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COUNCIL MEETING AGENDA

Monday, February 12, 2024
12:30 PM

2024-2026 BUDGET MEETING

Councilor Freeman in the Chair

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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

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**

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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**

9. STAFF REPORTS

- a) **Title:** **Regulation 284-09 Budget Expense Exclusions** **Page 51**
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. **LIST TO FOLLOW.**

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
590 – Beaver Creek Road & Conservation Drive Reconstruction - DebtDC	\$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
250 – Fire Rescue Expansion Fire DebtDC	\$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
696 –Union St. – King St. to Moore Ave. Debt Water	\$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
666 –City Wide City Road Share of Regional Major Reconstruction Projects Debt Water	\$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
555 –Structurally Deficient Watermain Rehab – City Wide Debt Water	\$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
532 –Denholm Pond Upgrades Debt Stormwater	\$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
533 –Forwell Creek Industrial Lands – Stormwater Management Debt Stormwater	\$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
548 –SWM Pond Sediment Removal and Retrofit Debt Stormwater	\$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
666 –City Wide City Road Share of Regional Major Reconstruction Projects Debt Stormwater	\$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
225 – Facility Transformational Projects Debt CIRRF	\$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



A meeting of the Council of The Corporation of the City of Waterloo was held on January 15, 2024 at 2:00 p.m. in the Council Chambers, 100 Regina Street, South, Waterloo, Ontario and streamed live via YouTube.



COUNCIL MEETING MINUTES -

DRAFT

Monday, January 15, 2024
2:00 PM

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

Councillor Roe in the Chair

1. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

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

2. CLOSED MEETING

Moved by Councillor Freeman, Seconded by Councillor Vasic:

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

- a) a proposed or pending acquisition or disposition of land by the municipality or local board (Lease Renewal);
- b) labour relations or employee negotiations (CUPE Update);
- c) a matter in respect of which a council, board, committee or other body may hold a closed meeting under another Act. (MFIPPA s. 10 (Third Party) and s. 11 (Economic Interests) (Enova update);
- d) position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality (Lease Renewal);

- e) personal matters about an identifiable individual, including municipal or local board employees (committee member update);
- f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose (committee member update).

Carried Unanimously

Council meeting recessed:	(Time: 2:01 p.m.)
Council meeting reconvened:	(Time: 3:55 p.m.)

3. TERRITORIAL ACKNOWLEDGEMENT

Councillor Roe opened the meeting with the following Territorial Acknowledgement:

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

Councillor Roe reminded Council and Staff that Brian Hill has provided everyone with a copy of the Truth and Reconciliation Calls to Action.

4. MOMENT OF REFLECTION

Councillor Roe provided Council with a moment of reflection.

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

5. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

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

6. APPROVAL OF MINUTES

That the previous meeting minutes be approved.

a) November 27, 2023 – Council Meeting

Moved by Councillor Freeman, Seconded by Councillor Hanmer:

That the minutes of the Council meeting held on November 27, 2023 be approved as printed.

Carried Unanimously

b) December 4, 2023 – Council Meeting

Moved by Councillor Freeman, Seconded by Councillor Hanmer:

That the minutes of the Council meeting held on December 4, 2023 be approved as printed.

Carried Unanimously

c) December 11, 2023 – Council Meeting

Moved by Councillor Freeman, Seconded by Councillor Hanmer:

That the minutes of the Council meeting held on December 11, 2023 be approved as printed.

Carried Unanimously

d) December 18, 2023 – Special Council Meeting

Moved by Councillor Freeman, Seconded by Councillor Hanmer:

That the minutes of the Special Council meeting held on December 18, 2023 be approved as printed.

Carried Unanimously

7. PRESENTATIONS

a) Integrated Planning and Public Works Business Plan

Ron Ormson, Commissioner, Integrated Planning and Public Works introduced the business plan for 2024-2026 and each of the Directors who would be speaking. Joel Cotter, Senior Director, IPPW, Director, Planning & City Planner gave an overview of the key initiatives and community impacts for Planning. Francis Reyes, Director, Engineering Services presented the key initiatives and community impacts for Engineering Services. Beth Maxwell, Director, Building Standards & Chief Building Official provided an overview of the key initiatives and community impacts for Building Standards. Bob Henderson, Director, Transportation Services gave an overview of the key initiatives and community impacts for Transportation Services. Leigh McDermott, Director, City Utilities presented the key initiatives and community impacts for City

Utilities. Ron Ormson concluded the presentation with the menu items available for Council on budget day. Councillor Freeman added some additional remarks surrounding budget. They then responded to questions of Council. Brad Witzel and Tracie Bell also responded to questions of Council.

Councillor Vasic left the meeting. (Time: 5:13 p.m.)

Councillor Vasic joined the meeting. (Time: 5:16 p.m.)

