



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



COUNCIL MEETING AGENDA

Monday, June 17, 2024

2:00 PM

Councillor Freeman in the Chair

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

Recommendation:

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

- a) personal matters about an identifiable individual, including municipal or local board employees (labour group compensation, WPPFA update);
- b) a proposed or pending acquisition or disposition of land by the municipality or local board (potential disposition of city-owned lands);
- c) labour relations or employee negotiations (labour group compensation, WPPFA update);
- d) advice that is subject to solicitor-client privilege, including communications necessary for that purpose (potential disposition of city-owned land);
- e) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization/ information that belongs to the municipality or local board and has monetary value or potential monetary value (potential disposition of city-owned land); and,

- f) a 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 or local board (potential disposition of city-owned land).

COUNCIL MEETING WILL RECESS AND RECONVENE AT 3:00 PM

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

That the previous meeting minutes be approved.

- a) **May 6, 2024 – Council Meeting** **Page 11**

Recommendation:

That the minutes of the Council meeting held on May 6, 2024 be approved as printed.

- b) **May 13, 2024 – Council Meeting** **Page 18**

Recommendation:

That the minutes of the Council meeting held on May 13, 2024 be approved as printed.

- 7. **CONSENT MOTION**

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

- a) **Title:** **Button Factory Lease Renewal** **Page 27**
Report No.: COM2024-029
Prepared By: Liz Williams

Recommendation:

1. That Council approve report COM2024-029.
2. That Council approve the lease renewal for the Button Factory Arts at 25 Regina Street South according to the Terms and Conditions as outlined in this report.
3. That the Mayor and Clerk be authorized to sign the Lease Amending Agreement and any other necessary documents, subject to the satisfaction of the City's Solicitor.

b) Title: **Rink in the Park Lease Renewal** **Page 29**
Report No.: COM2024-028
Prepared By: Liz Williams

Recommendation:

1. That Council approve report COM2024-028.
2. That Council approve the Lease Amending Agreement for Athletic Association of Kitchener and Waterloo (known as KW Granite Club) at Rink in the Park (99 Seagram Drive) according to the Terms and Conditions as outlined in report COM2024-028.
3. That the Mayor and Clerk be authorized to sign the Lease Amending Agreement and any other necessary documents, subject to the satisfaction of the City's Solicitor.

c) Title: **Part Lot Control Exemption PC-01-23, Wm. J. Gies Construction, 450 and 451 Westhaven Street** **Page 31**
Report No.: IPPW2024-031
Prepared By: Amanda Wyszynski

Recommendation:

1. That Council approve report IPPW2024-031.
2. That Council provide, by by-law, a Part Lot Control Exemption PC-01-23 pursuant to subsection 50(7) of the Planning Act for Blocks 127 and 129 on Plan 58M-483, provided that the lotting is in accordance with Parts 1 to 14 (inclusive), Plan 58R-21646, and provided that any conveyance effected in reliance of the exemption is consented to by the City of Waterloo's Director of Planning.

3. That Council authorize the City's Director of Planning to execute agreements and all other documents related to the Part Lot Control Exemption PC-01-23, provided the form and content of such agreements and documents is consistent with the division of land as shown on Reference Plan 58R-21646, and such documents are to the satisfaction of the City Solicitor.
4. That Council request that the Regional Municipality of Waterloo approve the Part Lot Control By-Law PC-01-23 for Blocks 127 and 129 on Plan 58M-483, in accordance with Section 50(7.1) of the Planning Act and IPPW2024-031.

d) **Title:** **Federation of Canadian Municipalities** **Page 41**
Green Municipal Fund Sustainable
Municipal Buildings GHG Study Grant
Report No.: COM2024-024
Prepared By: Scott Prevost

Recommendation:

