



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



## COUNCIL MEETING AGENDA

Monday, February 12, 2024  
12:30 PM

### 2024-2026 BUDGET MEETING

Councilor Freeman in the Chair

#### Table of Contents:

Item	Page #
<b>Closed Meeting</b>	2
<b>Staff Reports</b>	3
<b>Operating Budget and Capital Budget for Projects with Operating Impacts</b>	3
Tax Base	4
Base Budget Requests	4
Operating Impacts of Capital and Growth Requests	8
Service Level Changes Requests	19
Infrastructure Investment Requests	23
Reserves Funded Requests	26
2024-2026 Budget Menu List / Other Changes	27
Enterprises	28
City Utilities	28
Base Budget Requests	28
Operating Impacts of Capital and Growth Requests	30
Service Level Changes Requests	31
Other Enterprises (Building Standards, Cemetery Services, Comprehensive Business Licensing, Parking and Rental Housing)	32
Base Budget Requests	32
Operating Impacts of Capital and Growth	34
<b>Capital Budget and Capital Forecast</b>	35
2024-2026 Capital Budget	35
2027-2033 Capital Forecast	37
Debenture Financing	38
<b>2024-2026 Operating Budget – levy approval</b>	40

**1. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**

**2. OPENING REMARKS/PRESENTATIONS**

- a) Opening Remarks, Mayor McCabe
- b) Budget Day Overview, Councillor Diane Freeman, Finance Liaison
- c) Staff-Recommended Menu Reductions Presentation, Brad Witzel, Director, Financial Planning & Asset Management

**Correspondence: 2024-2026 Budget Day Memo**

**Page 42**

**3. 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 (Staff Association, CUPE, Waterloo Professional Fire Fighters Association and Management);
- b) labour relations or employee negotiations (Labour Relations) (Staff Association, CUPE, Waterloo Professional Fire Fighters Association and Management).

**COUNCIL MEETING WILL RECESS AND  
RECONVENE IMMEDIATELY FOLLOWING THE  
CLOSED MEETING**

**4. TERRITORIAL ACKNOWLEDGEMENT**

**5. MOMENT OF REFLECTION**

**6. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF**

**7. APPROVAL OF MINUTES**

That the previous meeting minutes be approved.

- a) **January 15, 2024 – Council Meeting**

**Recommendation:**

That the minutes of the Council meeting held on January 15, 2024 be approved as printed.

**8. DELEGATIONS**

- a) **Craig Sloss, Resident of Waterloo**
- b) **Bob Mavin, Resident of Waterloo**

**9. STAFF REPORTS**

- a) **Title: Regulations 284-09 Budget Expense Exclusions**  
Report No.: CORP2024-006  
Prepared By: Paul Hettinga

**Recommendations:**

- 1. That CORP2024-006 be approved.
- 2. That Council approve the exclusion of amortization in the 2024-2026 budget, as allowed under Ontario Regulation 284/09, and accept this report on the impact of that exclusion for information.

**10. OPERATING BUDGET**

**a) BUDGET REQUEST – IN CAMERA**

**1) ITEM B15 - In Camera**

- I. That Council approves an \$\_\_\_\_\_increase of ongoing funding for 2024 operating expenses related to labour relations or employee compensation after the Enterprise contributions.
- II. That Council approves an \$\_\_\_\_\_increase of ongoing funding for 2025 operating expenses related to labour relations or employee compensation after the Enterprise contributions.
- III. That Council approves an \$\_\_\_\_\_increase of ongoing funding for 2026 operating expenses related to labour relations or employee compensation after the Enterprise contributions.

**OPERATING BUDGET AND CAPITAL BUDGET FOR  
PROJECTS WITH OPERATING IMPACTS**

## **TAX BASE**

### **BASE BUDGET REQUESTS**

Base budget requests include adjustments to maintain current service levels, adjustments to existing fee volumes, regular fee increases and efficiencies.

#### **b) Base Budget Requests – FUNDING**

Funding increases associated with department/divisional fee increases (in line with CPIX), Assessment Growth and new revenue opportunities.

##### **1) ITEM B1 - Community Services 2024-2026 Fees and Charges (COM2023-019)**

That Council approves a \$85,545 increase of ongoing funding and a \$182,514 increase of ongoing revenue in 2024, \$87,824 increase of ongoing funding and a \$188,367 increase of ongoing revenue in 2025, \$90,959 increase of ongoing funding and a \$195,231 increase of ongoing revenue in 2026 for fees and charges within the Recreation Services, Parks Services and Community Programming and Outreach Services divisions in the Community Services department.

##### **2) ITEM B2 – Corporate Services 2024-2026 Fees and Charges (CORP2023-036)**

That Council approves a \$57,000 increase of ongoing revenue in 2024, a \$7,000 increase of ongoing revenue in 2025, and a \$7,000 increase of ongoing revenue in 2026 for fees and charges within the Legislative Services, Legal Services, and Financial Services divisions in the Corporate Services department.

##### **3) ITEM B3 - Assessment Growth - 2024-2026 Projection**

That Council approves a \$1,100,000 increase of ongoing revenue in 2024, \$1,100,000 increase of ongoing revenue in 2025 and \$1,100,000 increase of ongoing revenue in 2026 for Assessment Growth within the Corporate Transactions department.

##### **4) ITEM B4 - Enova Power - Increased Dividends**

That Council approves a \$150,000 increase of ongoing revenue in 2026 for increased Enova Shareholder dividend payments within the Corporate Transactions department.

**5) ITEM B5 - In-House City Utilities Billing Increase**

That Council approves a \$17,540 increase of ongoing revenue in 2025, and a \$16,713 increase of ongoing revenue in 2026 for In-House Billing revenue within the Finance division in the Corporate Services department.

**6) ITEM B6 - Investment Income**

That Council approves a \$250,000 increase of ongoing revenue in 2024, \$100,000 increase of ongoing revenue in 2025, and a \$100,000 increase of ongoing revenue in 2026 for investment income within the Corporate Transactions department.

**7) ITEM B7 - Payment in Lieu Revenue (GRT Northfield Site)**

That Council approves a \$390,000 increase of ongoing revenue in 2024 for Payment in Lieu (PILs) within the Corporate Transactions department.

**c) Base Budget Requests – EFFICIENCY**

Savings incorporated into the operating budget that are the results of new processes, sustainable adjustment opportunities and or procedures and projects that facilitate operational savings.

**1) ITEM B8 - Discretionary Operating Accounts - Permanent Reductions**

That Council approves a \$50,000 decrease of ongoing funding in 2024 for discretionary operating accounts, allocated as total reductions of: \$3,000 in the CAO Department, \$16,500 in the Community Services Department, \$16,500 in the Corporate Services Department and \$14,000 in the IPPW Department.

**2) ITEM B9 - Increased Capital Overhead Recovery Revenue**

That Council approves a \$150,000 increase of ongoing revenue in 2024, a \$150,000 increase of ongoing revenue in 2025, and a \$150,000 increase of ongoing revenue in 2026 for Capital Overhead Recovery Revenue within the Corporate Transactions department.

**3) ITEM B10 - Increased Enterprise Overhead Contribution**

That Council approves a \$83,930 increase of ongoing revenue in 2024 for enterprise overhead model updates within the Corporate Transactions department; a \$110,147 reduction of ongoing funding in 2024 for Building Standards overhead model updates; a \$247,463 increase of ongoing funding in 2024 for City Utilities overhead model updates; and a \$53,386 reduction of ongoing funding in 2024 for Parking overhead model updates.

**d) Base Budget Requests – COMMITTED**

Items committed through Council resolution, policy or agreements.

**1) ITEM B11 - Climate Change/Sustainability Contributions**

That Council approves a \$158,000 increase of ongoing funding in 2024 for Climate Change / Sustainability Contributions within the Strategic Initiatives division in the CAO department.

**2) ITEM B12 - Fire Communications (Dispatch) Software Maintenance and Licenses**

That Council approves a \$221,500 increase of ongoing funding in 2025, and a \$221,500 increase of ongoing funding in 2026 for Fire Communications Dispatch and Software Licensing within the Fire Rescue Services division in the Community Services department

**3) ITEM B13 - Kitchener-Waterloo & Stratford Perth Humane Society Contract Increase**

That Council approves a \$11,295 increase of ongoing funding in 2024, \$11,520 increase of ongoing funding in 2025, \$11,750 increase of ongoing funding in 2026 for the Kitchener-Waterloo & Stratford Perth Humane Society contract increase within the Municipal Enforcement division in the Community Services department.

**4) ITEM B14 - Software Maintenance, Licenses and Subscriptions**

That Council approves a \$265,000 increase of ongoing funding in 2024 for Software Maintenance, Licenses and Subscriptions within the Information Management & Technology Services division in the Corporate Services department. This funding will be partially offset by a \$59,000 contribution from Enterprises:

- \$24,000 – City Utilities
- \$11,000 – Building Standards
- \$7,000 – Rental Housing
- \$7,000 – Comprehensive Business Licensing
- \$6,000 – Cemetery
- \$4,000 – Parking

**5) ITEM B16 - Contribution to CIRRF from Assessment (30%)**

That Council approves a \$330,000 increase of ongoing funding in 2024, \$330,000 increase of ongoing funding in 2025, and a \$330,000 increase of ongoing funding in 2026 for Contribution to CIRRF from Assessment growth within the Corporate Transactions department.

**6) ITEM B17 - Contribution to CRF from Assessment (10%)**

That Council approves a \$110,000 increase of ongoing funding in 2024, \$110,000 increase of ongoing funding in 2025, and a \$110,000 increase of ongoing funding in 2026 for Contribution to CRF from Assessment growth within the Corporate Transactions department.

**7) ITEM B18 - Inflationary Contribution to CARF**

That Council approves a \$56,732 increase of ongoing funding in 2024, a \$66,418 increase of ongoing funding in 2025, and a \$73,613 increase of ongoing funding in 2026 for Inflationary Contribution to CARF within the Corporate Transactions department.

**8) ITEM B19 - Inflationary Contribution to CIRRF**

That Council approves a \$705,908 increase of ongoing funding in 2024, a \$812,698 increase of ongoing funding in 2025, and a \$883,317 increase of ongoing funding in 2026 for Inflationary Contribution to CIRRF within the Corporate Transactions department.

**9) ITEM B20 – Inflationary Contribution to CRF**

That Council approves a \$239,946 increase of ongoing funding in 2024, a \$255,392 increase of ongoing funding in 2025, and a \$274,884 increase of ongoing funding in 2026 for Inflationary Increase to CRF within the Corporate Transactions department.

**e) Base Budget Requests – RECOMMENDED**

Items reviewed and prioritized by the Corporate Management Team (CMT) and Operational Leadership Team (OLT) Budget Committee to move forward for Council's consideration.