Councillor Bodaly left the meeting. (Time: 5:20 p.m.)

Councillor Bodaly joined the meeting. (Time: 5:22 p.m.)

8. **CONSENT MOTION**

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

- a) Title: 2024 Generally Recruited Committee
Mid-term Appointments**
Report No.: CORP2024-001
Prepared By: Kevin Gerlach

Moved by Councillor Freeman, Seconded by Councillor Hanmer:

1. That staff report CORP2024-001 be approved.
2. That Council enact the appropriate by-law to appoint the recommended members to committees.

Carried Unanimously

- b) Title: Hearing Officer Appointments**
Report No.: COM2024-007
Prepared By: Grant Curlew

Moved by Councillor Freeman, Seconded by Councillor Hanmer:

1. That Council approve report COM2024-007.
2. That Council appoint Janet Rutherford, Kris Fletcher, Emile Ramlochan, Daniela Corapi, and Ben Drory as Hearing Officers for the purpose of hearing Administrative Monetary Penalty System matters, business licensing appeals and/or any further matter or appeal to which a further by-law has been passed or amended in the future and which provides authority to a Hearing Officer to hear.

3. That Council establish a per diem hearing remuneration of \$260/half day or \$520/full day.

Carried Unanimously

9. ITEMS REMOVED FROM THE CONSENT MOTION

None.

10. STAFF REPORTS

DEFERRED ITEM: The Item advertised for consideration of declaring Parts 2 & 4 on Plan 58R-21605, located on the north side of Millennium Blvd surplus is deferred until February 26, 2024.

- a) **Title:** **Construction Communications
Best Practices**
Report No.: IPPW2024-003
Prepared By: Louise Finlay, Stacey Abbott, Amy Ross

Louise Finlay and Jessica Brown provided an overview of the report and responded to questions of Council.

Moved by Councillor Hanmer, Seconded by Mayor McCabe:

1. That Council receive report IPPW2024-003 as information.
2. That Council direct staff to include information regarding Construction Communications Best Practices in the annual update on integrated accessibility initiatives.

Carried Unanimously

- b) **Title:** **AMCC Sportsplex & WPL McCormick
Branch Library Renovation Project –
Funding Release Request**
Report No.: COM2024-002
Prepared By: Heather Liddycoat

Kevin Van Ooteghem gave a brief introduction to the presentation and to Heather. Heather Liddycoat gave a presentation outlining the Renovation Project and its two phases. She then responded to questions of Council. Kevin Van Ooteghem also responded to questions of Council.

Moved by Councillor Roach, Seconded by Councillor Wright:

1. That Council approve report COM2024-002.
2. That Council approve the release of 2024 non-routine funding for the Albert McCormick Community Center (AMCC) Sportsplex & Waterloo Public Library (WPL) McCormick Branch Library Renovation project, in the amount of \$1,500,000, from the staff tabled 2024-26 Capital Budget and 2027-2033 Capital Forecast (ref#222), \$512,400 funded from the Capital Reserve Fund and \$987,600 funded from the Library Expansion Reserve Fund, in order to proceed with design work.
3. As approved for early capital release via CORP2023-049 Early Approval of Capital Projects on Dec. 11, 2023, and that the funds be released to the AMCC Sportsplex & WPL McCormick Branch Library Renovations project #230017.

Carried Unanimously

c) **Title: West Side Satellite Operations Centre – Funding Release Request**
 Report No.: COM2024-001
 Prepared By: Heather Liddycoat, Sunda Siva

Sunda Siva responded to questions of Council.

Moved by Councillor Hanmer, Seconded by Councillor Bodaly:

1. That Council approve report COM2024-001.
2. That Council approve the release of 2024 non-routine funding for the for West Side Satellite Operations Centre Feasibility Study, in the amount of \$75,000, from the staff tabled 2024-2026 Capital Budget and 2027-2033 Capital Forecast (ref# 236), \$71,000 to be funded from Development Charges Fund and \$4,000 from Capital Reserve Fund (CRF), as approved for early capital release via CORP2023-049 Early Approval of Capital Projects on Dec. 11, 2023 and that the funds be released to the West Side Satellite Operations Centre project 220009.
3. That Council direct staff to retain a qualified consultant to assess its feasibility from Operational, Health and Safety and Financial point of views.

Carried Unanimously

d) Title: Ratification of Canadian Union of Public Employees (CUPE) Local 1542 Agreement 2024-2027

Report No.: CORP2024-003

Prepared By: Kathy Weidhaas

Moved by Councillor Vasic, Seconded by Councillor Freeman:

1. That Council approve CORP2024-003 and the terms of settlement between the Corporation of the City of Waterloo and the Canadian Union of Public Employees (CUPE) Local 1542 covering the period of January 1, 2024 to December 31, 2027.
2. That the Mayor and Clerk be authorized to sign the settlement agreement with the Canadian Union of Public Employees (CUPE) Local 1542 covering the period of January 1, 2024 to December 31, 2027 and any other related documents.