1. That Council approve COM2024-024.
2. That Council direct staff to prepare an application to the Federation of Canadian Municipalities Green Municipal Fund Sustainable Municipal Buildings grant program under the study stream, in support of completing a greenhouse gas emission reduction study at Fire Station 1, Fire Station 2, Fire Station 3, Fire Station 4, Waterloo City Centre, Waterloo Park Service Building, and Waterloo Service Centre.
3. That should the City's application be successful, Council authorize the Mayor and Clerk to sign the grant transfer payment agreement and any other related documents.
4. That Council acknowledge the City of Waterloo's application to the Federation of Canadian Municipalities Green Municipal Fund Community Building Retrofit grant program to complete greenhouse gas emission reduction studies at Canadian Clay and Glass Gallery, Manulife Sportsplex and Healthy Living Centre, Moses Springer Community Centre, Waterloo Memorial Recreation Complex, Waterloo Public Library Harper Branch and Stork Family YMCA, and Waterloo Public Library Main Branch, which has been approved by the Extended Corporate Management Team in accordance with the City's grant policy.

- e) **Title:** **2023 Year End Capital Report** **Page 48**
Report No.: CORP2024-031
Prepared By: Kim Reger

Recommendation:

1. That Council receives report CORP2024-031, 2023 Year End Capital Report, for information.

- f) **Title:** **2024 Preliminary Surplus-Deficit Projection – April** **Page 68**
Report No.: CORP2024-008
Prepared By: Brad Witzel and Michael Pugliese

Recommendation:

1. That Council approve report CORP2024-008.
2. That as part of report CORP2024-008 Council acknowledges the projected 2024 net tax base surplus of \$0.2 million.
3. That as part of report CORP2024-008 Council acknowledges the projected 2024 net Enterprise surplus of approximately \$43,000.
4. That Council directs staff to provide a follow up surplus-deficit projection report in the fall of 2024.

8. ITEMS REMOVED FROM THE CONSENT MOTION

9. STAFF REPORTS

- a) **Title:** **Eby Farm Playground Expansion – Award of Tender RFT24-11** **Page 83**
Report No.: COM2024-027
Prepared By: Hala Al Amine and Amy Ross

Delegations:

1. Paula Saunders, Chair, Built Environment Subcommittee, GRAAC

Recommendation:

1. That Council approve report COM2024-027.

2. That Council approve the award of RFT 24-11 Eby Farm Playground Expansion for the submitted price of \$626,476.82 including added provisional items in the amount of \$153,603.91 plus unrecoverable HST in the amount of \$13,729.42 for a total award value of \$793,810.15.
3. That Council approve project transfers to the Accessible Playground project 220029 totaling \$700,000 funded \$520,000 from the Park Strategy Implementation project 170005, and \$130,000 from the Playground Equipment project 110083 and \$50,000 from the Park Shade Structure project 220005.
4. That the Mayor and Clerk be authorized to sign the Agreement between The Corporation of the City of Waterloo and Lyncon Construction Inc., and any other documents related to this project, subject to the satisfaction of the City Solicitor.

b) **Title:** 2024 Asset Management Plan
Report No.: CORP2024-018
Prepared By: Cassandra Pacey

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Presentation: Cassandra Pacey

Recommendation:

1. That Council approves CORP2024-018;
2. That Council endorses the 2024 Asset Management Plan; and
3. That Council acknowledges the 2023 average annual infrastructure funding gap of \$54.3 million (\$37.6 million for tax-funded assets and \$16.8 million for enterprise-funded assets); and
4. That Council direct staff to continue advocating for environmental sustainability, climate change and sustainable infrastructure grant funding recognizing that funding support from all levels of government is needed to enable the City to reach its corporate GHG emissions reduction targets of 50% by 2030 (2010 baseline) and net-zero by 2050 while maintaining infrastructure to provide valued services to the City; and
5. That Council directs staff to publish the 2024 Asset Management Plan on the City's website as required by Ontario Regulation 588/17.

c) **Title:** **Parkland Strategy Implementation and St. Moritz Community Park Project – Funding Release Request** **Page 120**

Report No.: COM2024-026
Prepared By: Anna lee Sangster

Recommendation:

1. That Council approve report COM2024-026.
2. That Council approves the release of 2024 non-routine capital funding for Park Strategy Implementation project (ref#295) in the amount of \$299,000 from the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast.
3. That Council approves the release of 2025 non-routine capital funding on January 1, 2025, for the Park Strategy Implementation project (re#295), in the amount of \$318,000 from the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast.
4. That Council approves the release of 2026 non-routine capital funding on January 1, 2026, for the Park Strategy Implementation project (re#295), in the amount of \$338,000 from the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast.
5. That Council approves the release of 2024 non-routine capital funding for St. Moritz Community Park (ref#303) in the amount of \$239,000 from the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast.

