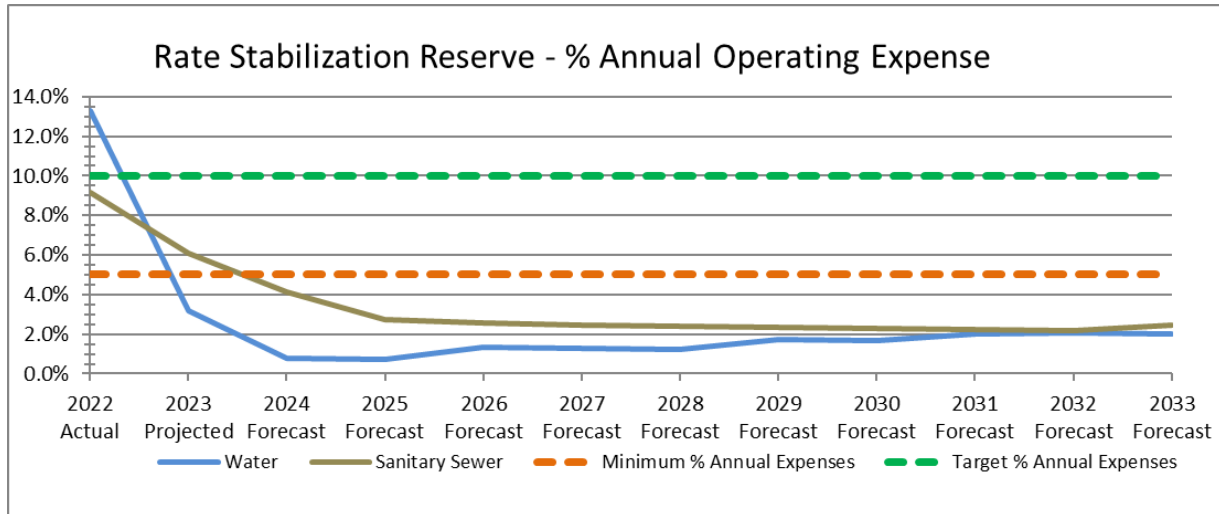
The water and sanitary rate stabilization reserves were initially funded through larger than anticipated surplus contributions from operations during 2018/2019. Further contributions occur from any year-end operating surpluses. The target balance for these reserves is between 5% and 10% of annual operating expenditures and are reviewed each year to ensure compliance with Council approved policy. If operating surpluses are such that the stabilization reserves are growing faster than required per the target level, staff will adjust the financial models to utilize those surplus amounts to either offset future rate increases or provide additional funding towards the capital program.

The projected 2023 ending balance in the water stabilization reserve is 3.2% of 2023 projected operating expenditures and the sanitary stabilization reserve has a projected balance of 6.1% of 2023 projected operating expenditures. The water stabilization reserve is projected to be below target for 2023 as a result of an unanticipated expenditure and resultant reserve draw as approved via CORP2023-054, after the 2024 modelling and rate setting process was complete.

The 2024-2033 forecasted stabilization reserve balances are shown in Chart 3 below. A deviation from the Council approved target is anticipated for both the water and sanitary sewer stabilization reserves starting in 2024 as a result of the unanticipated reserve draw noted above (per CORP2023-054). The stabilization reserve balances will be reviewed as part of the 2025 financial modelling and rate setting process, with adjustments being made to the rate forecast as needed to build the balances back up towards the target level.

There is no dedicated rate stabilization reserve within Stormwater operations as revenue is more stable (based on monthly fixed-fee rates) and less prone to external influence than water and sanitary revenues, thus minimizing the need for a rate stabilization reserve. Staff will continue to monitor best practices in the stormwater industry to manage operational risks along with recognizing that the Stormwater Utility could be impacted by climate change in the future.

Chart 3: Rate Stabilization Reserves for Water and Sanitary



Capital Reserves:

The capital reserves are funded through annual contributions in addition to any remaining project surpluses upon closing completed capital projects. The annual contributions are to be set at an amount that provides sufficient funding for all approved current asset replacement/rehabilitation capital projects while aiming to maintain the Council approved target levels when possible (some deviations to the reserve targets may be required to offset rate impacts for a fluctuating capital program year-to-year).

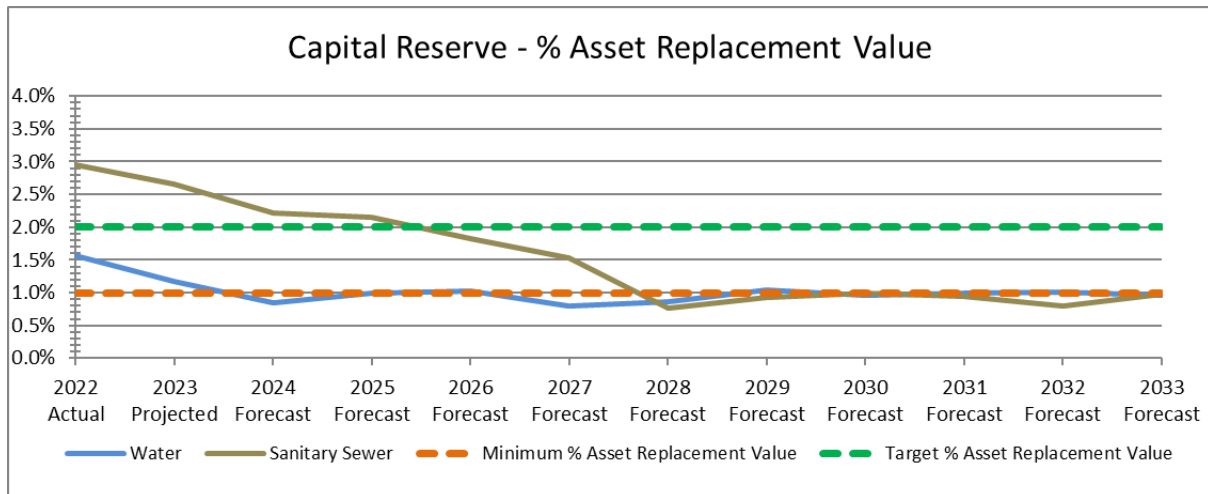
The capital reserves are the source of financing, along with any Council approved debt if needed, for all asset replacement/rehabilitation capital expenditures and any unbudgeted capital needs that may arise from time to time. Grants applications are also submitted when applicable project criteria can be met.

Water and Sanitary - The target balance for the water and sanitary capital reserves is between 1% and 2% of estimated asset replacement value and are reviewed each year to ensure compliance with Council policy. The projected 2023 ending balance in the Water Capital Reserve is 1.2% (of \$636 million replacement value) and the Sanitary Capital Reserve is 2.7% (of \$526 million replacement value), with Sanitary currently above the target balance as a result of some capital projects being deferred to future years. The financial model and resultant rate forecasts take this into account as the Sanitary Capital Reserve is expected to drop down within target levels over the next couple of years with increased capital spending and increasing capital project costs as outlined in Section #4.

The 2024-2033 forecasted capital reserve balances are shown in Chart 4a below. Deviation from the Council approved target for the water capital reserve is anticipated in 2024, and again from 2027-2028 to accommodate significant investment in the capital program along with increased debt financing costs, however, trends back up to the target level by 2029. Deviation from the Council approved target for the sanitary capital

reserve is anticipated in 2028 and 2032. The sanitary capital reserve remains above the target level through the short term, however debt financing has also been utilized in the later part of the forecast period (2030-2032) to help moderate rate fluctuations. Debt financing has been used as a strategic placeholder item within the financial modelling, however, actual debt requirements will be reviewed on an annual basis and dependant on actual capital reserve levels at that time. Debt financing is utilized to help mitigate significant rate spikes or dips throughout the forecast period, ensuring more consistent rate change impacts over time.