**1) ITEM B23 - Project Coordinator**

That Council approves a \$103,500 increase of ongoing funding and a \$3,500 increase of one-time funding in 2026 for a Project Coordinator position (FTE 1.0) within the Reconciliation, Equity, Accessibility, Diversity, and Inclusion division in the CAO department.

**2) ITEM B26 - Audio Visual Technician**

That Council approves a \$135,000 increase of ongoing funding in 2024 for an Audio Visual Technician (FTE 1.0) within the Facilities Design and Management Services division in the Community Services department.

**3) ITEM B27 - Manager Parks Operations**

That Council approves a \$175,700 increase of ongoing funding in 2024 for a Manager Park Operations (FTE 1.0) within the Parks, Forestry and Cemetery Services division in the Community Services department.

**4) ITEM B29 - Privacy Analyst**

That Council approves a \$120,500 increase of ongoing funding and a \$3,500 increase of one-time funding in 2024 for a Privacy Analyst (FTE 1.0) within the Legislative Services division in the Corporate Services department. This FTE will be partially offset by a \$34,000 contribution from Enterprises:

- \$14,000 – Rental Housing
- \$8,000 – City Utilities
- \$6,000 – Comprehensive Business Licensing
- \$3,000 – Building Standards
- \$2,000 – Parking
- \$1,000 – Cemetery

**5) ITEM B30 – Government Relations Assistant**

That Council approves a \$101,500 increase of ongoing funding, and a \$3,500 increase of one-time funding in 2025 for a Government Relations Assistant position (FTE 1.0) within the Legislative Services division in the Corporate Services department. This FTE will be partially offset by a \$35,000 contribution from Enterprises:

- \$15,000 – City Utilities
- \$6,000 – Building Standards
- \$6,000 – Rental Housing
- \$5,000 – Parking
- \$2,000 – Comprehensive Business Licensing
- \$1,000 – Cemetery



**6) ITEM B31 - Senior Policy Planner (Affordable Housing)**

That Council approves a \$145,000 increase of ongoing funding and a \$3,500 increase of one-time funding in 2026 for a Senior Policy Planner (Affordable Housing) (FTE 1.0) within the Planning division in the IPPW department.

**OPERATING IMPACTS OF CAPITAL and GROWTH REQUESTS**

Operating impact requests are the operating cost of capital projects. The impacts of capital are generated as a result of previously approved capital projects or capital projects included within the staff tabled capital budget that will have an impact to the operating budget. It also includes growth related operating costs.

**f) Operating Impacts of Capital and Growth – COMMITTED**

Items committed through Council resolution, policy or agreements.

**1) ITEM G1 - Winter Control 5-year Average Budget Adjustment**

That Council approves a \$100,000 increase of ongoing funding in 2024, \$85,000 increase of ongoing funding in 2025, \$20,000 increase of ongoing funding in 2026 for Winter Control 5-year average budget adjustment including winter seasonal staff (FTE 1.8) within Transportation division in the IPPW department.

**2) ITEM G2 - Waterloo Public Library Funding Agreement**

That Council approves a \$366,785 increase of ongoing funding and a \$8,473 increase of ongoing revenue in 2024, \$375,832 increase of ongoing funding and a \$8,812 increase of ongoing revenue in 2025, \$351,763 increase of ongoing funding and a \$8,018 increase of ongoing revenue in 2026 within the Library division in the Corporate Transactions department.

**g) Operating Impacts of Capital and Growth – RECOMMENDED**

Items reviewed and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for Council's consideration.

**1) ITEM G3 - Operating Impacts of Capital - Facility Design and Management Services**

That Council approves a \$53,000 increase of ongoing funding and a \$10,000 increase of one-time funding in 2025, \$35,000 increase of ongoing funding in 2026 for operating impacts of capital within the Facilities Design and Management Services division in the Community Services department.

**CAPITAL REFERENCE 230 – City Recreation Storage Building (Non-Routine)**

That Council approves the City Recreation Storage Building capital project funding of \$2,380,000 within the Facilities Design and Management Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 238 – Emergency Response Building Systems (Routine)**

That Council approves the Emergency Response Building Systems capital project funding of \$342,000 within the Facilities Design and Management Services division 2024-2026 capital budget.

**AND**

**Tied to previously approved CAPITAL:**

**CAPITAL REFERENCE 222 (2024-2026) – AMCC Sportsplex and WPL McCormick Branch Library Renovations (Non-Routine) approved as per CORP2023-049 – Early Approval of Capital Projects.**

**2) ITEM G4 - Administrative Monetary Penalty System (AMPs)**

That Council approves a \$104,856 increase of ongoing funding and a \$116,151 increase of ongoing revenue in 2024, \$11,520 increase of ongoing revenue in 2025, \$11,750 increase of ongoing revenue in 2026 for Administrative Monetary Penalty System expense and revenue increases including two part-time Customer Service Representatives (FTE 1.2) within the Municipal Enforcement division in the Community Services department.

**3) ITEM G5 - Operating Impacts of Capital - Park Services**

That Council approves a \$169,000 increase of ongoing funding in 2024 (including FTE 0.6), a \$85,000 increase of ongoing funding in 2025, and a \$131,000 increase of ongoing funding in 2026 (including FTE 0.6) for the operating impacts of capital projects within the Parks, Forestry and Cemetery Services division in the Community Services department.

**CAPITAL REFERENCE 281 – Bridgeport & Margaret Park  
(Non Routine)**

That Council approves the Bridgeport & Margaret Park capital project funding of \$1,593,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 289 – Kaufman Flats Improvements  
(Routine)**

That Council approves the Kaufman Flats Improvements capital project funding of \$64,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 291 – Outdoor Sports Field Strategy  
Implementation (Routine)**

That Council approves the Outdoor Sports Field Strategy Implementation capital project funding of \$552,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 292 – Park Amenity Upgrades  
(Routine)**

That Council approves the Park Amenity Upgrades capital project funding of \$388,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 294 – Park Shade Structures  
(Routine)**

That Council approves the Park Shade Structures capital project funding of \$373,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 295 – Park Strategy Implementation  
(Non Routine)**

That Council approves the Park Strategy Implementation capital project funding of \$955,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 299 – Small Dog Park - East  
(Routine)**

That Council approves the Small Dog Park – East capital project funding of \$169,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 303 – St. Moritz Community Park  
(Non Routine)**

That Council approves the St. Moritz Community Park capital project funding of \$1,921,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 305 – Waterloo Park - Master Plan  
Implementation (Non Routine)**

That Council approves the Waterloo Park - Master Plan Implementation capital project funding of \$1,801,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 309 – Urban Forest Management  
Implementation (Routine)**

That Council approves the Urban Forest Management Implementation capital project funding of \$343,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 321 – Park Signage Replacement Program - City wide (Routine)**

That Council approves the Park Signage Replacement Program - City wide capital project funding of \$28,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 324 – Playground Upgrades - Expansion-City Wide (Routine)**

That Council approves the Playground Upgrades/Expansion-City Wide capital project funding of \$609,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 571 – Uptown Public Realm Implementation (Non Routine)**

That Council approves the Uptown Public Realm Implementation capital project funding of \$1,174,000 within the Engineering Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 580 – City Wide Various Neighborhood New Park Development (Routine)**

That Council approves the City Wide - Various Neighborhood New Park Development capital project funding of \$225,000 within the Engineering Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 581 – Uptown Neighbourhoods Public Space Additions (Routine)**

That Council approves the Uptown Neighbourhoods Public Space Additions capital project funding of \$481,000 within the Engineering Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 582 – West Side Amphitheatre Implementation (Non Routine)**

That Council approves the West Side Amphitheatre Implementation capital project funding of \$528,000 within the Engineering Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 583 – Trails in New Development Areas (Routine)**

That Council approves the Trails in New Development Areas capital project funding of \$1,126,000 within the Engineering Services division 2024-2026 capital budget.

**AND**

**Tied to previously approved CAPITAL:**

**CAPITAL REFERENCE 620 (2023) – Completion of the Waterloo Public Square Water Feature**

**CAPITAL REFERENCE 280 (2024-2026) – Action Sports Parks - City Wide Parks (Non Routine) approved as per CORP2023-049 - Early Approval of Capital Projects**

**4) ITEM G6 – Operating Impacts of Capital - Finance**

That Council approves a \$20,000 increase of ongoing funding in 2026 for capital project operating impacts within the Finance division in the Corporate Services department.

**AND**

**CAPITAL REFERENCE 415 – Capital Project Sheet Digitization (Routine)**

That Council approves the Capital Project Sheet Digitization capital project funding of \$211,000 within the Finance division 2024-2026 capital budget.

**5) ITEM G7 - Operating Impacts of Capital - Transportation Services**

That Council approves a \$28,000 increase of ongoing funding in 2024, a \$52,000 increase of ongoing funding in 2025 and a \$55,000 increase of ongoing funding in 2026 for the operating impacts of capital projects within the Transportation division in the IPPW department.

**AND**

**CAPITAL REFERENCE 551 – Albert Street (Longwood Dr to Weber St N) Watermain Replacement and Road and Drainage Improvements (Routine)**

That Council approves the Albert Street (Longwood Dr to Weber St N) Watermain Replacement and Road and Drainage Improvements capital project funding of \$1,752,000 within the City Utilities division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 590 – Beaver Creek Road and Conservation Drive Reconstruction (Non Routine)**

That Council approves the Beaver Creek Road and Conservation Drive Reconstruction capital project funding of \$77,580,000 within the Engineering Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 593 – Ira Needles Boulevard - By-pass (Non Routine)**

That Council approves the Ira Needles Boulevard - By-pass capital project funding of \$8,306,000 within the Engineering Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 653 – Decorative Streetlight LED Replacement Program (Routine)**

That Council approves the Decorative Streetlight LED Replacement Program capital project funding of \$339,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 655 – Installation of Trail Counters (Routine)**

That Council approves the Installation of Trail Counters capital project funding of \$51,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 656 – Municipal Trail - Former Waterloo Inn Lands (Routine)**

That Council approves the Municipal Trail - Former Waterloo Inn Lands capital project funding of \$2,417,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 657 – Refuge Islands - City Wide - TMP (Routine)**

That Council approves the Refuge Islands - City Wide –TMP capital project funding of \$166,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 658 – Trail Lighting Retrofit Program (Routine)**

That Council approves the Trail Lighting Retrofit Program capital project funding of \$510,000 within the Transportation Services division 2024-2026 capital budget.