d) **Title:** **Beaver Creek Road and Conservation Drive – Award of Sanitary Pumping Station Design and Contract Administration and Inspection Services** **Page 128**

Report No.: IPPW2024-033
Prepared By: Dan Ditaranto

Recommendation:

1. That IPPW2024-033 be approved.

2. That Council approve the award of engineering design and tendering services for the Beaver Creek Meadows sanitary pumping stations, as well as contract administration and inspection services for the Beaver Creek Road and Conservation Drive reconstruction project (Ref. #590), to Stantec Consulting Ltd. for the submitted fee estimate of \$2,602,135 plus unrecoverable HST in the amount of \$45,798 for a total award value of \$2,647,933.
3. That the Mayor and Clerk be authorized to sign the Agreement between The Corporation of the City of Waterloo and Stantec Consulting Ltd., and any other documents related to this project, subject to the satisfaction of the City Solicitor.

COUNCIL MEETING WILL RECESS AND RECONVENE AT 6:30 PM

10. STAFF REPORTS continued

- a) **Title:** **2022 Waterloo Region Community Greenhouse Gas Inventory** **Page 132**
 Report No.: CAO2024-021
 Prepared By: Ena Ristic

Introductory Remarks: Ena Ristic

Presentation: Kyra Chisholm, Plan Manager, ClimateActionWR
 Tova Davidson, Executive Director, Sustainable WR
 Patrick Gilbride, Executive Director, Reep Green Solutions

Recommendation:

1. That Council receive report CAO2024-021 summarizing the 2022 Region of Waterloo greenhouse gas inventory as information.

- b) **Title:** **Indoor Community Space Strategy** **Page 141**
 Report No.: COM2024-025
 Prepared By: Travis McCallum and Beth Rajnovich

Presentation: Travis McCallum

Recommendation:

1. That Council approve report COM2024-025.

2. That Council approve the Indoor Community Space Strategy in principle for inclusion and future development as part of the upcoming Sport, Recreation and Leisure Strategy project.

c) **Title:** **Rental Housing Regulation Review** **Page 173**
Report No.: COM2024-023
Prepared By: Grant Curlew, Michelle Lee, and Tanja Curic

Presentation: Grant Curlew

Recommendation:

1. That Council approve report COM2024-023.
2. That Council direct staff to review the current rental licensing regulations and return to Council with recommendations and, if determined to be appropriate, proposed regulations, in accordance with section 2A of this report.
3. That Council direct staff to complete further research and consultation, including municipal peer review, on a Short-Term Rental (STR) licensing program and return to Council with recommendations and, if determined to be appropriate, proposed regulations, in accordance with section 2B of this report.
4. That Council direct staff to complete further research and consultation, including municipal peer review, on a mid-rise and high-rise safety inspection program and return to Council with proposed regulations, if determined to be appropriate, in accordance with section 2C of this report.
5. That Council direct staff to consider the feasibility and merits of allocating a portion of the Affordable Housing Reserve to support existing tenant support programs (Item #3 in section 2D of this report) and to return to Council with recommended next steps.
6. That Council direct staff to explore the relative costs and benefits of funding an eviction regulation program versus funding a longer-term City's Multi-Unit Residential Acquisition (MURA) program (Item #4 in section 2D of this report); and return to Council with additional information and recommend next steps.

11. CONSIDERATION OF NOTICE OF MOTION GIVEN AT PREVIOUS MEETING

None

12. NOTICE OF MOTION

None

13. COMMUNICATIONS AND CORRESPONDENCE

None

14. UNFINISHED BUSINESS

None

15. QUESTIONS

16. NEW BUSINESS

- a) Regional All-Council Meeting – June 21, 2024, 2:00 p.m.

17. 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 2024-053 and that the Mayor and Clerk be authorized to sign them accordingly.