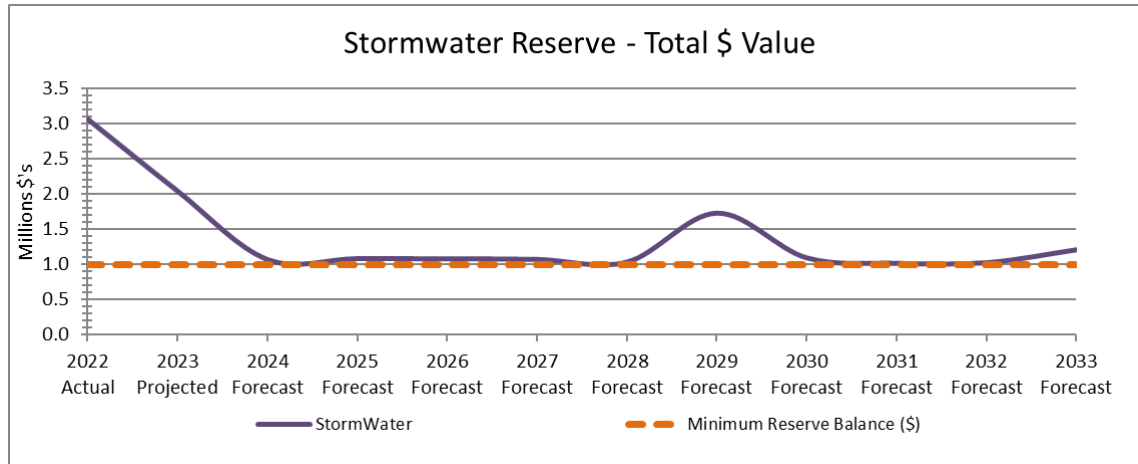
Chart 4a: Capital Reserves for Water and Sanitary



Stormwater - The stormwater reserve is shown in Chart 4b below. While the reserve balance can be volatile at times, this is planned to help avoid large annual rate changes due to a fluctuating capital program over time. Debt financing is also utilized to reduce large or volatile rate increases over time. The Stormwater rate forecast is based on recommended debt financing through most of the 2024-2026 approval period and 2027-2033 forecast period to help fund the increasing capital program until such time as revenues align with annual funding requirements. Debt proceeds will help moderate the volatility of rate changes required during the 10-year forecast period along with maintaining a small reserve for any unforeseen items or opportunities that may arise. With the addition of debt financing, the reserve maintains a balance at or around the \$1,000,000 council approved target level throughout the forecast period.

As noted above, debt financing is recommended to help smooth rate increases through the forecast period while keeping the reserve near the target level. Although the shift towards a sustainable stormwater funding program has been created through rate increases over the past several years, staff will need to balance the reserve level via rate increases over time, with lower annual rate increases forecasted by 2033.

Chart 4b: Stormwater Reserve



Section 8 – Fees and Charges By-Law

The Wastewater section within City Utilities reviewed their service call fee structure in early 2023 to better align fees with the costs incurred by the City. The review considered neighbouring municipal fees along with the costs associated with various types of jobs and timing (i.e. after hours shift premium). The previous fee structure for service call outs was based on a “time, material, equipment, and administration” amount, which was time consuming to calculate for each job and didn’t provide residents with relevant information in advance of requesting service. Chart 5 below summarizes the previous fee alongside the revised/new fees.

Chart 5: Revised Wastewater Service Fee Structure

Service Line (sanitary)			Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.
Blocked Lateral (if rodding required on private side or resulting from mis-use):								
Regular Hours - Mon to Fri 7am-3pm (minimum charge*)			Time, Material, Equipment & Administration	1-Jan-2022		\$ 260.00	16-Jan-2023	n/a
After Hours, Weekends, Holidays (minimum charge*)						\$ 382.00	16-Jan-2023	n/a
Flushing Private Lines/Mains:								
Regular Hours - Mon to Fri 7am-3pm (minimum charge*)			Time, Material, Equipment & Administration	1-Jan-2022		\$ 390.00	16-Jan-2023	n/a
After Hours, Weekends, Holidays (minimum charge*)						\$ 590.00	16-Jan-2023	n/a
Call Out Fee (applies when there is no blockage, no clean-out access, no answer, etc. - waived if any other fees are applicable)			n/a	n/a		\$ 125.00	16-Jan-2023	NEW FEE
Camera Inspection Only (not blockage related) - no fee charged if inspection is requested or initiated by City staff			Time, Material, Equipment & Administration			\$ 175.00	16-Jan-2023	n/a
Sanitary Frontage Charge (per linear metre)			\$ 66.50	1-Jan-2022	1.9%	\$ 68.50	1-Jan-2023	3.0% (Existing Fee - no change)

* minimum charge for standard job, more complex jobs will be billed based on Time, Material, Equipment, and Administration costs

Per clause 3.1.8 in the City’s fees and charges by-law, Commissioners have the authority to impose a new charge not currently in Schedule “A” of the fees and charges by-law, where a new program or service is being offered by the City as is the case of the new service call fee structure for the Wastewater section. These new fees will better reflect costs incurred for service calls. Per clause 3.1.8.2, the new charge imposed by a Commissioner shall be included in Schedule “A” of the by-law as soon as is practicable. Therefore, staff have added the revised and additional fees, as approved

by the Commissioner of IPPW, to Schedule “A” of the City Utilities fees and charges by-law (see Appendix B). Per section 3.1.9 of the fees and charges by-law, the Commissioner shall report to Council on an annual basis and outline the specific actions taken and the rationale for imposing the new charge. Through this report, IPPW2023-060, the above summary is provided to Council to satisfy the reporting requirements under section 3.1.9.

Staff have also reviewed other select fee areas and are proposing to revise and implement new fees to better reflect the actual costs of providing these services. The following fees will be added and/or updated in the 2024 fees and charges by-law, as found in Appendix B:

- missed appointment fee for water meter replacements (\$91.50 for 25mm meters or smaller and \$126.00 for 40mm or larger meters) - NEW
- manual meter read charge for customers who temporarily opt out of an advanced meter reading device (\$120 per year) - NEW
- fee for replacement of an advanced meter reading device where damaged or removed by the customer (\$259.50) – NEW
- 15mm complete meter kit fee adjusted to include cost of advanced meter reading device along with programming (\$454.50) – REVISED
- water meter replacement fee adjusted to align with minimum service call fee (\$91.50) - REVISED
- water meter access fees removed as this is now captured within other meter replacement or service fees and is no longer used - REMOVED

Appendix B outlines all the 2024 City Utilities fees to be incorporated into the fees and charges by-law. Aside from the specific water rates, sanitary sewer rates, stormwater rates, and other new or updated fees noted above, the remaining City Utilities fees are increasing by approximately 2% to 3%.