Carried Unanimously

11. NEW BUSINESS

Councillor Freeman asked Council for a motion to put her name forward to serve on the Board of Directors for Good Roads.

Moved by Mayor McCabe, Seconded by Councillor Bodaly:

That Council supports the nomination of Councillor Diane Freeman to the 2024-2025 Good Roads Board of Directors.

Carried Unanimously

Councillor Vasic wanted to highlight Skate Night, Date Night happening in Uptown Public Square every Wednesday in January and February. In particular, she highlighted DJ King Kadeem's music, and the connection to the budget.

Councillor Hanmer commented that the PWHL launched their season on January 1st, with several Waterloo residents playing: Loren Gabel, Emma Woods, and Carley Olivier. Emma and Carley are playing for New York, while Loren is playing for Boston.

Councillor Hanmer also mentioned that the U18 Hockey Women's World's Championship were held from January 6-14, and Canada won bronze. Waterloo's Caitlin Kraemer and Abby Stonehouse are both on the team and did very well. They play in Waterloo at RIM Park at 2pm on Sunday afternoons and there is no cost to watch.

Councillor Hanmer had the privilege of attending a joint Ministry announcement that morning, January 15, with funding coming into the area. The Ministry of Health and Ministry of Children, Community and Social Services provided an update that the province would be investing \$7.7 million to support programs and services with KidsAbility Centre for Child Development, Grand River Hospital, and the Guelph Community Health Centre.

Councillor Wright wanted to acknowledge the Transportation Team for their amazing job on snow clearing after the big storm on Friday night, January 12. She and Mayor McCabe had the opportunity to ride with some of the plow operators on Tuesday morning (January 9) to see how the operation works.

Councillor Roe wanted to acknowledge that Brian Hill left the Truth and Reconciliation: Calls to Action booklet with everyone around the horseshoe. She wanted to thank Brian as they move forward in 2024 and beyond, to keep it in mind as they move towards reconciliation, what it means, and how they can implement that in their day-to-day work at the City.

12. ENACTMENT OF BY-LAWS

Moved by Councillor Hanmer, Seconded by Councillor Freeman:

That the By-laws listed below be read a first, second and third time and finally passed, numbered sequentially commencing with By-law Number 2024-001 and that the Mayor and Clerk be authorized to sign them accordingly.

- | | | |
|----|-----------------|---|
| a) | By-law 2024-001 | By-law to amend by-law 2023-004 being a by-law to provide for the appointment of community representatives of the City of Waterloo on various committees for the term ending November 14, 2024 (CORP2024-001, January 15, 2024) |
| b) | By-law 2024-002 | By-law to confirm all actions and proceedings of Council, January 15, 2024 |

Carried Unanimously

13. ADJOURNMENT

Moved by Mayor McCabe, Seconded by Councillor Wright:

That the meeting adjourn.

(Time: 6:09 p.m.)

Carried Unanimously

READ AND APPROVED, February 12, 2024

Mayor

City Clerk



STAFF REPORT
Finance

Title: Regulation 284-09 Budget Expense Exclusions
Report Number: CORP2024-006
Author: Paul Hettinga
Council Date: February 12, 2024
File: n/a
Attachments: n/a
Ward No.: all

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.

A. Executive Summary

As part of the Public Sector Accountability Board's (PSAB) Tangible Capital Asset regulations, Ontario Regulation 284/09 allows exclusion of expenses for amortization, post-employment benefits and solid waste landfill closure in a municipality's budget. It further requires that the municipality report on whether they budgeted these expenses, and that report must be adopted by resolution. Only amortization expenses are excluded from the City of Waterloo 2024-2026 budget. Amortization expense is the attribution (charging or writing off) of capital cost over the estimated useful life of the asset.

B. Financial Implications

There are no direct financial impacts from the exclusion of the amortization expense, as the annual budget is prepared on a cash flow basis. This is simply an accounting reconciliation between the two reporting methods. The audited financial statements will show a large annual surplus when compared to the balanced annual budgets presented to Council, as amortization is included but capital expenditures are not. Further information on the accumulated surplus can be found in CORP2023-037 2022 Consolidated Financial Statements.

Our current infrastructure funding gap to replace infrastructure at the end of its useful life could have been partially mitigated, if previously the City had chosen to budget for amortization annually but variances would still remain between historic cost amortization and current replacement cost as seen in Table 1. If the City had budgeted for amortization of approximately \$29 million a year, since Tangible Capital Asset reporting was required under PSAB in 2009, the infrastructure gap would have reduced from the current estimate of \$54.3 million to well below \$25 million. The increased funding over that period would significantly reduce the annual requirement of \$85.8 million.