- a) By-Law to Exempt Blocks 127 and 129, Registered Plan 58M-483, from the Provisions of Subsection 50(5) of the Planning Act, R.S.O. 1990 c.P.13, As Amended for 450 and 451 Westhaven Street (IPPW2024-031, Council June 17, 2024)
- b) By-law to confirm all actions and proceedings of Council, June 17, 2024

18. ADJOURNMENT



A meeting of the Council of The Corporation of the City of Waterloo was held on May 6, 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, May 6, 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 Bodaly in the Chair

1. DISCLOSURE OF PECUNIARY INTEREST AND THE GENERAL NATURE THEREOF

Councillor Hanmer declared a conflict with respect to the closed meeting due to a conflict of interest as it relates to volunteer commitment.

Councillor Freeman declared a conflict with respect to the closed meeting and item 7b) due to a conflict of interest as it relates to place of employment.

Councillor Vasic declared a conflict with respect to item 7a) due to a conflict of interest as it relates to place of study.

2. CLOSED MEETING

Moved by Councillor Wright, Seconded by Councillor Roach:

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

- a) labour relations or employee negotiations (labour group compensation, WPPFA update);
- b) the security of the property of the municipality or local board (emergency procedures training);

- c) educating or training the members and discussion will not deal with any matter in a way that materially advances the business or decision-making of the council, local board or committee (emergency procedures training, labour group compensation);
- d) advice that is subject to solicitor-client privilege, including communications necessary for that purpose (OLT updates);
- e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board (OLT updates);
- f) a proposed or pending acquisition or disposition of land by the municipality or local board (site selection recommendations); and
- g) a matter in respect of which a council, board, committee or other body may hold a closed meeting under another Act [e.g. the Municipal Freedom of Information and Protection of Privacy Act] (site selection recommendations).

Carried Unanimously

Council meeting recessed:

(Time: 2:02 p.m.)

Council meeting reconvened:

(Time: 6:30 p.m.)

3. TERRITORIAL ACKNOWLEDGEMENT

Councillor Bodaly opened the meeting with the following Territorial Acknowledgement:

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

4. MOMENT OF REFLECTION

Councillor Bodaly 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

Councillor Vasic declared a conflict with respect to item 7a) due to a conflict of interest as it relates to place of study.

Councillor Freeman declared a conflict with respect to item 7b) due to a conflict of interest as it relates to place of employment.

6. STAFF REPORTS

- a) **Title:** **Award of Tender RFT24-06 Reconstruction of Waterloo Street (Roger to Moore) and part of Moore Avenue South**
 Report No.: IPPW2024-019
 Prepared By: Gavin Vermeer

Moved by Councillor Freeman, Seconded by Councillor Roach:

1. That IPPW2024-019 be approved.
2. That Council approve the award of RFT24-06 Reconstruction of Waterloo Street and Part of Moore Avenue South to Terracon Underground Ltd. for the submitted price of \$1,888,497.06 plus unrecoverable HST in the amount of \$33,237.55 for a total award value of \$1,921,734.61.
3. That the Mayor and Clerk be authorized to sign the Agreement between The Corporation of the City of Waterloo and Terracon Underground Ltd, and any other documents.

Carried Unanimously

Having previously declared a conflict of interest, Councillor Vasic left the meeting
(Time: 6:32 p.m.)

7. PUBLIC MEETINGS

Formal Public Meeting

- a) **Title:** **Official Plan Amendment No. 38 and Zoning By-law Amendment Z-22-09, Wilfrid Laurier University, for 150-152 Albert Street**
 Report No.: IPPW2024-025
 Prepared By: Rita Szilock
 Ward No.: 7-Uptown Ward

Rita Szilock gave a presentation with a brief overview of the proposed development, including the site context and the current planning framework. She then responded to questions of Council.

Kristen Barisdale, GSP Group gave a presentation further detailing the application, including the proposed development of the internal spaces. She then responded to questions of Council.

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

Moved by Councillor Wright, Seconded by Mayor McCabe:

1. That Council approve Staff Report IPPW2024-025.
2. That Council adopt Official Plan Amendment No. 38 (OPA38), Wilfrid Laurier University, 150-152 Albert Street, as set out in Section 7 of Staff Report IPPW2024-025.
3. That Council request that the Regional Municipality of Waterloo approve Official Plan Amendment No. 38 (OPA 38), in accordance with Section 7 of Staff Report IPPW2024-025.
4. That Council approve Zoning By-law Amendment Z-22-09, Wilfrid Laurier University, 150-152.