Section 9 – Communication

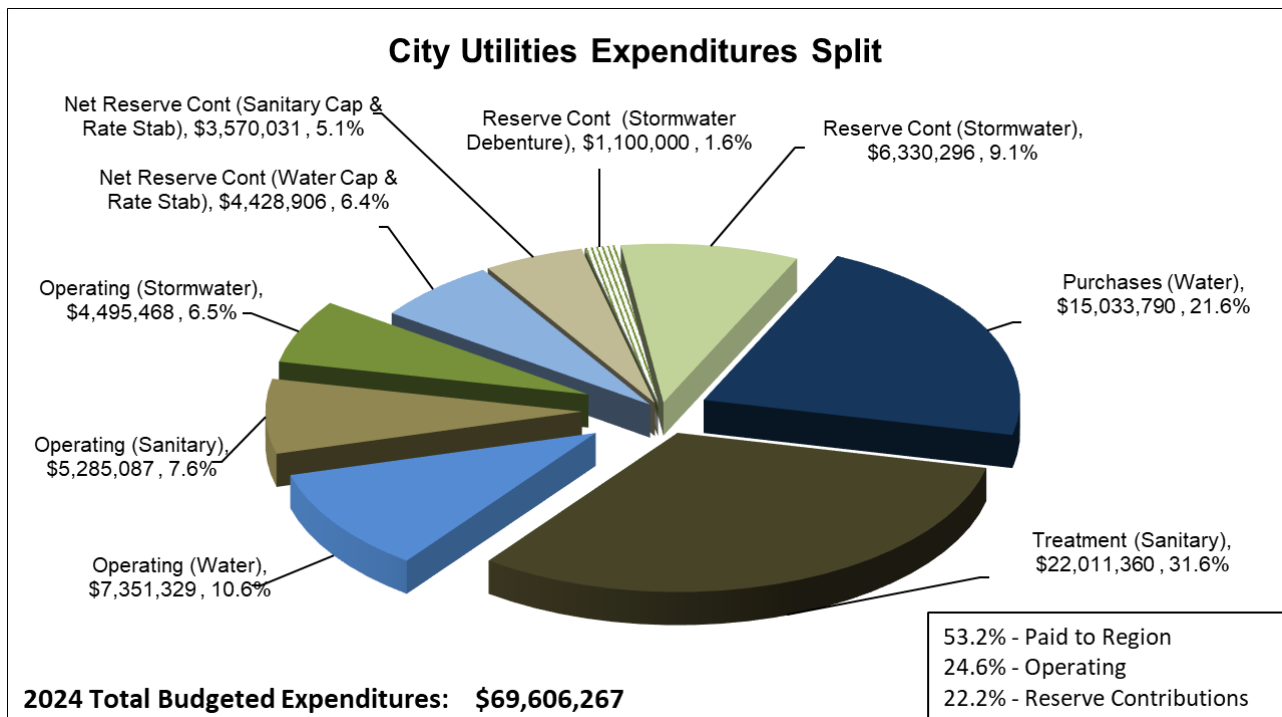
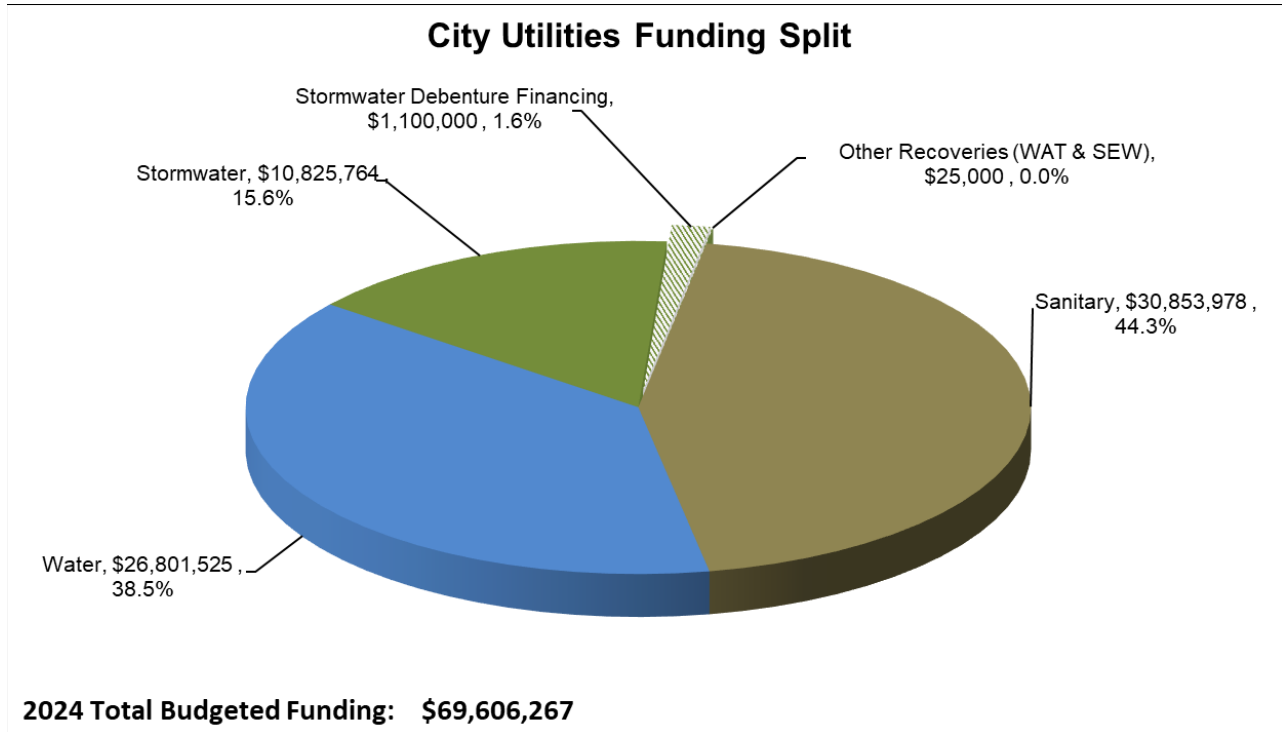
The *Municipal Act* 2001 requires municipalities maintain a notice policy and the City of Waterloo Notice Policy requires public notice of fees and charges changes. Notice of the recommended rate changes was provided in the K-W Record on November 30, 2023 in addition to posting in the News section of the City’s website.

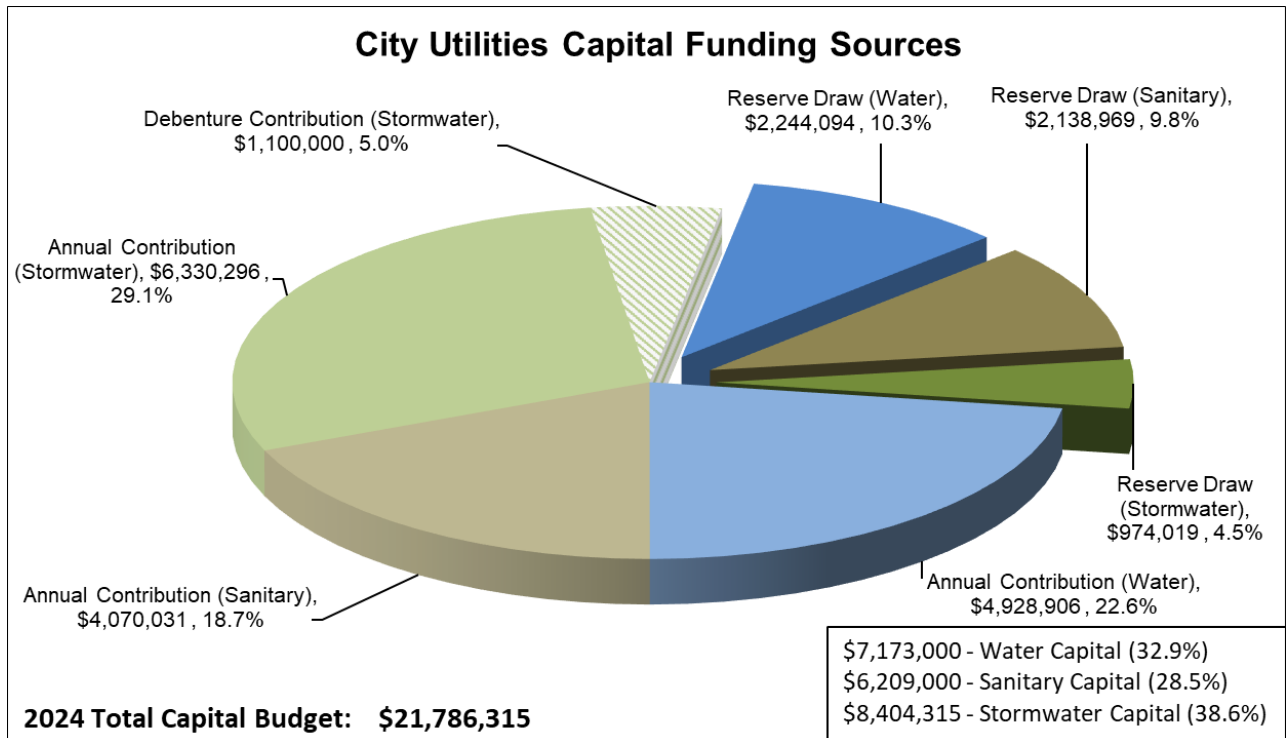
Communication of the 2024 City Utilities Rate recommendations is consistent with municipal practice regarding user fee changes. The City of Waterloo’s normal practice of releasing rate information is to provide advertisement approximately 7 to 14 days prior to the rates being considered by Council for approval.