C. Technology Implications

n/a

D. Link to Strategic Plan

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

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

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

E. Previous Reports on this Topic

- CORP2023-006 Regulation 284-09 Budget Expense Exclusions (2023 budget)
- CORP2020-005 Regulation 284-09 Budget Expense Exclusions (2020-2022 budget)



Regulation 284-09 Budget Expense Exclusions CORP2024-006

Starting with the 2009 year end, accounting standards and reporting requirements changed dramatically; most significantly with the introduction of tangible capital asset accounting. The new accounting standards, however, do not require budgets to be prepared on the same basis.

The City of Waterloo, like most municipalities, continues to prepare budgets on the modified cash basis. The annual budget of a municipality is an important exercise, one that plans for current and future activities and acquisitions. A key outcome of the annual budget is a tax rate that Council is asked to approve. This tax rate is based on a “cash basis” of accounting for the most part, and therefore does not include the Public Sector Accounting Board (PSAB) requirements around accrual accounting and accounting for “nonfinancial assets and liabilities”.

The Province of Ontario passed Ontario Regulation 284/09 (O. Reg 284/09) that allows a municipality to exclude from their estimated expenses, budget costs related to amortization expenses, post-employment benefit expenses and solid waste landfill closure and post-closure expenses. However, the regulation does require that the municipality report on the impact and consequences of these excluded costs.

The City of Waterloo, in developing its budget for the year 2024-2026

1. Excluded amortization expenses, estimated to be approximately \$29 million annually, since amortization is a non-cash expense; this amortization is based on the historic cost basis of accounting from the 2022 Audited Financial Statements.
2. Included future post-employment benefits for dental and health care expenses only, for the City’s eligible retired employees, between the times of their early retirement until they reach age 65. The annual budget for 2023 is \$261,103 and is included as part of the corporate transactions budget.
3. Excluded solid waste landfill closure and post-closure expenses, as the City of Waterloo does not own/operate a landfill site.

Financial Implications

The City of Waterloo has continued to present the operating and capital budgets on a Non-PSAB basis, as allowed under Provincial regulation. The estimated impact on the accumulated surplus of the City for 2023 resulting from the exclusion of these expenses from the budget is as follows:

Table 1
Impact of Amortization and Other PSAB adjustments to Audited Financial Statements

2024-2026	2024	2025	2026	Asset Management Plan (AMP)	
PSAB Additions to Budget (reduces Surplus):					
Tangible Capital Asset Amortization	\$ (29,000,000)	\$ (29,000,000)	\$ (29,000,000)	\$(85,815,000)	Annual Requirement to meet target performance
Total PSAB Additions	\$ (29,000,000)	\$ (29,000,000)	\$ (29,000,000)	\$(85,815,000)	
PSAB Reduction to Budget (increases Surplus):					
Tangible Capital Asset Acquisitions	\$ 131,138,000	\$110,328,000	\$ 107,102,000	\$31,505,000	Annual Funding Replacement/Rehab
Debt Principal Payments	5,007,646	6,824,676	10,043,232		
Total PSAB Reductions	\$136,145,646	\$117,152,676	\$117,145,232	\$31,505,000	
Net Increase in Accumulated Surplus on Audited Statements	\$107,145,646	\$88,152,676	\$88,145,232	(54,310,000)	Annual Funding Gap

There is no financial impact from the exclusion of the amortization expense, as the annual budget is prepared on a cash flow basis. This is simply an accounting reconciliation between the two reporting methods. Further information on the accumulated surplus can be found in CORP2023-0037 2022 Consolidated Financial Statements.

The annual differential between the amount of tangible capital assets acquisitions that are replacement/rehabilitation in budgets versus what should be replaced or rehabilitated to maintain an acceptable level of performance from the City's infrastructure assets is the primary contributor to the annual escalation of the infrastructure deficit. The most recent Asset Management update on November 20, 2023, indicated an annual funding gap of approximately \$54.3 million (\$37.6 million for tax based funded assets and \$16.7 million for enterprise funded assets). Further information can be found in COPR2023-040 Asset Management Report Cards and Update.

It should be noted that tangible capital asset amortization is calculated on a straight-line basis over the estimated useful life of an asset. This can significantly differ from the actual replacement cost of an asset over a 40-60 year useful life. Current estimates of the annual requirements from the Asset Management Report Cards Report indicate an annual funding requirement to meet target performance of \$85.8 million. As indicated above only the tangible capital asset acquisitions that are considered replacement or rehabilitating should be considered in relation to the funding requirement. The Asset Management Report Cards Report estimates this funding to be an average of \$31.5million resulting in an average funding gap of \$54.3 million based on current replacement costs vs the annual Tangible Capital Asset Amortization value of \$29 million.