Carried Unanimously

Councillor Vasic having previously declared a pecuniary interest was absent for the taking of the vote.

Having previously declared a conflict of interest, Councillor Freeman left the meeting
(Time: 6:50 p.m.)

Councillor Vasic joined the meeting. (Time: 6:53 p.m.)

b)	Title:	Zoning By-law Amendment Z-23-14, Chabad Lubavitch of the Region of Waterloo, 251 Albert Street
	Report No.:	IPPW2024-010
	Prepared By:	Aminu Bello
	Ward No.:	Ward 6: Central - Columbia

Aminu Bello gave a presentation with a brief overview of the proposed development, including the current site context and the intended internal spaces. Ron Ormson responded to questions of Council. Aminu Bello and Joel Cotter also responded to questions of Council.

Kristen Barisdale, GSP Group gave a presentation further outlining the proposed development and the intended internal spaces. She then responded to questions of Council.

Moshe Goldman, Chabad Lubavitch of the Waterloo Region spoke about the need for a larger community space and the changes to the zoning by-law. Noa Boulakia, Chabad Lubavitch of the Waterloo Region spoke about the community she feels at Chabad. Michael Bierstock, Chabad Lubavitch of the Waterloo Region spoke about the different needs that the new building will fulfill. Moshe Goldman responded to questions of Council. Joel Cotter and Aminu Bello also responded to questions of Council.

James Cheon, Resident of Waterloo spoke about the parking and safety concerns, and in support of the development proposed.

Eidan Erlich, Resident of Waterloo spoke about the community provided by the Chabad and Rabbi.

Paul Walman, Resident of Kitchener spoke about the importance of a Jewish education for his children and grandchildren.

Maryam Latifpoor, Resident of Waterloo spoke about the community and the safety that Chabad provides.

Erica Bailey, Resident of Waterloo spoke about the transportation in the area and the accommodations for drop-offs.

Andrei Vernescu, Resident of Kitchener spoke about the parking in relation for the childcare facility.

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

Joel Cotter responded to questions of Council.

Moved by Councillor Roe, Seconded by Councillor Hanmer:

1. That Council approve report IPPW2024-010.
2. That Council approve Zoning By-law Amendment Z-23-14, Chabad Lubavitch of the Region of Waterloo, 251 Albert Street, in accordance with Section 6 of IPPW2024-010.
3.
 - a. That Council authorize a parking exemption from the requirements of Zoning By-law 2018-050 for the lands known

municipally as 251 Albert Street, pursuant to Section 40 of the Planning Act, requiring a minimum of 26 parking spaces for a proposed development containing:

- a maximum 32 dwelling units (57 bedrooms);
- one (1) spiritual use; and
- one (1) child care centre for up to 25 children, in accordance with Appendix F of IPPW2024-010

with an amendment that the Commissioner of Integrated Planning & Public Works be directed to establish a lesser financial security in consultation with the applicant.

- b. That the Mayor and Clerk be authorized to sign a Section 40 Planning Act Agreement in accordance with IPPW2024-010, the form and content of which shall be to the satisfaction of the City's Commissioner of Integrated Planning and Public Works and the City Solicitor.
- c. That Exemption "C260" to Schedule C (Site Specific Zoning) of said By-law 2018-050, include the following regulation in addition to the recommendations in Section 6 of IPPW2024-010:
 - i. Notwithstanding anything to the contrary, for the lands known municipally as 251 Albert Street, (the "Lands"), a CHILD CARE CENTRE shall be permitted in STOREYS above the FIRST STOREY in a MIXED-USE BUILDING.

Carried Unanimously

Councillor Freeman having previously declared a pecuniary interest was absent for the taking of the vote.

8. NEW BUSINESS

Councillor Wright gave a shout out to everyone who led Jane's Walks this past weekend, May 3-5. She attended walks on Friday, May 3 and Saturday, May 4, and appreciates that these are community-run events giving neighbours an opportunity to learn more about each other.