Information on www.waterloo.ca/water provides details on water rates along with information about the role the city plays in ensuring our residents receive a reliable supply of drinking water, wastewater collection, and protection from flooding and other forms of water-related property damage.

APPENDIX A

2023 CITY UTILITIES PROJECTED FUNDING AND EXPENDITURES





APPENDIX B

CITY UTILITIES FEES AND CHARGES

IPPW – City Utilities

Schedule "A" to Fees and Charges By-law:

WATER AND SANITARY

Water Rate	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.
(per cubic metre)	\$ 2.17	1-Jan-2023	5.9%	\$ 2.32	1-Jan-2024	6.9%	\$ 2.47	1-Jan-2025	6.5%	\$ 2.63	1-Jan-2026	6.5%
Sanitary Rate												
(per cubic metre)	\$ 2.69	1-Jan-2023	3.9%	\$ 2.81	1-Jan-2024	4.5%	\$ 2.93	1-Jan-2025	4.3%	\$ 3.06	1-Jan-2026	4.4%
Service Charges												
Fire Protection Charge (large commercial accounts)	\$ 24.38	1-Jan-2023	3.3%	\$ 25.50	1-Jan-2024	4.6%	\$ 26.70	1-Jan-2025	4.7%	\$ 28.17	1-Jan-2026	5.5%
15mm Meter - Service Charge (single family residential accounts)	\$ 3.47	1-Jan-2023	3.3%	\$ 3.63	1-Jan-2024	4.6%	\$ 3.80	1-Jan-2025	4.7%	\$ 4.01	1-Jan-2026	5.5%
25mm Meter - Service Charge (small apartments, i.e. Triplex accounts)	\$ 6.92	1-Jan-2023	3.3%	\$ 7.24	1-Jan-2024	4.6%	\$ 7.58	1-Jan-2025	4.7%	\$ 8.00	1-Jan-2026	5.5%
40mm Meter - Service Charge (small commercial, industrial accounts)	\$ 12.64	1-Jan-2023	3.3%	\$ 13.22	1-Jan-2024	4.6%	\$ 13.84	1-Jan-2025	4.7%	\$ 14.60	1-Jan-2026	5.5%
50mm Meter - Service Charge (large commercial, industrial accounts)	\$ 15.91	1-Jan-2023	3.3%	\$ 16.64	1-Jan-2024	4.6%	\$ 17.42	1-Jan-2025	4.7%	\$ 18.38	1-Jan-2026	5.5%
75mm Meter - Service Charge (large commercial, industrial accounts)	\$ 33.16	1-Jan-2023	3.3%	\$ 34.69	1-Jan-2024	4.6%	\$ 36.32	1-Jan-2025	4.7%	\$ 38.32	1-Jan-2026	5.5%
100mm Meter - Service Charge (large commercial, industrial accounts)	\$ 48.65	1-Jan-2023	3.3%	\$ 50.89	1-Jan-2024	4.6%	\$ 53.28	1-Jan-2025	4.7%	\$ 56.21	1-Jan-2026	5.5%
150mm Meter - Service Charge (large commercial, industrial accounts)	\$ 82.74	1-Jan-2023	3.3%	\$ 86.55	1-Jan-2024	4.6%	\$ 90.62	1-Jan-2025	4.7%	\$ 95.60	1-Jan-2026	5.5%
200mm Meter - Service Charge (large commercial, industrial accounts)	\$ 124.68	1-Jan-2023	3.3%	\$ 130.42	1-Jan-2024	4.6%	\$ 136.55	1-Jan-2025	4.7%	\$ 144.06	1-Jan-2026	5.5%
250mm Meter - Service Charge (large commercial, industrial accounts)	\$ 166.11	1-Jan-2023	3.3%	\$ 173.75	1-Jan-2024	4.6%	\$ 181.92	1-Jan-2025	4.7%	\$ 191.93	1-Jan-2026	5.5%
Meter Pit Charge	\$ 42.46	1-Jan-2023	3.3%	\$ 44.41	1-Jan-2024	4.6%	\$ 46.50	1-Jan-2025	4.7%	\$ 49.06	1-Jan-2026	5.5%
Water Meters												
Water Meter Accuracy Deposit	\$ 175.00	1-Jan-2023	2.9%	\$ 179.00	1-Jan-2024	2.3%	\$ 183.00	1-Jan-2025	2.2%	\$ 188.00	1-Jan-2026	2.7%
Water Meter Replacement Fee-(damaged/removed, Frozen) + Meter Cost	\$ 85.00	1-Jan-2023	3.0%	\$ 91.50	1-Jan-2024	7.6%	\$ 94.00	1-Jan-2025	2.7%	\$ 96.00	1-Jan-2026	2.1%
Remote/Mounting Bracket Assembly	\$ 44.75	1-Jan-2023	2.9%	\$ 46.00	1-Jan-2024	2.8%	\$ 47.00	1-Jan-2025	2.2%	\$ 48.00	1-Jan-2026	2.1%
Tail Piece Replacement	\$ 22.50	1-Jan-2023	2.3%	\$ 23.00	1-Jan-2024	2.2%	\$ 23.50	1-Jan-2025	2.2%	\$ 24.00	1-Jan-2026	2.1%
Advanced Meter Reading Unit Replacement-(damaged/removed, incfs service call)	n/a	n/a	n/a	\$ 259.50	1-Jan-2024	NEW FEE	\$ 266.00	1-Jan-2025	2.5%	\$ 273.00	1-Jan-2026	2.6%
Remote Re-wiring	\$ 180.00	1-Jan-2023	2.9%	\$ 185.00	1-Jan-2024	2.8%	\$ 190.00	1-Jan-2025	2.7%	\$ 195.00	1-Jan-2026	2.6%
15mm Complete Meter Kit-(includes Advanced Meter Reading Unit & programming)	\$ 190.00	1-Jan-2023	2.7%	\$ 454.50	1-Jan-2024	139.2%	\$ 466.00	1-Jan-2025	2.5%	\$ 478.00	1-Jan-2026	2.6%
Verification Administration	\$ 44.75	1-Jan-2023	2.9%	\$ 46.00	1-Jan-2024	2.8%	\$ 47.00	1-Jan-2025	2.2%	\$ 48.00	1-Jan-2026	2.1%
Miscellaneous Minor Repairs (per hour)	\$ 90.00	1-Jan-2023	2.9%	\$ 92.00	1-Jan-2024	2.2%	\$ 94.00	1-Jan-2025	2.2%	\$ 96.00	1-Jan-2026	2.1%
Security Tag Replacement	\$ 74.75	1-Jan-2023	2.7%	\$ 77.00	1-Jan-2024	3.0%	\$ 79.00	1-Jan-2025	2.6%	\$ 81.00	1-Jan-2026	2.5%
Missed Appointment - Meter Replacements 25mm or less	n/a	n/a	n/a	\$ 91.50	1-Jan-2024	NEW FEE	\$ 94.00	1-Jan-2025	2.7%	\$ 96.25	1-Jan-2026	2.4%
Missed Appointment - Meter Replacements 40mm and larger	n/a	n/a	n/a	\$ 126.00	1-Jan-2024	NEW FEE	\$ 129.00	1-Jan-2025	2.4%	\$ 132.00	1-Jan-2026	2.3%
Water Meters - New												
15 mm	\$ 125.50	1-Jan-2023	2.9%	\$ 129.00	1-Jan-2024	2.8%	\$ 132.00	1-Jan-2025	2.3%	\$ 135.00	1-Jan-2026	2.3%
25 mm	\$ 247.00	1-Jan-2023	2.9%	\$ 253.00	1-Jan-2024	2.4%	\$ 259.00	1-Jan-2025	2.4%	\$ 265.00	1-Jan-2026	2.3%
40 mm	\$ 618.00	1-Jan-2023	3.0%	\$ 633.00	1-Jan-2024	2.4%	\$ 649.00	1-Jan-2025	2.5%	\$ 665.00	1-Jan-2026	2.5%
50 mm	\$ 782.00	1-Jan-2023	3.0%	\$ 802.00	1-Jan-2024	2.6%	\$ 822.00	1-Jan-2025	2.5%	\$ 843.00	1-Jan-2026	2.6%
75 mm	\$ 2,555.00	1-Jan-2023	3.0%	\$ 2,619.00	1-Jan-2024	2.5%	\$ 2,684.00	1-Jan-2025	2.5%	\$ 2,751.00	1-Jan-2026	2.5%
75 mm electromagnetic	\$ 3,395.00	1-Jan-2023	2.9%	\$ 3,480.00	1-Jan-2024	2.5%	\$ 3,567.00	1-Jan-2025	2.5%	\$ 3,656.00	1-Jan-2026	2.5%
100 mm electromagnetic	\$ 3,805.00	1-Jan-2023	2.9%	\$ 3,900.00	1-Jan-2024	2.5%	\$ 3,998.00	1-Jan-2025	2.5%	\$ 4,098.00	1-Jan-2026	2.5%
100 mm compound	\$ 4,325.00	1-Jan-2023	3.0%	\$ 4,433.00	1-Jan-2024	2.5%	\$ 4,544.00	1-Jan-2025	2.5%	\$ 4,658.00	1-Jan-2026	2.5%
100 mm fire rated	\$ 9,625.00	1-Jan-2023	2.9%	\$ 9,866.00	1-Jan-2024	2.5%	\$ 10,113.00	1-Jan-2025	2.5%	\$ 10,366.00	1-Jan-2026	2.5%
150 mm electromagnetic	\$ 6,130.00	1-Jan-2023	2.9%	\$ 6,283.00	1-Jan-2024	2.5%	\$ 6,440.00	1-Jan-2025	2.5%	\$ 6,601.00	1-Jan-2026	2.5%
150 mm compound	\$ 7,355.00	1-Jan-2023	2.9%	\$ 7,539.00	1-Jan-2024	2.5%	\$ 7,727.00	1-Jan-2025	2.5%	\$ 7,920.00	1-Jan-2026	2.5%
150 mm fire rated	\$ 12,825.00	1-Jan-2023	2.9%	\$ 13,146.00	1-Jan-2024	2.5%	\$ 13,475.00	1-Jan-2025	2.5%	\$ 13,812.00	1-Jan-2026	2.5%