**AND**



**CAPITAL REFERENCE 659 – Trails and Bikeways Master Plan Implementation - City Wide (Non Routine)**

That Council approves the Trails and Bikeways Master Plan Implementation - City Wide capital project funding of \$6,242,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 661 – Wayfinding and Signed Bike Routes (Routine)**

That Council approves the Wayfinding and Signed Bike Routes capital project funding of \$85,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 670 – Columbia Street - Westmount Road to King Street (Routine)**

That Council approves the Columbia Street - Westmount Road to King Street capital project funding of \$4,656,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 675 – Intersection Collision Review and Implementation (Non Routine)**

That Council approves the Intersection Collision Review and Implementation capital project funding of \$339,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 677 – Laurel Creek Trail around Conservation Area (Non Routine)**

That Council approves the Laurel Creek Trail around Conservation Area capital project funding of \$1,282,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 683 – Pedestrian Crossing Facilities  
- Level 2 (Routine)**

That Council approves the Pedestrian Crossing Facilities - Level 2 capital project funding of \$271,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 689 – Sidewalks and Trails  
associated with LRT (Routine)**

That Council approves the Sidewalks and Trails associated with LRT capital project funding of \$427,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 690 – Sidewalks - New Construction  
- City Wide (Routine)**

That Council approves the Sidewalks - New Construction - City Wide capital project funding of \$780,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 692 – Streetlighting Retrofit, Pole  
Replacement, & Hydro Conduits - City Wide (Routine)**

That Council approves the Streetlighting Retrofit, Pole Replacement, & Hydro Conduits - City Wide capital project funding of \$1,072,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 694 – TMP Signs and Pavement  
Marking Implementation (Non Routine)**

That Council approves the TMP Signs and Pavement Marking Implementation capital project funding of \$494,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 695 – Traffic Calming Implementation - City Wide (Routine)**

That Council approves the Traffic Calming Implementation - City Wide capital project funding of \$839,000 within the Transportation Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 696 – Union St - King St to Moore Ave (Non Routine)**

That Council approves the Union St - King St to Moore Ave capital project funding of \$10,414,000 within the Transportation Services division 2024-2026 capital budget.

**6) ITEM G8 - Fleet Equipment Operating Impacts of Capital**

That Council approves a \$150,000 increase of ongoing funding in 2024, a \$150,000 increase of ongoing funding in 2025 and a \$100,000 increase of ongoing funding in 2026 for fleet and equipment operating impacts, split between the Transportation division in the IPPW department, the Parks and Forestry Division in the Community Services department, and the Corporate Transaction department.

**AND**

**CAPITAL REFERENCE 421 – Fleet Equipment DC Growth (Routine)**

That Council approves the Fleet Equipment Expansion capital project funding of \$1,270,000 within the Fleet and Procurement Services division 2024-2026 capital budget.

**SERVICE LEVEL CHANGES REQUESTS**

Service level impacts are increases or decreases to existing service levels. Items that are increases in service level when compared to the prior year operating budget and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for Council's consideration.

**h) Service Level Change – INCREASE – COMMITTED**

**1) ITEM S1 - WREDC-Increased Annual Contribution (CAO2023-025)**

That Council approves a \$100,000 increase of ongoing funding in 2024, a \$50,000 increase of ongoing funding in 2025, and a \$50,000 increase of ongoing funding in 2026 for the Waterloo Regional Economic Development Corporation Annual Contribution within the Economic Development division in the CAO department, as previously committed as per report CAO2023-025.

**2) ITEM S2 – Fire Master Plan Expansion (COM2023-016)**

That Council approves a \$1,065,000 increase of ongoing funding in 2024 (including FTE 6.0), \$1,437,000 increase of ongoing funding in 2025 (including FTE 8.0), \$1,519,000 increase of ongoing funding in 2026 (including FTE 8.0) for Fire Master Plan Expansion implementation within the Fire Rescue Services division in the Community Services department, as previously committed as per report COM2023-016.

**AND**

**CAPITAL REFERENCE 250 – Fire Rescue Expansion (Non Routine)**

That Council approves the Fire Rescue Expansion capital project funding of \$11,888,000 within the Fire Services division 2024-2026 capital budget.

**3) ITEM S3 - Winter Sidewalk Maintenance Service Enhancement 2024/2025 (IPPW2023-040)**

That Council approves a \$393,000 increase of ongoing funding in 2024 for Winter Sidewalk Maintenance Enhancement 2024/2025 (including FTE 2.1) within the Parks, Forestry and Cemetery Services division and the Municipal Enforcement division in the Community Services department, as previously committed per report IPPW2023-040.

**AND**

**CAPITAL REFERENCE 327 – Winter Sidewalk Maintenance Service Enhancements Equipment (Routine)**

That Council approves the Winter Sidewalk Maintenance Service Enhancements Equipment capital project funding of \$700,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**4) ITEM S4 - Winter Sidewalk Maintenance Service Enhancement 2025/2026 (IPPW2023-040)**

That Council approves a \$514,000 increase of ongoing funding in 2025 for Winter Sidewalk Maintenance Enhancement 2025/2026 (including FTE 0.8) within the Parks, Forestry and Cemetery Services division in the Community Services department, as previously committed per report IPPW2023-040.

**5) ITEM S5 - Winter Sidewalk Maintenance Service Enhancement 2026/2027 (IPPW2023-040)**

That Council approves a \$115,000 increase of ongoing funding in 2026 for Winter Sidewalk Maintenance Enhancement 2026/2027 within the Parks, Forestry and Cemetery Services division in the Community Services department, as previously committed as per report IPPW2023-040.

**6) ITEM S6 - Digital Services Specialist (CORP2023-034)**

That Council approves a \$120,000 increase of ongoing funding in 2026 for a Digital Services Specialist (FTE 1.0) within the Communications division in the Corporate Services department. This FTE will be partially offset by a \$3,000 contribution from Enterprises, as previously committed via report CORP2023-034.

- \$1,000 – City Utilities
- \$1,000 – Cemetery
- \$1,000 – Parking

**7) ITEM S7 - Digital Services Web Developer (CORP2023-034)**

That Council approves a \$120,000 increase of ongoing funding and a \$3,500 increase in one-time funding in 2026 for a Web Developer (FTE 1.0) within the Information Management & Technology Services division in the Corporate Services department. This FTE will be partially offset by a \$15,000 contribution from Enterprises, as previously committed via report CORP2023-034.

- \$6,000 – City Utilities
- \$3,000 – Comprehensive Business Licensing
- \$2,000 – Building Standards
- \$2,000 – Rental Housing
- \$2,000 – Cemetery

**8) ITEM S8 - Assistant City Solicitor - Planning and Development (IPPW2023-058)**

That Council approves a \$214,000 increase of ongoing funding and a \$3,500 increase of one-time funding in 2024 for an Assistant City Solicitor - Planning and Development (FTE 1.0) within the Legal Services division in the Corporate Services department, as previously committed via report IPPW2023-058.

**9) ITEM S9 - Senior Development Planner (IPPW2023-031)**

That Council approves a \$145,000 increase of ongoing funding in 2024 for a Senior Development Planner (FTE 1.0) within the Planning division in the IPPW department, as previously committed via report IPPW2023-031.

**10) ITEM S10 - Senior Development Planner (IPPW2023-031)**

That Council approves a \$145,000 increase of ongoing funding in 2024 for a Senior Development Planner (FTE 1.0) within the Planning division in the IPPW department, as previously committed via report IPPW2023-031

**i) Service Level Change – INCREASE**

**1) ITEM S11 – Community Inclusion Initiatives**

That Council approves a net \$161,000 increase of ongoing funding in 2024 (FTE 1.0); a net \$100,000 increase of ongoing funding in 2025 (FTE 2.24); a net \$62,000 increase of ongoing funding in 2026 (FTE 2.31) and a one-time \$20,000 offset for Community Inclusion Initiatives within the CP&O Services division in the Community Services department.

**2) ITEM S12 - Splash Pad Water Consumption**

That Council approves a \$100,000 increase of ongoing funding in 2024 for the water consumption at the City's splash/spray pads within the Parks, Forestry and Cemetery Services division in the Community Services department.

**3) ITEM S13 – Paralegal**

That Council approves a \$110,000 increase of ongoing funding and a \$3,500 increase of one-time funding in 2025 for a Paralegal (FTE 1.0) within the Legal Services division in the Corporate Services department.

**4) ITEM S14 - Development Planner**

That Council approves a \$120,000 increase of ongoing funding and a \$3,500 increase of one-time funding in 2024 for a Development Planner (FTE 1.0) within the Planning division in the IPPW department.

**5) ITEM S15 – Development Planner**

That Council approves a \$120,000 increase of ongoing funding and a \$3,500 increase in one-time funding in 2025 for a Development Planner (FTE 1.0) within the Planning division in the IPPW department

**6) ITEM S16 - Development Planner**

That Council approves a \$120,000 increase of ongoing funding and a \$3,500 increase in one-time funding in 2025 for a Development Planner (FTE 1.0) within the Planning division in the IPPW department

**7) ITEM S17 - Site Plan Coordinator**

That Council approves a \$120,000 increase of ongoing funding and a \$3,500 increase of one-time funding in 2026 for a Site Plan Coordinator (FTE 1.0) within the Planning division in the IPPW department.

**INFRASTRUCTURE INVESTMENT REQUESTS**

Infrastructure Investment increases as recommended by the Long Term Financial Plan to address the City's infrastructure funding gap.

**j) Infrastructure Investment – RECOMMENDED**

Items that are increases in infrastructure investment recommended by the Long Term Financial Plan to address the City's infrastructure funding gap and phased in and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for Council's consideration.

**1) ITEM I1 - Preventative Building Maintenance Funding**

That Council approves a \$100,000 increase of ongoing funding in 2025, and a \$300,000 increase of ongoing funding in 2026 for preventative building maintenance within the Facilities Design and Management Services division in the Community Services department.

**2) ITEM I2 - Senior Project Engineer (Mechanical)**

That Council approves a \$151,500 increase of ongoing funding and a \$3,500 increase of one-time funding in 2025 for a Senior Project Engineer (Mechanical) (FTE 1.0) within the Facilities Design and Management Services division in the Community Services department.

**3) ITEM I3 – Outdoor Water Technician and Preventative Mechanical Maintenance of Splash Pads**

That Council approves a \$127,500 increase of ongoing funding and a \$2,500 increase of one-time funding in 2024 for a Water Technician CUPE position (FTE 1.0) within the Parks, Forestry and Cemetery Services division in the Community Services department.

**AND**

**CAPITAL REFERENCE 319 – Outdoor Water Tech Vehicle (Routine)**

That Council approves the Outdoor Water Tech Vehicle capital project funding of \$48,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**4) ITEM I4 – GIS Specialist/Analyst**

That Council approves a \$120,000 increase of ongoing funding in 2025 for an Asset Management GIS Analyst (FTE 1.0) within the Finance division in the Corporate Services department. This FTE will be partially offset by a \$62,000 contribution from Enterprises:

- \$61,000 – City Utilities
- \$1,000 – Parking

**AND**

**CAPITAL REFERENCE 414 – Comprehensive Asset Management (Routine)**

That Council approves the Comprehensive Asset Management capital project funding of \$712,000 within the Finance division 2024-2026 capital budget.