Councillor Bodaly mentioned that the Mayor's State of the City and Council for a Day were last week on May 2. Grade 5 students were able to act as Council during a mock Council meeting and it was a lot of fun.

Councillor Vasic wanted to thank staff for organizing the new hire coffee hour last week on Friday, May 3, which gave new staff an opportunity to connect with each other and

Council. She heard from staff that it was a warm welcome, and there's a homey vibe to the City.

Councillor Roe mentioned that Adventure for Change had their first community cultural event on Thursday, May 2 at the WMRC Community Pavilion. There was food, a fashion show, and they showed a movie that they made about the refugee experience of coming from another country and adjusting to life in Canada.

9. ENACTMENT OF BY-LAWS

Moved by Councillor Wright, Seconded by Mayor McCabe:

That the By-laws listed below be read a first, second and third time and finally passed, numbered sequentially commencing with By-law Number 2024-043 and that the Mayor and Clerk be authorized to sign them accordingly.

- | | | |
|----|-----------------|--|
| a) | By-law 2024-043 | By-law to Amend By-law No. 2018-050, being a Zoning By-law controlling land use development within the City of Waterloo: 251 Albert St (IPPW2024-010, Council May 6, 2024) |
| b) | By-law 2024-044 | By-law to confirm all actions and proceedings of Council, May 6, 2024 |

Carried Unanimously

10. ADJOURNMENT

Moved by Councillor Roe, Seconded by Mayor McCabe:

That the meeting adjourn.

(Time: 8:33 p.m.)

Carried Unanimously

READ AND APPROVED, June 17, 2024

Mayor

City Clerk



A meeting of the Council of The Corporation of the City of Waterloo was held on May 13, 2024 at 2:01 p.m. in the Council Chambers, 100 Regina Street South, Waterloo, Ontario and streamed live via YouTube.



COUNCIL MEETING MINUTES -

DRAFT

Monday, May 13, 2024
2:01 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 Freeman in the Chair

1. TERRITORIAL ACKNOWLEDGEMENT

Councillor Freeman opened the meeting with the following Territorial Acknowledgement:

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

2. MOMENT OF REFLECTION

Councillor Freeman provided Council with a moment of reflection.

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

Councillor Freeman noted that this invocation was first used by Lynne Woolstencroft, former Mayor of Waterloo, and it was great to recognize her a few weeks ago and to continue to do so.

3. 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.

4. APPROVAL OF MINUTES

That the previous meeting minutes be approved.

a) April 15, 2024 – Council Meeting

Moved by Councillor Hanmer, Seconded by Councillor Roach:

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

Carried Unanimously

5. PRESENTATIONS

a) City of Waterloo Cycling Infrastructure

Bob Henderson, Director, Transportation Services offered introductory remarks about the video. Chris Hodgson, Manager, Active Transportation offered further remarks and thanked everyone for their work during the Ontario Bike Summit. He shared a video with Council showing the City of Waterloo's Cycling Infrastructure.

6. CONSENT MOTION

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

- a) Title: Commissioner Special Projects Update - 2023**
Report No.: CORP2024-025
Prepared By: Dean Vieira

Moved by Councillor Wright, Seconded by Councillor Roe:

1. That Council receives CORP2024-025 as information.

Carried Unanimously

- b) Title: 2023 Annual Statement of Development Charges**
Report No.: CORP2024-023
Prepared By: Mirela Oltean

Moved by Councillor Wright, Seconded by Councillor Roe:

1. That Council receives CORP2024-023, regarding the 2023 Treasurer's Statement on Development Charges, as information.

Carried Unanimously

- c) **Title:** **2023 Annual Statement of
Community Benefits Charges and
Parkland Dedication**
Report No.: CORP2024-024
Prepared By: Mirela Oltean

Moved by Councillor Wright, Seconded by Councillor Roe:

1. That Council receives CORP2024-024 as information.

Carried Unanimously

- d) **Title:** **2023 Year End Investment Report**
Report No.: CORP2024-026
Prepared By: Kim Reger

Moved by Councillor Wright, Seconded by Councillor Roe:

1. That Council receive report CORP2024-026 as information.

Carried Unanimously

7. ITEMS REMOVED FROM THE CONSENT MOTION

None.