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Water Meters - New (continued)															
	Fee	Effective Date of Fee	% Inc.		Fee	Effective Date of Fee	% Inc.		Fee	Effective Date of Fee	% Inc.		Fee	Effective Date of Fee	% Inc.
200 mm electromagnetic	\$ 9,525.00	1-Jan-2023	3.0%		\$ 9,763.00	1-Jan-2024	2.5%		\$ 10,007.00	1-Jan-2025	2.5%		\$ 10,257.00	1-Jan-2026	2.5%
200 mm compound	\$ 11,865.00	1-Jan-2023	3.0%		\$ 12,162.00	1-Jan-2024	2.5%		\$ 12,466.00	1-Jan-2025	2.5%		\$ 12,778.00	1-Jan-2026	2.5%
200 mm fire rated	\$ 19,525.00	1-Jan-2023	2.9%		\$ 20,013.00	1-Jan-2024	2.5%		\$ 20,513.00	1-Jan-2025	2.5%		\$ 21,026.00	1-Jan-2026	2.5%
250 mm electromagnetic	\$ 13,225.00	1-Jan-2023	3.0%		\$ 13,556.00	1-Jan-2024	2.5%		\$ 13,895.00	1-Jan-2025	2.5%		\$ 14,242.00	1-Jan-2026	2.5%
250 mm compound	\$ 15,350.00	1-Jan-2023	3.0%		\$ 15,734.00	1-Jan-2024	2.5%		\$ 16,127.00	1-Jan-2025	2.5%		\$ 16,530.00	1-Jan-2026	2.5%
250 mm fire rated	\$ 27,450.00	1-Jan-2023	3.0%		\$ 28,136.00	1-Jan-2024	2.5%		\$ 28,839.00	1-Jan-2025	2.5%		\$ 29,560.00	1-Jan-2026	2.5%
Service Line (water)															
Building Water Fee	\$ 80.00	1-Jan-2023	2.9%		\$ 82.00	1-Jan-2024	2.5%		\$ 84.00	1-Jan-2025	2.4%		\$ 86.00	1-Jan-2026	2.4%
Frozen Line - on customer side of curb stop (1st time free)	Time, Material, Equipment & Administration	1-Jan-2023	n/a		Time, Material, Equipment & Administration	1-Jan-2024	n/a		Time, Material, Equipment & Administration	1-Jan-2025	n/a		Time, Material, Equipment & Administration	1-Jan-2026	n/a
Frozen Line - on customer side of meter			n/a				n/a				n/a				n/a
Water Box Adjustments by hand (less than 1 metre)			n/a				n/a				n/a				n/a
Water Frontage Charge (per linear metre)	\$ 57.75	1-Jan-2023	3.1%		\$ 59.00	1-Jan-2024	2.2%		\$ 60.50	1-Jan-2025	2.5%		\$ 62.00	1-Jan-2026	2.5%
Service Line (sanitary)															
Blocked Lateral (if rodding required on private side or resulting from mis-use):															
Regular Hours - Mon to Fri 7am-3pm (minimum charge*)	\$ 260.00	16-Jan-2023	n/a		\$ 267.00	1-Jan-2024	2.7%		\$ 274.00	1-Jan-2025	2.6%		\$ 281.00	1-Jan-2026	2.6%
After Hours, Weekends, Holidays (minimum charge*)	\$ 382.00	16-Jan-2023	n/a		\$ 392.00	1-Jan-2024	2.6%		\$ 402.00	1-Jan-2025	2.6%		\$ 412.00	1-Jan-2026	2.5%
Flushing Private Lines/Mains:															
Regular Hours - Mon to Fri 7am-3pm (minimum charge*)	\$ 390.00	16-Jan-2023	n/a		\$ 400.00	1-Jan-2024	2.6%		\$ 410.00	1-Jan-2025	2.5%		\$ 420.00	1-Jan-2026	2.4%
After Hours, Weekends, Holidays (minimum charge*)	\$ 590.00	16-Jan-2023	n/a		\$ 605.00	1-Jan-2024	2.5%		\$ 620.00	1-Jan-2025	2.5%		\$ 636.00	1-Jan-2026	2.6%
Call Out Fee (applies when no blockage, no clean-out access, no answer, etc. - waived if other fees are applicable)	\$ 125.00	16-Jan-2023	n/a		\$ 128.00	1-Jan-2024	2.4%		\$ 131.00	1-Jan-2025	2.3%		\$ 134.00	1-Jan-2026	2.3%
Camera Inspection Only (not blockage related) - no fee charged if inspection is requested or initiated by City staff	\$ 175.00	16-Jan-2023	n/a		\$ 179.00	1-Jan-2024	2.3%		\$ 183.00	1-Jan-2025	2.2%		\$ 188.00	1-Jan-2026	2.7%
Sanitary Frontage Charge (per linear metre)	\$ 68.50	1-Jan-2023	3.0%		\$ 70.00	1-Jan-2024	2.2%		\$ 72.00	1-Jan-2025	2.9%		\$ 74.00	1-Jan-2026	2.8%
* minimum charge for standard job, complex jobs billed based on Time, Material, Equipment, and Administration costs															
Main Line (water)															
New Subdivision Service call	Time, Material, Equipment & Administration	1-Jan-2023	n/a		Time, Material, Equipment & Administration	1-Jan-2024	n/a		Time, Material, Equipment & Administration	1-Jan-2025	n/a		Time, Material, Equipment & Administration	1-Jan-2026	n/a
Valve Box Adjustments (less than 300 mm)			n/a				n/a				n/a				n/a
Hydrant Adjustment (less than or equal to 150 mm)			n/a				n/a				n/a				n/a
Hydrant Inspection (no parts)	\$ 121.00	1-Jan-2023	2.8%		\$ 124.00	1-Jan-2024	2.5%		\$ 127.00	1-Jan-2025	2.4%		\$ 130.00	1-Jan-2026	2.4%
Main Line (sanitary)															
Flushing	Time, Material, Equipment & Administration	1-Jan-2023	n/a		Time, Material, Equipment & Administration	1-Jan-2024	n/a		Time, Material, Equipment & Administration	1-Jan-2025	n/a		Time, Material, Equipment & Administration	1-Jan-2026	n/a
Camera Inspection			n/a				n/a				n/a				n/a