**5) ITEM I5 – Contracts Manager**

That Council approves a \$132,500 increase of ongoing funding and a \$3,500 increase of one-time funding in 2024 for a Contracts Manager (FTE 1.0) within the Fleet and Procurement division in the Corporate Services department. This FTE will be partially offset by a \$38,000 contribution from Enterprises:

- \$38,000 – City Utilities

**6) ITEM I6 – Transportation Services Lead Hand**

That Council approves a \$120,000 increase of ongoing funding in 2024 for a CUPE Lead Hand (FTE 1.0) within the Transportation division in the IPPW department.

**7) ITEM I7 - Increased Infrastructure Funding as per Long-Term Financial Plan (LTFP)**

That Council approves a \$575,000 increase of ongoing funding in 2024, \$700,000 increase of ongoing funding in 2025, \$795,000 increase of ongoing funding in 2026 for increased infrastructure funding allocated to the Capital Infrastructure Reinvestment Reserve Fund within the Corporate Transactions department.

**AND**

**CAPITAL REFERENCE 225 - Facility Transformational Projects (Non Routine)**

That Council approves the Facility Transformational Projects capital project funding of \$10,250,000 within the Facilities Design and Management Services division 2024-2026 capital budget.

**AND**

**CAPITAL REFERENCE 440 - Corporate Services Infrastructure Replacement and Rehabilitation Needs (Routine)**

That Council approves the Corporate Services Infrastructure Replacement and Rehabilitation Needs capital project funding of \$86,000 within the Information Management & Technology Services division 2024-2026 capital budget.

**AND**

## **CAPITAL REFERENCE 674 - Integrated Planning & Public Works Infrastructure Replacement and Rehabilitation Needs (Non Routine)**

That Council approves the Integrated Planning & Public Works Infrastructure Replacement and Rehabilitation Needs capital project funding of \$2,239,000 within the Transportation Services division 2024-2026 capital budget.

### **RESERVES FUNDED REQUESTS**

Temporary or one-time requests funded from Reserves or Reserve Funds (these items have no new tax base impact).

#### **k) Reserve Funded Requests**

Funding increases or decreases from Reserves.

##### **1) ITEM B21 - Increased not-for-profit Cultural Sector Funding** *(funding source: Economic Development Reserve)*

That Council approves a \$25,000 increase of ongoing funding in 2024, a \$25,000 increase of ongoing funding in 2025, and a \$25,000 increase of ongoing funding in 2026 for Increased not-for-profit Cultural Sector Funding within the Economic Development division in the CAO department, funded by the Economic Development Reserve.

##### **2) ITEM B22 - Physician Recruitment** *(funding source: Economic Development Reserve)*

That Council approves a \$30,000 increase of one-time funding in 2024, a \$30,000 increase of one-time funding in 2025, and a \$30,000 increase of one-time funding in 2026 for Physician Recruitment within the Economic Development division in the CAO department, funded by the Economic Development Reserve.

##### **3) ITEM B24 - Truth and Reconciliation Implementation** *(funding source: Capital Reserve Fund)*

That Council approves a \$25,000 increase of ongoing funding in 2024 for Reconciliation Action Partnership Support within the Reconciliation, Equity, Accessibility, Diversity, and Inclusion division in the CAO Department. This increase will be offset by a \$25,000 ongoing reduction to the operating budget transfer to the Capital Reserve Fund (CRF).

##### **4) ITEM B25 - Encampment Clean-up Costs**

*(funding source: General Contingency Reserve)*

That Council approves a \$75,000 increase of one-time funding in 2024, a \$75,000 increase of one-time funding in 2025, and a \$75,000 increase of one-time funding in 2026 for Encampment Clean-up Costs within the Strategic Initiatives division in the CAO department, funded by the General Contingency Reserve.

**5) ITEM B28 - EMPDV Funding for Contract Support**

*(funding source: Employee Development and Capacity Building Reserve)*

That Council approves a \$125,000 increase of one-time funding in 2024, \$125,000 increase of one-time funding in 2025 and \$125,000 increase of one-time funding in 2026 for Staffing Contract Resource support within the Human Resources division in the Corporate Services Department, funded by the Employee Development and Capacity Building Reserve (EMPDV).

**6) ITEM B32 - Commissioner Special Projects**

*(funding source: Tax Rate Stabilization Reserve)*

That Council approves a \$125,000 increase of one-time funding in 2024, 2025 and 2026 for Commissioner Special Projects, funded from the annual step gapping contribution to the Tax Rate Stabilization reserve, allocated as \$10,000 to the Office of the CAO, \$42,000 to the Commissioner of Community Services, \$40,000 to the Commissioner of Corporate Services and \$33,000 to the Commissioner of IPPW.

**I) 2024 - 2026 Budget Menu List / Other Changes**

*(see page 37 of the Staff Tabled Operating Budget Book)*

**Changes to the 2024 – 2026 Staff Tabled Operating Budget are to be brought forward by a Council approved motion.**

To assist, the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee has prepared a 2024-2026 **prioritized** Menu List should Council choose to advance any menu increases (M1-M14) or menu reductions (M15-M25).

On January 29, 2024 Council directed staff to present additional recommendations at the start of the February 12, 2024 budget day meeting that could, if approved, reduce the overall tax rate impact of the three-year budget. **See 2024-2026 Budget Memo on page 42**

# **COUNCIL MEETING WILL RECESS AND RECONVENE IN 10 MINUTES**

## **ENTERPRISES**

### **CITY UTILITIES**

#### **BASE BUDGET REQUESTS**

Base budget requests include adjustments to maintain current service levels, adjustments to existing fee volumes, regular fee increases and efficiencies.

##### **m) Base Budget Requests – FUNDING**

Funding increases associated with Department/Divisional fee increases (in line with CPIX), Assessment Growth and new revenue opportunities.

##### **1) ITEM B36 - Stormwater Revenue Increase**

That Council approves a \$903,148 increase of ongoing revenue in 2024, \$988,094 increase of ongoing revenue in 2025, and a \$1,078,614 increase of ongoing revenue in 2026 for stormwater revenue increases within the City Utilities division in the IPPW department.

##### **2) ITEM B37 - System Alteration Fees - Wastewater and Stormwater**

That Council approves a \$35,000 increase of ongoing revenue in 2024, \$700 increase of ongoing revenue in 2025, and a \$714 increase of ongoing revenue in 2026 for Stormwater and Wastewater system alteration fees within the City Utilities division in the IPPW department.

##### **3) ITEM B38 - Water Retail Revenue Increase**

That Council approves a \$1,712,324 increase of ongoing revenue in 2024, \$1,772,821 increase of ongoing revenue in 2025, and a \$1,991,447 increase of ongoing revenue in 2026 for water revenue increases within the City Utilities division in the IPPW department.

##### **4) ITEM B39 - Wastewater Retail Revenue Increase**

That Council approves a \$1,392,111 increase of ongoing revenue in 2024, \$1,374,042 increase of ongoing revenue in 2025, and a \$1,579,537 increase of ongoing revenue in 2026 for wastewater revenue increases within the City Utilities division in the IPPW department.

**n) Base Budget Requests – COMMITTED**

Items committed through Council resolution, policy or agreements.

**1) ITEM B40 - Stormwater Credit Payments**

That Council approves a \$3,768 increase of ongoing funding in 2024, \$3,843 increase of ongoing funding in 2025, and a \$3,920 increase of ongoing funding in 2026 for stormwater credit program payments within the City Utilities division in the IPPW department.

**2) ITEM B41 – Stormwater Debenture Payments**

That Council approves a \$31,950 reduction of ongoing funding in 2024, \$184,636 increase of ongoing funding in 2025, and a \$259,632 increase of ongoing funding in 2026 for stormwater debenture payments within the City Utilities division in the IPPW department.

**3) ITEM B42 - Water Debenture Payments**

That Council approves a \$189,568 reduction of ongoing funding in 2024, \$312,075 increase of ongoing funding in 2025, and a \$577,339 increase of ongoing funding in 2026 for water debenture payments within the City Utilities division in the IPPW department.

**4) ITEM B43 - Water Wholesale Purchase Increase**

That Council approves a \$608,003 increase of ongoing funding in 2024, \$674,719 increase of ongoing funding in 2025, and a \$765,385 increase of ongoing funding in 2026 for wholesale water purchase increases within the City Utilities division in the IPPW department.

**5) ITEM B44 - Wholesale Wastewater Treatment Increase**

That Council approves a \$1,272,932 increase of ongoing funding in 2024, \$1,247,451 increase of ongoing funding in 2025, and a \$1,470,612 increase of ongoing funding in 2026 for wholesale wastewater treatment increases within the City Utilities division in the IPPW department.

**o) Base Budget Requests – RECOMMENDED**

Items reviewed and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for Council's consideration.

**1) ITEM B50 - Inflationary Increases - City Utilities**

That Council approves a \$106,999 increase of ongoing funding in 2024, \$120,508 increase of ongoing funding in 2025, and a \$120,363 increase of ongoing funding in 2026 for inflationary increases within the City Utilities division in the IPPW department.

**2) ITEM B51 - In-House City Utilities Billing Increase**

That Council approves a \$17,540 increase of ongoing funding in 2025, and a \$16,713 increase of ongoing funding in 2026 for In-House Water Billing increases within the City Utilities division in the IPPW department.

**3) ITEM B52/B53 - Clean Water Initiatives - transfer from Water to Stormwater**

That Council approves a \$30,000 reduction of ongoing funding and a \$30,000 reduction of ongoing revenue in 2024, \$30,000 reduction of ongoing funding and a \$30,000 reduction of ongoing revenue in 2025, \$30,000 reduction of ongoing funding and a \$30,000 reduction of ongoing revenue in 2026 for clean water initiatives transfer within the City Utilities division in the IPPW department.

**OPERATING IMPACTS OF CAPITAL and GROWTH REQUESTS**

Operating impact requests are the operating cost of capital projects. The impacts of capital are generated as a result of previously approved capital projects or capital projects included within the staff tabled capital budget that will have an immediate impact to the operating budget. It also includes growth related operating costs.

**p) Operating Impacts of Capital and Growth – RECOMMENDED**

Items reviewed and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for Council's consideration.

**1) ITEM G10 – AMI/Meter Technician and Locator**

That Council approves a \$85,289 increase of ongoing funding in 2024 for AMI/Meter Technician & Locator (FTE 1.0) within the City Utilities division in the IPPW department.