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Municipal System Alterations															
	Fee	Effective Date of Fee	% Inc.		Fee	Effective Date of Fee	% Inc.		Fee	Effective Date of Fee	% Inc.		Fee	Effective Date of Fee	% Inc.
Alteration to the Drinking Water System Review Fee (Form#1)	\$ 975.00	1-Jan-2023	67.2%		\$ 999.00	1-Jan-2024	2.5%		\$ 1,024.00	1-Jan-2025	2.5%		\$ 1,050.00	1-Jan-2026	2.5%
Drinking Water System Alteration Onsite Operator Oversight, in excess of 4 hours	Time, Material, Equipment & Administration	12-Dec-2022	n/a		Time, Material, Equipment & Administration	1-Jan-2024	n/a		Time, Material, Equipment & Administration	1-Jan-2025	n/a		Time, Material, Equipment & Administration	1-Jan-2026	n/a
Sanitary Collection System Alteration - Sanitary Sewers	\$ 3,000.00	12-Dec-2022	0.0%		\$ 3,075.00	1-Jan-2024	2.5%		\$ 3,152.00	1-Jan-2025	2.5%		\$ 3,231.00	1-Jan-2026	2.5%
Sanitary Collection System Alteration - Sanitary Appurtenances (each appurtenance)	\$ 3,000.00	12-Dec-2022	0.0%		\$ 3,075.00	1-Jan-2024	2.5%		\$ 3,152.00	1-Jan-2025	2.5%		\$ 3,231.00	1-Jan-2026	2.5%
Sanitary Collection System Alteration - Sewage Pumping Station/Forcemain (each facility/forcemain)	\$ 6,000.00	12-Dec-2022	0.0%		\$ 6,150.00	1-Jan-2024	2.5%		\$ 6,304.00	1-Jan-2025	2.5%		\$ 6,462.00	1-Jan-2026	2.5%
Stormwater Management System Alteration - Storm Sewers	\$ 3,000.00	12-Dec-2022	0.0%		\$ 3,075.00	1-Jan-2024	2.5%		\$ 3,152.00	1-Jan-2025	2.5%		\$ 3,231.00	1-Jan-2026	2.5%
Stormwater Management System Alteration - Storm Appurtenances (each appurtenance)	\$ 3,000.00	12-Dec-2022	0.0%		\$ 3,075.00	1-Jan-2024	2.5%		\$ 3,152.00	1-Jan-2025	2.5%		\$ 3,231.00	1-Jan-2026	2.5%
Stormwater Management System Alteration - Stormwater Management Facilities (each facility)	\$ 6,000.00	12-Dec-2022	0.0%		\$ 6,150.00	1-Jan-2024	2.5%		\$ 6,304.00	1-Jan-2025	2.5%		\$ 6,462.00	1-Jan-2026	2.5%
Alteration Application Expedited Review (each system)	50% of total submission	12-Dec-2022	n/a		50% of total submission	1-Jan-2024	n/a		50% of total submission	1-Jan-2025	n/a		50% of total submission	1-Jan-2026	n/a
Review of CLI ECA Amendment Application for MECP Submission (each system)	\$ 1,000.00	12-Dec-2022	0.0%		\$ 1,025.00	1-Jan-2024	2.5%		\$ 1,051.00	1-Jan-2025	2.5%		\$ 1,077.00	1-Jan-2026	2.5%
Miscellaneous - Others															
Water Meter Access Fee (per Meter)	\$ 32.50	1-Jan-2023	2.4%		No longer used	1-Jan-2024	n/a		No longer used	n/a	n/a		No longer used	n/a	n/a
Manual Meter Read Charge - Annual (customers not using remote read device)	n/a	n/a	n/a		\$ 120.00	1-Jan-2024	NEW FEE		\$ 123.00	1-Jan-2025	2.5%		\$ 126.00	1-Jan-2026	2.4%
Non-Potable Water (per cubic metre)	Regional Wholesale Rate	1-Jan-2023	n/a		Regional Wholesale Rate	1-Jan-2024	n/a		Regional Wholesale Rate	1-Jan-2025	n/a		Regional Wholesale Rate	1-Jan-2026	n/a
Non-Potable Water Minimum Annual Charge	\$ 25.75	1-Jan-2023	3.0%		\$ 26.50	1-Jan-2024	2.9%		\$ 27.25	1-Jan-2025	2.8%		\$ 28.00	1-Jan-2026	2.8%
Non-Potable Water Annual Account Administration Fee	\$ 77.00	1-Jan-2023	2.7%		\$ 79.00	1-Jan-2024	2.6%		\$ 81.00	1-Jan-2025	2.5%		\$ 83.00	1-Jan-2026	2.5%
Hydrant - Use Permit	\$ 89.00	1-Jan-2023	2.9%		\$ 91.00	1-Jan-2024	2.2%		\$ 93.00	1-Jan-2025	2.2%		\$ 95.00	1-Jan-2026	2.2%
Time and Material Work Order	Time, Material, Equipment & Administration	1-Jan-2023	n/a		Time, Material, Equipment & Administration	1-Jan-2024	n/a		Time, Material, Equipment & Administration	1-Jan-2025	n/a		Time, Material, Equipment & Administration	1-Jan-2026	n/a
Vacuum Excavation			n/a				n/a				n/a				n/a
Vacuum Excavation with Canister Shoring System			n/a				n/a				n/a				n/a
Minimum Service Call Charge	\$ 89.00	1-Jan-2023	2.9%		\$ 91.50	1-Jan-2024	2.8%		\$ 94.00	1-Jan-2025	2.7%		\$ 96.25	1-Jan-2026	2.4%
Backflow Prevention Fees															
Backflow Prevention Device Permit Fee with Survey (Fee includes a review of the survey and inspecting up to three (3) backflow prevention devices; excludes Test Report Fee and Test Tag)	\$ 278.00	1-Jan-2023	2.6%		\$ 285.00	1-Jan-2024	2.5%		\$ 292.00	1-Jan-2025	2.5%		\$ 299.00	1-Jan-2026	2.4%
Test Report Fee (Fee to review Test Report submitted by the Due Date) per backflow prevention device	\$ 26.75	1-Jan-2023	2.9%		\$ 27.25	1-Jan-2024	1.9%		\$ 28.00	1-Jan-2025	2.8%		\$ 28.75	1-Jan-2026	2.7%
Late Test Report Fee (Fee to review Test Report submitted after the Due Date) per backflow prevention device	\$ 53.50	1-Jan-2023	2.9%		\$ 54.75	1-Jan-2024	2.3%		\$ 56.00	1-Jan-2025	2.3%		\$ 57.25	1-Jan-2026	2.2%
Additional Backflow Prevention Device Permit Fee (Fee in addition to 'Backflow Prevention Device Permit Fee with Survey' if there are more than three (3) backflow prevention devices; amount includes Test Report Fee and Test Tag) per backflow prevention device	\$ 81.25	1-Jan-2023	2.5%		\$ 83.00	1-Jan-2024	2.2%		\$ 84.75	1-Jan-2025	2.1%		\$ 86.75	1-Jan-2026	2.4%
Backflow Prevention Device Permit Fee without Survey (amount includes Test Report Fee and Test Tag) per backflow prevention device	\$ 81.25	1-Jan-2023	2.5%		\$ 83.00	1-Jan-2024	2.2%		\$ 85.00	1-Jan-2025	2.4%		\$ 87.00	1-Jan-2026	2.4%
Installation of Backflow Device Prior to Issuance of a Permit	\$ 117.00	1-Jan-2023	2.6%		\$ 120.00	1-Jan-2024	2.6%		\$ 123.00	1-Jan-2025	2.5%		\$ 126.00	1-Jan-2026	2.4%
Test Tags (amount per tag)	\$ 2.25	1-Jan-2023	0.0%		\$ 2.25	1-Jan-2024	0.0%		\$ 2.50	1-Jan-2025	11.1%		\$ 2.50	1-Jan-2026	0.0%

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CITY UTILITIES - Stormwater Management & Construction

Cleaning	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.
Machine Sweeping	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Loader Scraping	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Flushing Storm Lines	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Catchbasin Cleaning with Eductor	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Other Services												
Stormwater Management Pond Cleaning	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Silt Fence Repair or Installation	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Debris Pick-up, Hand Sweeping or Cleaning	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Graffiti Removal	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Fence Repair	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a
Spill Clean-up	Time, Material, Equipment & Administration	1-Jan-2023	n/a	Time, Material, Equipment & Administration	1-Jan-2024	n/a	Time, Material, Equipment & Administration	1-Jan-2025	n/a	Time, Material, Equipment & Administration	1-Jan-2026	n/a

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CITY UTILITIES - Stormwater Rates

Property Type	Rate Tier	Property Size Range	2023 Monthly Rate	Effective Date of Fee	% Inc.	2024 Monthly Rate	Effective Date of Fee	% Inc.	2025 Monthly Rate	Effective Date of Fee	% Inc.	2026 Monthly Rate	Effective Date of Fee	% Inc.
Residential	Residential Small	Total property area less than or equal to 405 m ² (0.1 acres)	\$ 10.28	1-Jan-2023	7.5%	\$ 11.19	1-Jan-2024	8.9%	\$ 12.19	1-Jan-2025	8.9%	\$ 13.27	1-Jan-2026	8.9%
	Residential Medium	Total property area greater than 405 m ² (0.1 acres) and less than or equal to 1012 m ² (0.25 acres)	\$ 15.39	1-Jan-2023	7.5%	\$ 16.76	1-Jan-2024	8.9%	\$ 18.25	1-Jan-2025	8.9%	\$ 19.87	1-Jan-2026	8.9%
	Residential Large	Total property area greater than 1012 m ² (0.25 acres)	\$ 21.01	1-Jan-2023	7.5%	\$ 22.88	1-Jan-2024	8.9%	\$ 24.92	1-Jan-2025	8.9%	\$ 27.14	1-Jan-2026	8.9%
Multi-Residential	Multi-Residential Small	Total property area less than or equal to 1012 m ² (0.25 acres)	\$ 29.49	1-Jan-2023	7.5%	\$ 32.11	1-Jan-2024	8.9%	\$ 34.97	1-Jan-2025	8.9%	\$ 38.08	1-Jan-2026	8.9%
	Multi-Residential Medium	Total property area greater than 1012 m ² (0.25 acres) and less than or equal to 4046 m ² (1 acre)	\$ 124.75	1-Jan-2023	7.5%	\$ 135.85	1-Jan-2024	8.9%	\$ 147.94	1-Jan-2025	8.9%	\$ 161.11	1-Jan-2026	8.9%
	Multi-Residential Large	Total property area greater than 4046 m ² (1 acre)	\$ 664.73	1-Jan-2023	7.5%	\$ 723.89	1-Jan-2024	8.9%	\$ 788.32	1-Jan-2025	8.9%	\$ 858.48	1-Jan-2026	8.9%
Institutional	Institutional Small	Total property area less than or equal to 8094 m ² (2 acres)	\$ 47.79	1-Jan-2023	7.5%	\$ 52.04	1-Jan-2024	8.9%	\$ 56.67	1-Jan-2025	8.9%	\$ 61.71	1-Jan-2026	8.9%
	Institutional Medium	Total property area greater than 8094 m ² (2 acres) and less than or equal to 40469 m ² (10 acres)	\$ 129.15	1-Jan-2023	7.5%	\$ 140.64	1-Jan-2024	8.9%	\$ 153.16	1-Jan-2025	8.9%	\$ 166.79	1-Jan-2026	8.9%
	Institutional Large	Total property area greater than 40469 m ² (10 acres)	\$ 264.44	1-Jan-2023	7.5%	\$ 287.98	1-Jan-2024	8.9%	\$ 313.61	1-Jan-2025	8.9%	\$ 341.52	1-Jan-2026	8.9%
Commercial/ Industrial	Commercial/Industrial Small	Total property area less than or equal to 2023 m ² (0.5 acres)	\$ 39.54	1-Jan-2023	7.5%	\$ 43.06	1-Jan-2024	8.9%	\$ 46.89	1-Jan-2025	8.9%	\$ 51.06	1-Jan-2026	8.9%
	Commercial/Industrial Medium	Total property area greater than 2023 m ² (0.5 acres) and less than or equal to 10117 m ² (2.5 acres)	\$ 184.65	1-Jan-2023	7.5%	\$ 201.08	1-Jan-2024	8.9%	\$ 218.98	1-Jan-2025	8.9%	\$ 238.47	1-Jan-2026	8.9%
	Commercial/Industrial Large	Total property area greater than 10117 m ² (2.5 acres) and less than or equal to 40469 m ² (10 acres)	\$ 595.06	1-Jan-2023	7.5%	\$ 648.02	1-Jan-2024	8.9%	\$ 705.69	1-Jan-2025	8.9%	\$ 768.50	1-Jan-2026	8.9%
	Commercial/Industrial Largest	Total property area greater than 40469 m ² (10 acres)	\$ 1,507.24	1-Jan-2023	7.5%	\$ 1,641.38	1-Jan-2024	8.9%	\$ 1,787.46	1-Jan-2025	8.9%	\$ 1,946.54	1-Jan-2026	8.9%