**2) ITEM G11 - City Utilities - Backflow Technician**

That Council approves a \$129,745 increase of ongoing funding and a \$3,500 increase in one-time funding in 2024 for a Backflow Technician (FTE 1.0) within the City Utilities division in the IPPW department.

**3) ITEM G12 - City Utilities - Fleet Expansion**

That Council approves a \$70,000 increase of ongoing funding and a \$240,000 increase of one-time funding in 2024, \$12,000 increase of ongoing funding and a \$50,000 increase of one-time funding in 2025 for City Utilities - Fleet Expansion within the City Utilities division in the IPPW department.

**4) ITEM G13 - City Utilities - Meter Replacement Budget**

That Council approves a \$50,000 increase of ongoing funding in 2024, \$50,000 increase of ongoing funding in 2025, and a \$50,000 increase of ongoing funding in 2026 for City Utilities - Meter Replacement Budget within the City Utilities division in the IPPW department.

**5) ITEM G14 - Supervisor of Water Distribution**

That Council approves a \$146,955 increase of ongoing funding and a \$3,500 increase in one-time funding in 2025 for a Water Supervisor (FTE 1.0) within the City Utilities division in the IPPW department.

**6) ITEM G15 – Wastewater Operator**

That Council approves a \$90,543 increase of ongoing funding in 2026 for a Wastewater Operator (FTE 1.0) within the City Utilities division in the IPPW department.

**SERVICE LEVEL CHANGES REQUESTS**

Service level impacts are increases or decreases to existing service levels. Items that are increases in service level when compared to the prior year operating budget and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for Council's consideration.

**q) Service Level Change – INCREASE**

**1) ITEM S18 - City Utilities - Meter Reading Cost Adjustments**

That Council approves a \$200,000 increase of ongoing funding in 2024, a \$58,860 reduction of ongoing funding in 2025, and a \$57,000 reduction of ongoing funding in 2026 for City Utilities - Meter Reading Cost Adjustments within the City Utilities division in the IPPW department.

## **2) ITEM S19 - Wastewater Technician**

That Council approves a \$116,809 increase of ongoing funding and a \$3,500 increase of one- time increase in 2025 for a Wastewater Technician (FTE 1.0) within the City Utilities division in the IPPW department.

## **OTHER ENTERPRISES**

**BUILDING STANDARDS, CEMETERY SERVICES** (within the Parks, Forestry and Cemetery Services division), **COMPREHENSIVE BUSINESS LICENSING** (within the Municipal Enforcement division), **PARKING** (within the Economic Development division) and **RENTAL HOUSING** (within the Municipal Enforcement division).

## **BASE BUDGET REQUESTS**

Base budget requests include adjustments to maintain current service levels, adjustments to existing fee volumes, regular fee increases and efficiencies.

### **r) Base Budget Requests – FUNDING**

Funding increases associated with Department/Divisional fee increases (in line with CPIX), Assessment Growth and new revenue opportunities.

#### **1) ITEM B33 – Parking Enterprise Permit Revenue Increase**

That Council approves a \$68,553 increase of ongoing revenue in 2024, a \$88,178 increase of ongoing revenue in 2025, and a \$94,609 increase of ongoing revenue in 2026 for Parking Permit Revenue within the Economic Development division in the CAO department.

#### **2) ITEM B34 – Parking Enterprise Hourly Revenue Increase (CAO2023-021)**

The Council approves a \$14,012 increase of ongoing revenue in 2025 for Parking Hourly Revenue within the Economic Development Division in the CAO department, as previously approved as per report CAO2023-021.

#### **3) ITEM B35 - Rental Housing Program Revenue Increase**

That Council approves a \$174,078 increase of ongoing revenue in 2024, a \$65,806 increase of ongoing revenue in 2025, and a \$78,128 increase of



ongoing revenue in 2026 for Rental Housing revenue inflationary increases within the Municipal Enforcement division in the Community Services department.

**s) Base Budget Requests – RECOMMENDED**

Items reviewed and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for Council's consideration.

**1) ITEM B45 – Parking Enterprise Inflationary Increase**

That Council approves a \$17,036 increase of ongoing funding in 2024, a \$17,601 increase of ongoing funding in 2025, and a \$18,134 increase of ongoing funding in 2026 for Parking Inflation within the Economic Development division in the CAO department.

**2) ITEM B46 – Parking Enterprise Snow Removal Contract Increase**

That Council approves a \$52,000 increase of ongoing funding in 2024 for the Snow Removal Contract Increase within the Economic Development division in the CAO department.

**3) ITEM B47 – Comprehensive Business Licensing Program Expense and Revenue Adjustment**

That Council approves a \$66,098 reduction of ongoing funding and a \$237,070 reduction of ongoing revenue in 2024, a \$7,506 increase of ongoing revenue in 2025, and a \$9,027 increase of ongoing revenue in 2026 within the Municipal Enforcement division in the Community Services department.

**4) ITEM B48 – Cemetery Operator**

That Council approves a \$93,193 increase of ongoing funding in 2024 for a CUPE D Cemetery Operator (FTE 1.0) within the Parks, Forestry and Cemetery Services division in the Community Services department.

**5) ITEM B49 – Cemetery Inflationary Increases**

That Council approves a \$65,000 increase of ongoing funding for Cemetery inflationary increases within the Parks, Forestry and Cemetery Services division in the Community Services department.

## **OPERATING IMPACTS OF CAPITAL and GROWTH REQUEST**

Operating impact requests are the operating cost of capital projects. The impacts of capital are generated as a result of previously approved capital projects or capital projects included within the staff tabled capital budget that will have an immediate impact to the operating budget. It also includes growth related operating costs.

### **t) Operating Impacts of Capital and Growth – RECOMMENDED**

Items reviewed and prioritized by the Corporate Management Team (CMT) / Operational Leadership Team (OLT) Budget Committee to move forward for Council's approval.

#### **1) ITEM G9 - Operating Impacts of Capital - Cemetery Services**

That Council approves a \$6,000 increase of ongoing funding in 2024, \$6,000 increase of ongoing funding in 2025, and a \$2,000 increase of ongoing funding in 2026 for the Cemetery operating impacts of capital projects within the Parks, Forestry and Cemetery Services division in the Community Services department.

**AND**

#### **CAPITAL REFERENCE 282 – Cemetery Columbarium Structures (Routine)**

That Council approves the Cemetery Columbarium Structures capital project funding of \$268,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

#### **CAPITAL REFERENCE 283 – Cemetery Concrete Strip Foundations (Routine)**

That Council approves the Cemetery Concrete Strip Foundations capital project funding of \$71,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**AND**

#### **CAPITAL REFERENCE 318 – Crematorium Cooler Replacement & Relocation (Routine)**

That Council approves the Crematorium Cooler Replacement and Relocation capital project funding of \$85,000 within the Parks, Forestry and Cemetery Services division 2024-2026 capital budget.

**11. CAPITAL BUDGET (see the 2024-2026 Staff Tabled Capital Budget Book or C.B.B)**

**a) 2024-2026 CAPITAL BUDGET REQUEST – CHIEF ADMINISTRATIVE OFFICE (C.B.B. Pages 31 to 33)**

**1) ROUTINE PROJECTS**

**Recommendation:**

That Council approve the CAO's Department Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_.

**2) NON-ROUTINE PROJECTS**

**Recommendation:**

That Council approve the CAO's Department Non-Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_, with funding to be approved through a follow up report to Council.

**b) 2024-2026 CAPITAL BUDGET REQUEST – COMMUNITY SERVICES (C.B.B. Pages 34 to 40)**

**1) ROUTINE PROJECTS**

**Recommendation:**

That Council approve the Community Services Department Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_.

**2) NON-ROUTINE PROJECTS**

**Recommendation:**

That Council approve the Community Services Department Non-Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_, with funding to be approved through a follow up report to Council.

**c) 2024-2026 CAPITAL BUDGET REQUEST – CORPORATE SERVICES (C.B.B. Pages 41 to 46)**

**1) ROUTINE PROJECTS**

**Recommendation:**

That Council approve the Corporate Services Department Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_.

**2) NON-ROUTINE PROJECTS**

**Recommendation:**

That Council approve the Corporate Services Department Non-Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_, with funding to be approved through a follow up report to Council.

**d) 2024-2026 CAPITAL BUDGET REQUEST – INTEGRATED PLANNING AND PUBLIC WORKS (C.B.B. Pages 47 to 59)**

**1) ROUTINE PROJECTS**

**Recommendation:**

That Council approve the Integrated Planning and Public Works Department Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_.

**2) NON-ROUTINE PROJECTS**

**Recommendation:**

That Council approve the Integrated Planning and Public Works Department Non-Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_, with funding to be approved through a follow up report to Council.

**e) 2024-2026 CAPITAL BUDGET REQUEST - WATERLOO PUBLIC LIBRARY (C.B.B. Page 60)**

**1) ROUTINE PROJECTS**

**Recommendation:**

That Council approve the Library Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_.

**2) NON-ROUTINE PROJECTS**

**Recommendation:**

That Council approve the Library Non-Routine capital projects included in the 2024-2026 Capital Budget with a total value of \$\_\_\_\_\_, with funding to be approved through a follow up report to Council.

**f) 2027-2033 CAPITAL FORECAST – RECOMMENDATION BY DEPARTMENT**

**1) CHIEF ADMINISTRATIVE OFFICE (C.B.B. Pages 31 to 33)**

**Recommendation:**

That Council approve in principle the 2027 to 2033 CAO's Department Capital Forecast totaling \$\_\_\_\_\_.

**2) COMMUNITY SERVICES (C.B.B. Pages 34 to 40)**

**Recommendation:**

That Council approve in principle the 2027 to 2033 Community Services Department Capital Forecast totaling \$\_\_\_\_\_.

**3) CORPORATE SERVICES (C.B.B. Pages 41 to 46)**

**Recommendation:**

That Council approve in principle the 2027 to 2033 Corporate Services Department Capital Forecast totaling \$\_\_\_\_\_.

**4) INTEGRATED PLANNING AND PUBLIC WORKS (C.B.B. Pages 47 to 59)**

**Recommendation:**

That Council approve in principle the 2027 to 2033 Integrated Planning and Public Works Department Capital Forecast totaling \$\_\_\_\_\_.

**5) WATERLOO PUBLIC LIBRARY (C.B.B. Page 60)**

**Recommendation:**

That Council approve in principle the 2027 to 2033 Library Capital Forecast totaling \$\_\_\_\_\_.

**6) 2024-2026 CAPITAL BUDGET, and 2027-2033 CAPITAL FORECAST**

**Recommendation:**

That the 2024-2026 Capital Budget of \$\_\_\_\_\_ be approved, and further that Council approve in principle the 2027 to 2033 Capital Forecast totaling \$\_\_\_\_\_.