Stormwater Management Credit Program & Other Related Stormwater Fees	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.	Fee	Effective Date of Fee	% Inc.
Application Fee - Non-residential / Multi-residential	n/a	1-Jan-2023	n/a	n/a	1-Jan-2024	n/a	n/a	1-Jan-2025	n/a	n/a	1-Jan-2026	n/a
Administrative Fee - Residential	\$ 82.00	1-Jan-2023	2.5%	\$ 84.00	1-Jan-2024	2.4%	\$ 86.00	1-Jan-2025	2.4%	\$ 88.00	1-Jan-2026	2.3%
Administrative Fee - Non-Residential / Multi-residential	\$ 164.00	1-Jan-2023	2.5%	\$ 168.00	1-Jan-2024	2.4%	\$ 172.00	1-Jan-2025	2.4%	\$ 176.00	1-Jan-2026	2.3%

Note: Please see Stormwater Bylaw for Credit Program.



STAFF REPORT
Planning

Title: Extension of the SOLER (Support Our Local Economic Recovery) Initiative
Report Number: IPPW2023-062
Author: Aminu Bello
Meeting Type: Council Meeting
Council/Committee Date: December 11, 2023
File: Z-23-12
Attachments: Appendix A – Draft By-law
Ward No.: City Wide

Recommendations:

1. That Council approve report IPPW2023-062.
2. That Council support the extension of the SOLER Initiative until December 31, 2024.
3. That Council approve the extension of Temporary Use Zoning By-law 2020-049 as amended, SOLER Initiative, pursuant to Section 39 of the Planning Act, as set forth in IPPW2023-062.

A. Report

The world-wide pandemic caused by Coronavirus (SARS-CoV-2) has negatively impacted many local businesses. While most COVID-19 restrictions have been lifted, businesses continue to require recovery supports.

In June 2020, Council launched the City's Support Our Local Economic Recovery (S·O·L·E·R) Initiative to support local businesses and artisans during the pandemic and to foster economic development. SOLER complements the City's Uptown Sidewalk Patio Program. However, it is not exclusive to patios. It is a flexible tool, establishing temporary land use planning permissions pursuant to Section 39 of the Planning Act, and is implemented through a nimble and versatile licencing program. More specifically, SOLER enables:

1. The temporary use of off-street parking areas, loading spaces and other spaces (including on-site open space areas) on non-municipal lands for any use permitted in the Zoning By-law applicable to the lands, subject to licence approval;

2. The temporary use of municipal lands for commercial purposes or cultural use, subject to licence approval;
3. The use of municipal lands for temporary signage to market and promote local businesses and artisans, subject to obtaining a permit.

These temporary use permissions were established by By-law 2020-049 (the “SOLER By-law”), as amended by By-laws 2020-083, 2022-004 and 2022-048, which expires on December 31, 2023. The proposed extension to the SOLER initiative will further the City’s support for local economic development and business recovery.

SOLER is a temporary initiative. Staff will evaluate SOLER in 2024, and report back to Council with recommendations on the initiative’s future.

In addition to obtaining a SOLER license, Applicants must also comply with applicable laws, including the Ontario Building Code and the requirements of the Alcohol and Gaming Commission of Ontario (AGCO), as applicable.

B. Financial Implications

Operating costs will be incurred by the City of Waterloo to administer SOLER, which are unbudgeted. Divisions that contribute operating resources to SOLER include: Municipal Enforcement Services; Planning; Transportation Services; Building Standards; and Economic Development.

The Corporate Management Team (CMT) will monitor operating impacts on Divisions, including financial impacts, and will take appropriate action to lessen impacts while facilitating the success of SOLER.

C. Technology Implications

SOLER is implemented through an online licencing portal that requires continued support from staff in IMTS and Municipal Enforcement Services.

D. Link to Strategic Plan

(Strategic Objectives: Reconciliation, Equity, Accessibility, Diversity and Inclusion; Environmental Sustainability and Climate Action; Complete Community; Infrastructure and Transportation Systems; Innovation and Future-Ready)

(Guiding Principles: Equity and Inclusion; Sustainability; Integrity; Workplace Wellbeing; Community-centred; Operational Excellence)

Aligns with the Guiding Principle:

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Operational Excellence

The SOLER Initiative is a prime example of service excellence, designed to meet the unique needs of local businesses, residents, partners and creative industries in the city.

Aligns with the Strategic Priority:

Innovation and Future-Ready

The SOLER Initiative supports the business community and creative industries, to facilitate a diversified and strong local economy.

E. Previous Reports on this Topic

CAO2020-008
CAO2020-015
CAO2021-023
IPPW2020-049
IPPW2020-077
IPPW2022-004
IPPW2022-044

APPENDIX 'A'

DRAFT BY-LAW



THE CORPORATION OF THE CITY OF WATERLOO

BY-LAW NO. 2023 –

TEMPORARY USE ZONING BY-LAW CITY OF WATERLOO

SOLER Initiative Extension

WHEREAS:

1. By-law 2018-050 was passed by the Council of The Corporation of the City of Waterloo on September 10, 2018 and is in full force and effect.
2. Section 39 of the Planning Act R.S.O. 1990 c.P.23 (the “Act”) enables the council of a local municipality to pass a by-law under Section 34 of the Act to authorize the temporary use of land, buildings or structures for any purpose that is otherwise prohibited by the applicable Zoning By-law.
3. The Council of The Corporation of the City of Waterloo passed By-law 2020-049 pursuant to Section 39 of the Act to implement the City’s SOLER Initiative, as described in report IPPW2020-047.
4. The Council of The Corporation of the City of Waterloo passed By-law 2020-083 pursuant to Section 39 of the Act to extend and expand the City’s SOLER Initiative, as described in report IPPW2020-077.
5. The Council of The Corporation of the City of Waterloo passed By-law 2022-004 pursuant to Section 39 of the Act to extend the City’s SOLER Initiative, as described in report IPPW2022-004.
6. The Council of The Corporation of the City of Waterloo passed By-law 2022-048 pursuant to Section 39 of the Act to extend the City’s SOLER Initiative, as described in report IPPW2022-044.
7. The Council of The Corporation of the City of Waterloo deems it desirable to further extend By-law 2020-049, as amended, as stated herein, and pass this temporary use zoning by-law pursuant to Section 39 of the Act.

**THEREFORE THE MUNICIPAL COUNCIL OF THE CORPORATION OF THE CITY OF
WATERLOO ENACTS AS FOLLOWS:**

1. Subsections 3(a) and 3(b) of By-law 2020-049 are hereby amended to read as follows:
 3. (a) Pursuant to subsections 39(2) and (3) of the Act, the temporary use zoning in Section 1 of this By-law shall be in effect until December 31, 2024.
 - (b) Pursuant to subsections 39(2) and (3) of the Act, the temporary use zoning in Section 1A of this By-law shall be in effect until December 31, 2024.
2. Section 4 of By-law 2020-049 is hereby amended to read as follows:
 4. Notwithstanding Clause 3, the temporary use zoning herein may be revoked prior to December 31, 2024 by by-law of The Corporation of the City of Waterloo in relation to one or more properties and/or uses.
3. This by-law shall come into force and effect on the date of its final passing thereof by the Council of the Corporation of the City of Waterloo, subject to the provisions of the Act.

Enacted this _____ day of _____, 2023.

D. McCabe, Mayor

J. Finley-Swaren, City Clerk