## 12. DEBENTURE FINANCING

- 1) That Council approve a total of up to \$60,856,000 of Development Charges debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for Engineering Services Division projects

Project	2024	2025	2026	TOTAL
<b>590 – Beaver Creek Road &amp; Conservation Drive Reconstruction - DebtDC</b>	\$8,163,000	\$26,892,000	\$25,801,000	\$60,856,000

- 2) That Council approve a total of up to \$11,888,000 of Development Charges debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for Fire Rescue Division projects

Project	2024	2025	2026	TOTAL
<b>250 – Fire Rescue Expansion Fire DebtDC</b>	\$11,888,000	\$0	\$0	\$11,888,000

- 3) That Council approve a total of up to \$1,723,000 of Water debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for Transportation Services Division projects

Project	2024	2025	2026	TOTAL
<b>696 –Union St. – King St. to Moore Ave. Debt Water</b>	\$0	\$1,723,000	\$0	\$1,723,000

- 4) That Council approve a total of up to \$6,635,000 of Water debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for Transportation Services Division projects

Project	2024	2025	2026	TOTAL
<b>666 –City Wide City Road Share of Regional Major Reconstruction Projects Debt Water</b>	\$0	\$2,385,000	\$4,250,000	\$6,635,000

- 5) That Council approve a total of up to \$892,000 of Water debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for City Utilities - Water Division projects

Project	2024	2025	2026	TOTAL
<b>555 –Structurally Deficient Watermain Rehab – City Wide Debt Water</b>	\$0	\$892,000	\$0	\$892,000

- 6) That Council approve a total of up to \$717,000 of Stormwater debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for City Utilities - Stormwater Division projects

Project	2024	2025	2026	TOTAL
<b>532 –Denholm Pond Upgrades Debt Stormwater</b>	\$717,000	\$0	\$0	\$717,000

- 7) That Council approve a total of up to \$2,721,000 of Stormwater debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for City Utilities - Stormwater Division projects

Project	2024	2025	2026	TOTAL
<b>533 –Forwell Creek Industrial Lands – Stormwater Management Debt Stormwater</b>	\$232,000	\$189,000	\$2,300,000	\$2,721,000

- 8) That Council approve a total of up to \$980,000 of Stormwater debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for City Utilities - Stormwater Division projects

Project	2024	2025	2026	TOTAL
<b>548 –SWM Pond Sediment Removal and Retrofit Debt Stormwater</b>	\$151,000	\$829,000	\$0	\$980,000

- 9) That Council approve a total of up to \$832,000 of Stormwater debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for Transportation Services Division projects

Project	2024	2025	2026	TOTAL
<b>666 –City Wide City Road Share of Regional Major Reconstruction Projects Debt Stormwater</b>	\$0	\$832,000	\$0	\$832,000

- 10) That Council approve a total of up to \$10,000,000 of CIRRF debenture financing as follows for 2024-2026, for a term not to exceed 10 years, for Facility Design and Management Services Division projects

Project	2024	2025	2026	TOTAL
<b>225 – Facility Transformational Projects Debt CIRRF</b>	\$10,000,000	\$0	\$0	\$10,000,000

### 13. APPROVED 2024-2026 OPERATING BUDGET

#### Recommendation:

- 1) That the 2024 Operating Budget be approved with an average property tax increase of \_\_\_\_\_% over 2023 and a total property tax levy of \$ \_\_\_\_\_ .
- 2) That the 2025 Operating Budget be approved with an average property tax increase of \_\_\_\_\_% over 2024 and a total property tax levy of \$ \_\_\_\_\_ .
- 3) That the 2026 Operating Budget be approved with an average property tax increase of \_\_\_\_\_% over 2025 and a total property tax levy of \$ \_\_\_\_\_ .

### 14. 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 2024-008 and that the Mayor and Clerk be authorized to sign them accordingly.

- a) By-law to amend By-law No. 2018-050, being a Zoning By-law Controlling Land Use Development Within the City of Waterloo for



309 & 311 Hawthorn Street (Zone Change Application Z-22-17, IPPW2024-006, Council January 29, 2024)

- b) By-law to amend the City of Waterloo Official Plan for 309 and 311 Hawthorn Street (OPA 26, IPPW2024-006, Council January 29, 2024)
- c) By-law to confirm all actions and proceedings of Council, February 12, 2024

## **15. ADJOURNMENT**

## 2024-2026 BUDGET DAY MEMO

---

**To: Mayor and Members of Council**

**Cc: Corporate Management Team (CMT) and Operational Leadership Team (OLT)**

**From: Brad Witzel, Director, Financial Planning & Asset Management**

**RE: 2024-2026 Budget Day (February 12, 2024) Process Overview and Menu Reduction Options for Council Consideration**

---

### **BACKGROUND:**

The 2024-2026 staff tabled operating and capital budgets were released to Council and the public on December 11, 2023. The 2024-2026 staff tabled budget is a three-year budget, and is positioned to implement the priorities of the City's 2023-2026 Strategic Plan. The budget leverages the extensive public engagement undertaken as part of the Strategic Plan creation, which is the key influencer of the staff tabled budget. The budget is based on the theme of **"Strong, Sustainable, Together"**, continuing the progress made with recent budgets focusing on four main goals:

- 1) Service delivery enhancements and additions **as supported by the Strategic Plan**
- 2) Support for existing programs and services
- 3) Operating funding to support new capital assets
- 4) Continued increased investment in infrastructure renewal

The City of Waterloo continues to face challenges related to price escalation as evidenced by the Core Consumer Price Index (CPIX) at 4.28% on a 12-month average (as of September 2023 data) and a non-residential construction price index increase of 6.57% (as of the third quarter 2023) which affects many of our capital projects and construction tenders. These inflation rates are at a point in time and are subject to change over the course of the 2024-2026 budget. As discussed during the 2024-2026 Business Plan presentations, staff will continue to monitor these and other inflationary metrics and provide Council updates as part of the annual budget re-confirmation reports.

### **Multi-year Budget Process**

The City of Waterloo is a leader in the multi-year budget process. Since 2008, the City of Waterloo has undertaken a budget process whereby the first year of a Council term is a one-year budget approval, and the subsequent three years of the Council term is a singular three-year budget approval. The Municipal Act allows up to five years be approved with a singular approval by Council. The legislation requires that if a municipality approves a multi-year budget, Council must review and re-affirm or amend the budget for every second or subsequent year either in the year that the budget applies or in the preceding year. This budget will be a multi-year budget covering the period of 2024-2026.

## BUDGET 2024-2026



- December 11, 2023 – 2024-2026 staff tabled budget released
- February 12, 2024 – 2024-2026 budget adoption
  - **with Menu Reduction Options for Council Consideration as directed by Council**
- December 2024 – 2025 budget reviewed, re-affirmed or amended by Council
  - *will include update on inflation trends*
- December 2025 – 2026 budget reviewed, re-affirmed or amended by Council
  - *will include update on inflation trends*

### Property Tax Increase and Average Household Impact

The staff tabled budget is summarized in Table I below and broken down as follows:

- 3.55% - 3.86% - In/and around inflation to support existing base programs and services and operating impacts of capital
  - This includes efficiencies/improvements of (\$1.6M or 1.75% property tax savings), and funding from Assessment Growth
  - This is in accordance with policy FC-019 Core Consumer Price Index (CPIX)
- 1.0% - Annually above inflation to increase investment in infrastructure renewal including increased preventative maintenance and associated employees (FTEs)
- 1.89% – 2.64% - Above inflation to deliver new service/service delivery enhancements including Fire Expansion and Enhanced Sidewalk Winter Control

The annual property tax impact of the 6.44% - 7.46% staff tabled budget to the average household is \$110 (2024), \$116 (2025) and \$110 (2026). Table I breaks down this increase into the budget categories.

Table I - 2024-2026 Staff Tabled Budget by Category:

<b>2024-2026 Budget by Category</b>	<b>2024</b>	<b>2024</b>	<b>2025</b>	<b>2025</b>	<b>2026</b>	<b>2026</b>
<b>Budget Category</b>	<b>% change</b>	<b>\$ change</b>	<b>% change</b>	<b>\$ change</b>	<b>% change</b>	<b>\$ change</b>
Base Budget (Includes Efficiencies / Improvements)	2.97%	\$44	3.07%	\$49	2.92%	\$50
Operating Impacts of Capital and Growth	0.85%	\$12	0.79%	\$12	0.63%	\$11
<b>Subtotal</b>	<b>3.82%</b>	<b>\$56</b>	<b>3.86%</b>	<b>\$61</b>	<b>3.55%</b>	<b>\$61</b>
Infrastructure Investment	1.00%	\$15	1.00%	\$16	1.00%	\$17
Service Level Changes	2.64%	\$39	2.44%	\$39	1.89%	\$32
<b>Total</b>	<b>7.46%</b>	<b>\$110</b>	<b>7.30%</b>	<b>\$116</b>	<b>6.44%</b>	<b>\$110</b>

### Budget Day Process

The budget day approval process will closely follow the process from 2023. After opening remarks from Mayor McCabe and Councillor Diane Freeman (Finance Liaison) a brief presentation will be provided by staff introducing the **Menu Reduction Options for Council Consideration that if approved by Council** would reduce the overall tax rate impact of the three-year budget.

The budget day agenda includes individual recommendations for each budget request included in the 2024-2026 staff tabled budget:

- 2024-2026 Operating Budget Requests - Base (B1-B53)
- 2024-2026 Operating Budget Requests - Operating Impacts of Capital and Growth (G1-G15)
- 2024-2026 Operating Budget Requests - Service Level Change (S1-S19)
- 2024-2026 Operating Budget Requests - Infrastructure Investment (I1-I7)

To assist in an efficient approval process, these budget requests are once again grouped by sub-category. For example under section 10 Operating Budget, c) Base Budget Requests – Efficiency items 1) through 3) are grouped and can be voted on together. Chair Freeman would ask Council if anyone wishes to consider any of these items separately. If not, they will be moved and voted on as a “block” of items.

### **c) Base Budget Requests – EFFICIENCY**

Savings incorporated into the operating budget that are the results of new processes, sustainable adjustment opportunities and or procedures and projects that facilitate operational savings.

#### **1) ITEM B8 - Discretionary Operating Accounts - Permanent Reductions**

That Council approves a \$50,000 decrease of ongoing funding in 2024 for discretionary operating accounts, allocated as total reductions of: \$3,000 in the CAO Department, \$16,500 in the Community Services Department, \$16,500 in the Corporate Services Department and \$14,000 in the IPPW Department.

#### **2) ITEM B9 - Increased Capital Overhead Recovery Revenue**

That Council approves a \$150,000 increase of ongoing revenue in 2024, a \$150,000 increase of ongoing revenue in 2025, and a \$150,000 increase of ongoing revenue in 2026 for Capital Overhead Recovery Revenue within the Corporate Transactions department.

### 3) ITEM B10 - Increased Enterprise Overhead Contribution

That Council approves a \$83,930 increase of ongoing revenue in 2024 for enterprise overhead model updates within the Corporate Transactions department; a \$110,147 reduction of ongoing funding in 2024 for Building Standards overhead model updates; a \$247,463 increase of ongoing funding in 2024 for City Utilities overhead model updates; and a \$53,386 reduction of ongoing funding in 2024 for Parking overhead model updates.

Following these decisions by Council, staff will either **Approve** those items on the City of Waterloo 2024-2026 Operating Budget Day Approval File, (as shown below in table 2),

Table 2 - 2024-2026 Operating Budget Day Approval File – 10 c) 1-3 Example:

CITY OF WATERLOO - 2024-2026 OPERATING BUDGET DAY APPROVAL FILE														
		2024		2025		2026								
		92,656,663		94,287,068		96,610,681								
		564,405		1,223,613		1,027,945								
		(34,000)		0		0								
		1,100,000		1,100,000		1,100,000								
		1,630,405		2,323,613		2,127,945								
2024-2026 Staff Tabled Budget (Levy)		100,672,666	7.46%	109,122,307	7.30%	117,246,311	6.44%							
Current Year Levy		94,287,068	0.57%	96,610,681	1.30%	98,738,626	1.06%							
		100,672,666		109,122,307		117,246,311								
		check = 0		6,385,598		12,511,626		18,507,685						
BR #	Categories	Budget Request Description		2024	2024 % Tax Impact	2025	2025 % Tax Impact	2026	2026 % Tax Impact	Total Net Impact	Approval Status	Agenda	MENU	Enterprise Contribution
B15	Base	In Camera	2,742,304	3.0%	2,698,696	2.9%	2,655,930	2.7%	8,096,930	Approved	10. a) 1			Enterprise Contribution
B1	Base	Community Services 2024-2026 Fees and Charges (COM2023-019)	(96,969)	-0.1%	(100,543)	-0.1%	(104,272)	-0.1%	(301,784)	Approved	10. b) 1			
B2	Base	Corporate Services 2024-2026 Fees and Charges (CORP2023-036)	(57,000)	-0.1%	(7,000)	0.0%	(7,000)	0.0%	(71,000)	Approved	10. b) 2			
B3	Base	Assessment Growth - 2024-2026 Projection	(1,100,000)	-1.2%	(1,100,000)	-1.2%	(1,100,000)	-1.1%	(3,300,000)	Approved	10. b) 3			
B4	Base	Enova Power - Increased Dividends	0	0.0%	0	0.0%	(150,000)	-0.2%	(150,000)	Approved	10. b) 4			
B5	Base	In-House City Utilities Billing Increase	0	0.0%	(17,540)	0.0%	(16,713)	0.0%	(34,253)	Approved	10. b) 5			
B6	Base	Investment Income	(250,000)	-0.3%	(100,000)	-0.1%	(100,000)	-0.1%	(450,000)	Approved	10. b) 6			
B7	Base	Payment in Lieu Revenue (GRT Northfield Site)	(390,000)	-0.4%	0	0.0%	0	0.0%	(390,000)	Approved	10. b) 7			
B8	Base	Discretionary Operating Accounts - Permanent Reductions	(50,000)	-0.1%	0	0.0%	0	0.0%	(50,000)	Approved	10. c) 1			
B9	Base	Increased Capital Overhead Recovery Revenue	(150,000)	-0.2%	(150,000)	-0.2%	(150,000)	-0.2%	(450,000)	Approved	10. c) 2			
B10	Base	Increased Enterprise Overhead Contribution	(83,930)	-0.1%	0	0.0%	0	0.0%	(83,930)	Approved	10. c) 3			Enterprise Contribution

or, if during the budget approval process, Council decides to not approve any items included in the staff tabled budget, that item will be noted on the file by staff as **Not Approved** and the Current Year Levy amount (\$ and %) is automatically updated.

After working through the various agenda items 10. a) I (In Camera) all the way through to 10. k) 6 (Reserve Funded Requests) we will have reached the end of the 2024-2026 Tax Base staff tabled items. If Council approves all the staff tabled items, the City of Waterloo 2024-2026 Operating Budget Day Approval File will show that the Current Year Levy matches the 2024-2026 Staff Tabled Budget (Levy), as shown below in table 3.

Table 3 - 2024-2026 Operating Budget Day Approval File view with All Staff Tabled Items Approved:

CITY OF WATERLOO - 2024-2026 OPERATING BUDGET DAY APPROVAL FILE												
			2024	2025	2026							
Prior Year Levy			92,656,663	100,672,666	109,122,307							
Approved Budget Requests			6,950,003	7,366,141	7,051,504							
One Time Reversal from Previous Year			(34,000)	(16,500)	(27,500)							
Assessment Growth			1,100,000	1,100,000	1,100,000							
Levy Change			8,016,003	8,449,641	8,124,004							
2024-2026 Staff Tabled Budget (Levy)			100,672,666	109,122,307	117,246,311	7.46%	7.30%	6.44%				
Current Year Levy			100,672,666	109,122,307	117,246,311	7.46%	7.30%	6.44%				

## **MENU REDUCTION OPTIONS FOR COUNCIL CONSIDERATION:**

The staff tabled budget included a menu list with \$2.4M in reduction opportunities equal to a 2.5% property tax reduction for Council consideration as part of final budget decision-making.

On January 29, 2024 staff provided an update on community engagement for the 2024-2026 budget with a report summarizing the results of the January 9, 2024 budget information session and the Engage Waterloo budget survey. The opportunity for staff to engage with residents to share information and get feedback is a valuable part of the budget process and provides an indication of public opinion for Council's awareness and consideration.

The dominant theme of the feedback provided from both the budget information session and the survey was concern with the affordability of the level of the staff tabled tax increase, and the potential impacts on the community. In consideration of this feedback from residents, received by staff and directly by Council, **Council directed staff to present additional options at the start of the February 12, 2024 budget day meeting that could, if approved, reduce the overall tax rate impact of the three-year budget.**

Motion: moved by Councillor Freeman, Seconded by Councillor Hanmer (Carried Unanimously)

**1) That Council receive CORP2024-005 as information.**

**2) That Council direct staff to present recommended options at the start of the February 12th, meeting of Council that could if approved reduce the overall tax rate impact of the budget.**

In response to this direction, senior staff have developed some additional menu reduction opportunities for Council consideration on budget day. Staff will provide an overview of these items at the start of the meeting. The menu reduction options for Council consideration are outlined below as items #1 - #12 and summarized in table 4 below.

Table 4 - 2024-2026 Menu Reduction Options for Council Consideration:

Categories	Budget Request Description	2024	2024 % Tax Impact	2025	2025 % Tax Impact	2026	2026 % Tax Impact	Total Net Impact	Approval Status	Agenda	MENU
Base	(Menu) Additional Assessment Growth (2023)	(162,875)	-0.2%	0	0.0%	0	0.0%	(162,875)	Approved	10. I) 1	Option #1
Service Level	(Menu) Fire In Camera Revised	(428,000)	-0.5%	(488,000)	-0.5%	(80,000)	-0.1%	(996,000)	Approved	10. I) 2	Option #2
Infrastructure	(Menu) Increased Infrastructure Funding as per LTFP - Reduction (2024)	(220,000)	-0.2%	0	0.0%	0	0.0%	(220,000)	Approved	10. I) 3	Option #3
Infrastructure	(Menu) Increased Infrastructure Funding as per LTFP - Reduction (2025)	0	0.0%	(270,000)	-0.3%	0	0.0%	(270,000)	Approved	10. I) 3	Option #4
Infrastructure	(Menu) Increased Infrastructure Funding as per LTFP - Reduction (2026)	0	0.0%	0	0.0%	(310,000)	-0.3%	(310,000)	Approved	10. I) 3	Option #5
Base	(Menu) Staffing Additions Deferred Start Date (June 1st 2024 and June 1st 2025)	(203,000)	-0.2%	11,000	0.0%	192,000	0.2%	0	Approved	10. I) 4	Option #6
Base	(Menu) B6 Investment Income - Additional Increase	(50,000)	-0.1%	(50,000)	-0.1%	(50,000)	0.0%	(150,000)	Approved	10. I) 5	Option #7
Base	(Menu) B11 Climate Change/Sustainability Contributions - Phasing	(30,000)	0.0%	30,000	0.0%	0	0.0%	0	Approved	10. I) 6	Option #8
Growth	(Menu) G2 Waterloo Public Library Funding Agreement - Phasing	(150,000)	-0.2%	150,000	0.2%	0	0.0%	0	Approved	10. I) 7	Option #9
Service Level	(Menu) S3, S4, S5 Winter Sidewalk Maintenance Service Enhancement - Phasing of Budget Increase with Winter Control Reserve funding	(93,000)	-0.1%	(214,000)	-0.2%	157,000	0.1%	(150,000)	Approved	10. I) 8	Option #10
Service Level	(Menu) S11 Community Inclusion Initiative - Phasing of Budget Increase with Temporary Tax Rate Stabilization Reserve funding	(61,000)	-0.1%	0	0.0%	61,000	0.1%	0	Approved	10. I) 9	Option #11
Infrastructure	(Menu) I1 Preventative Building Maintenance Funding - Reduction	0	0.0%	0	0.0%	(100,000)	-0.1%	(100,000)	Approved	10. I) 10	Option #12

### **1) M15 - (Menu) Additional Assessment Growth (2023)**

- This menu request is for additional revenue of \$(162,875) for assessment growth from 2023 to be included in the 2024 budget
- The staff tabled 2024-2026 budget includes an assessment growth estimate of \$1,100,000 in 2024 (see B3 or TRAN.2024.001)

- The City's final assessment growth in 2023 as provided by MPAC (after the staff tabled budget was developed by the Budget Committee) is \$1,262,875 or 1.36%
- This additional assessment growth revenue could be approved by Council lowering the 2024 property tax increase
- \*Note – staff would also support Council exempting the above from policy FC-013 on a one-time basis to provide maximum support in reducing the property tax amount
- As per policy FC-013 Use of Budgeted Assessment Growth Revenue, 10% of the above would go to CRF with 30% going to CIRRF (M15a)

### 2) **M16a (new) - (Menu) Fire Revised**

- This menu request is a funding reduction of \$(428,000) in 2024, \$(488,000) in 2025 and \$(80,000) in 2026
- M16a is a reduction opportunity reducing S2 Fire Expansions budget adjusting to a Sept 1<sup>st</sup> hire date annually for 2024-2026
- Reductions/Savings are temporary and will need to be added back as part of the 2027 and 2028-2030 budgets

### 3) **M23 - (Menu) Increased Infrastructure Funding as per LTFP - Reduction (2024)**

### 4) **M24 - (Menu) Increased Infrastructure Funding as per LTFP - Reduction (2025)**

### 5) **M25 - (Menu) Increased Infrastructure Funding as per LTFP - Reduction (2026)**

- M23-M25 is a strategic reduction to the Increased Infrastructure Funding recommended as part of budget request I7 for Council consideration
- This menu item is a funding reduction of \$(220,000) in 2024, \$(270,000) in 2025 and \$(310,000) in 2026
- The I7 funding in the staff tabled capital budget is recommended to be allocated to capital projects as follows:
  - Capital Reference 225 - Facility Transformational Projects (Non Routine)
  - \$10M CIRRF Debenture project supporting GHG reduction and climate action
  - **Capital Reference 225 would NOT be impacted by M23-M25**
  - Capital Reference 440 - Corporate Services Infrastructure Replacement and Rehabilitation Needs (Routine)
    - 2024-2026 CIRRF Amount \$86,000
    - 2027-2033 CIRRF Amounts \$350,000
    - **If M23-M25 were approved by Council, this would be reduced to \$0 over 2024-2033**
  - Capital Reference 674 - Integrated Planning & Public Works Infrastructure Replacement and Rehabilitation Needs (Non Routine)
    - 2024-2026 CIRRF Amount \$1,284,000
    - 2027-2033 CIRRF Amounts \$5,215,000

- Project also includes \$7,640,000 in WATCAP, SEWCAP and SWM funding
- If M23-M25 were approved by Council, this would be reduced to \$355,000 in CIRRF funding in 2024 and \$0 over 2025-2033
- The WATCAP, SEWCAP and SWM funding could remain for now, in support of other funding that may arise
- Staff acknowledge that implementing this menu reduction would slow our progress in regards to addressing the infrastructure funding shortfall
- However, significant progress would still be made via the 2024-2026 budget with the staff additions supporting infrastructure being added via I2, I3, I4, I5 and I6 along with increase preventative maintenance I1 (see M32 (new))
- Also M23-M25 doesn't impact the City's ability to advance capital reference 225 in support of the City's contribution to the Green and Inclusive Community Buildings Phase II grant
- While M23-M25 is being provided as a reduction option for Council consideration, various projects had been identified by the Engineering Services, Active Transportation and Asset Management to be advanced using these funds
- If M23-M25 were approved by Council, staff will look for alternative funding sources over the course of 2024-2026 to potentially still advance some of these identified priorities

**6) M26 (new) - (Menu) Staffing Additions Deferred Start Date (June 1st 2024 and June 1st 2025)**

- This menu item would result in savings of \$(203,000) in 2024, with a \$11,000 increase of funding in 2025 and a \$192,000 increase of funding in 2026 resulting in the full cost of all recommended employee (FTE) related budget requests being budgeted by 2026, so no budget pressure is deferred to 2027
- This menu item would shift the start date of 6 FTEs recommended for approval in 2024 to June 1<sup>st</sup>, 2024
- These positions are:
  - B29 - Privacy Analyst
  - S11 - Community Inclusion Initiatives
  - S14 - Development Planner
  - I3 - Outdoor Water Technician and Preventative Mechanical Maintenance of Splash Pads
  - I5 - Contracts Manager
  - I6 - Transportation Services Lead Hand
- This menu item would shift the start date of 4 FTEs recommended for approval in 2025 to June 1<sup>st</sup>, 2025
- These positions are:
  - S13 - Paralegal
  - S15 - Development Planner
  - S16 - Development Planner



- I2 - Senior Project Engineer (Mechanical)
- To avoid having any employee (FTE) related budget impacts being deferred to 2027, the 4 FTEs recommended for approval in 2026 would have their start dates effective January 1<sup>st</sup>, 2026 from a budget perspective
- Any savings from a delayed hire date in 2026 would be allocated to the Employee Development and Capacity Building Reserve (EMPDV) as per policy FC-006
- This delayed hire date strategy has not been applied to the employee (FTE) related budget requests where the position already has a contract incumbent or where the staff has already been hired permanently based on advance Council authorization
- Employee (FTE) Budget Requests with a Contract Incumbent Employee
  - B26 - Audio Visual Technician
  - B27 - Manager Parks Operations
  - B30 - Government Relations Assistant
  - I4 - GIS Specialist/Analyst
  - S6 - Digital Services Specialist
- Employee (FTE) Budget Requests with a Permanent Employee as per Council authorization
  - S8 - Assistant City Solicitor - Planning and Development
  - S9 - Senior Development Planner
  - S10 - Senior Development Planner

**7) M27 (new) - (Menu) B6 Investment/Interest Income - Additional Increase**

- This menu request is for additional revenue of \$(50,000) in 2024, \$(50,000) in 2025 and \$(50,000) in 2026
- Budget request B6 is increasing the budget for investment income and bank interest by \$450,000 over 2024-2026
- The 2023 investment/interest income budget was \$1.8 million
- The City has been generating an investment/interest income surplus that based on further staff analysis is sustainable to support this additional increase
- In support of seeking ways to help reduce the property tax impact, including efficiencies as directed by Council, staff are providing a more aggressive investment/interest income increase option for Council consideration
- For context, this will increase the investment/interest income budget from \$2.25M to \$2.4M by 2026
- In order to generate an additional \$150,000 in investment/interest income annually, staff would need to invest an extra approx. \$5M and achieve an average rate of return of 3%
- Our 2022 average rate of return was 2.49%, and our 2023 average rate of return will be presented to Council in June of 2024

- This opportunity is supported by the City having additional cash to invest in the coming years as a result of items such as large grants received (with the funds being leveraged into short-term investments until fully required for the intended grant project purposes) and from future land sale proceeds resulting in additional cash for the City to invest

**8) M28 (new) - (Menu) B I I Climate Change/Sustainability Contributions – Phasing**

- This menu item would see savings of \$(30,000) in 2024, with an equal increase of \$30,000 in 2025
- B I I Climate Change/Sustainability Contributions includes funding for various memberships and collaborative contributions committed to by the City, including ClimateActionWR (\$65,000), Waterloo Region Community Energy (WRCE) (\$16,000), SustainableWR (\$7,000) and REEP (\$40,000)
- Another organization has committed to providing \$30,000 to REEP on behalf of the City for 2024 providing for this budget deferral option
- As such, this will enable Council to defer \$30,000 from 2024 to 2025

**9) M29 (new) - (Menu) G2 Waterloo Public Library Funding Agreement – Phasing**

- This menu item would generate one-time savings of \$(150,000) in 2024, with an equal increase of \$150,000 in 2025
- G2 Waterloo Public Library Funding Agreement provides increased funding to the Waterloo Public Library in accordance with the parameters of the agreement between the City and Waterloo Public Library
- In support of the budget reduction process, the Waterloo Public Library has offered to defer a portion of their increase from 2024 to 2025 aligning with other City reduction and phasing solutions for Council consideration

**10) M30 (new) - (Menu) S3, S4, S5 Winter Sidewalk Maintenance Service Enhancement - Phasing of Budget Increase with Winter Control Reserve funding**

- This menu item would see savings of \$(93,000) in 2024 and savings of \$(214,000) in 2025, with an increase of \$157,000 in 2026
- M30 (new) would still see the Winter Sidewalk Maintenance Service Enhancements implemented as approved by Council report IPPW2023-040
- However, to help smooth out the budget increases (which are front-ended in 2024 and 2025) Council is being provided the option of temporarily using the Winter Control Reserve
- This menu item nets to a reduction of \$(150,000) over 2024-2026
- In order to avoid deferring a portion of this service level budget increase to the 2027 budget, this \$150,000 would be offset by the annual budgeted contribution to the Winter Control Reserve

- This reserve currently receives an annual increase of \$150,000
- Council could eliminate this annual reserve contribution in order to help offset the cost of the Winter Sidewalk Maintenance Service Enhancements
- This will require staff to monitor the ongoing balance in the Winter Control Reserve
- With G1 Winter Control 5-year Average Budget Adjustment along with the increased budget from S3, S4, S5 staff are anticipating that the recent Winter Control deficits may be less frequent

**I1) M31 (new) - (Menu) S11 Community Inclusion Initiative - Phasing of Budget Increase with Temporary Tax Rate Stabilization Reserve funding**

- This menu item would see savings of \$(61,000) in 2024 with an equal increase of \$61,000 in 2026
- S11 includes funding for three initiatives to develop and enhance inclusive programming city-wide
- This menu item would maintain the service increases recommended through S11, but through temporary Tax Rate Stabilization Reserve (TRS) funding could smooth the increase to approx. \$100,000 annually
- Total TRS contribution would be approx. \$120,000 over 2024 and 2025

**I2) M32 (new) - (Menu) I1 Preventative Building Maintenance Funding – Reduction**

- This menu item would see savings of \$(100,000) in 2026
- I1 was seeking increased preventative building maintenance funding in the amount of \$100,000 in 2025 and \$300,000 in 2026
- This menu item for Council consideration would reduce the amount in 2026 by \$100,000, but still provides a preventative building maintenance funding increase of \$300,000 over 2025-2026

## BUDGET 2024-2026



**For illustrative purposes only,** If Council approves all the staff tabled property tax budget requests **AND** approves the 12 menu reduction options for Council consideration, the final 2024-2026 budget would be as follows.

Table 5 - 2024-2026 Budget with 12 Menu Reduction Options for Council Consideration  
Approved by Category:

2024-2026 Budget by Category	2024	2024	2025	2025	2026	2026
Budget Category	% change	\$ change	% change	\$ change	% change	\$ change
Base Budget (Includes Efficiencies / Improvements)	2.48%	\$37	3.10%	\$48	3.11%	\$51
Operating Impacts of Capital and Growth	0.70%	\$10	0.95%	\$15	0.64%	\$11
Subtotal	3.18%	\$47	4.05%	\$63	3.75%	\$62
Infrastructure Investment	0.76%	\$11	0.74%	\$12	0.64%	\$11
Service Level Changes	2.02%	\$30	1.77%	\$28	2.05%	\$34
<b>Total</b>	<b>5.96%</b>	<b>\$88</b>	<b>6.56%</b>	<b>\$103</b>	<b>6.44%</b>	<b>\$107</b>

The annual property tax impact (with the 12 menu reduction options activated by Council) of the 5.96% - 6.44% budget to the average household would be \$88 (2024), \$103 (2025) and \$107 (2026) for a 2024-2026 total of \$298 compared to the staff tabled budget total of \$336 over 2024-2026.

All menu reduction options and any menu additions that Council may wish to bring forward will be considered by Council as part of agenda item 10. I) 2024 - 2026 Budget Menu List / Other Changes. The final 2024-2026 budget will be subject to decisions made by Council on February 12, 2024.