8. STAFF REPORTS

- a) **Title:** **Waterloo Park – Eby Farmstead**
Report No.: COM2024-022
Prepared By: Robin Milne

Robin Milne gave a brief overview of the staff report and the recommendations to Council. He spoke about the Waterloo Park plan update and the need for additional engagement. He then responded to questions of Council.

Moved by Councillor Roe, Seconded by Councillor Hanmer:

1. That Council approve report COM2024-022.

2. That Council direct staff to move forward with a community engagement campaign that gauges the public's interest in alternative options for the Eby Farmstead operation.

Carried Unanimously

b) Title: Allocation of 2023 Surplus
Report No.: CORP2024-007
Prepared By: Paul Hettinga

Paul Hettinga offered introductory remarks to the staff report. Ron Ormson responded to questions of Council. Brad Witzel also responded to questions of Council.

Moved by Councillor Hanmer, Seconded by Mayor McCabe:

1. That Council approve report CORP2024-007.
2. That as part of report CORP2024-007 Council acknowledges a 2023 property-tax base surplus of \$1,865,330.
3. That Council approve the 2023 year-end property-tax base surplus of \$1,865,330 to be allocated to the following reserves as per the Surplus Allocation Policy (Appendix A):
 - 1) \$466,333 to the Tax Rate Stabilization Reserve (TRS)
 - 2) \$466,333 to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
 - 3) \$466,332 to the Climate Action Reserve Fund (CARF)
 - 4) \$466,332 to the Library Expansion and Rehabilitation Reserve Fund (LXPR)
4. That Council approve that any adjustments as a result of the year-end audit to the final surplus figure be transferred to the TRS (25%), CIRRF (25%), CARF (25%) and the LXPR (25%) in compliance with the Surplus Allocation Policy (FC-003).

Carried Unanimously

c) Title: Award of RFP24-01 – Consulting Services for AMCC Sportsplex & WPL McCormick Branch Library Renovation Project
Report No.: COM2024-021
Prepared By: Heather Liddycoat

Moved by Councillor Roach, Seconded by Councillor Roe:

1. That Council approve report COM2024-021.
2. That Council approve the award of RFP24-01 – Consulting Services - Albert McCormick Community Centre Renovation and Expansion Project and Energy and Accessibility Retrofit to ward99 architects inc. for the submitted price of \$733,716.00 plus unrecoverable HST in the amount of \$12,913.40 for a total award value of \$746,629.40.
3. That the Mayor and Clerk be authorized to sign the Agreement between The Corporation of the City of Waterloo and ward99 architects inc., and any other documents related to this project, subject to the satisfaction of the City's Solicitor.

Carried Unanimously

d) Title: Generation Park (West Side Employment Lands) Administration – Delegation of Authority Amendment and Amending Subdivision Agreement
 Report No.: CAO2024-016
 Prepared By: Kristin Sainsbury

Moved by Councillor Bodaly, Seconded by Councillor Hanmer:

1. That Council approve report CAO2024-016.
2. That Council authorize the Mayor and Clerk to execute and register on title the amending Subdivision Agreement in the substantial form and content as shown in Appendix B, and any other related document.
3. That Council approve the Sustainability Standards Administrative Procedure (Appendix C) to form part of the Sustainability Standards and direct staff to bring to council for consideration an amendment to the delegation by-law2017-082, as amended to enact such changes as required in the Procedure.

Carried Unanimously

e) Title: Waterloo Town Square: North Parking Lot Land Matters and Commencement of Expropriation Proceedings
 Report No.: CAO2024-019
 Prepared By: Christina Marina

Moved by Councillor Wright, Seconded by Councillor Vasic:

1. That CAO2024-019 report be approved:

- (a) That Council direct and authorize the City Solicitor to commence expropriation proceedings and make Application for Approval to Expropriate Land to Council for all right, title and interest in and to the lands legally described as:

PT MILL SQUARE AND PART OF ERB STREET PL 385
CITY OF WATERLOO being Part of PIN 22411-0263
(LT) designated as Parts 1 and 2 on the draft Reference
Plan prepared by James M. Laws of Van Harten
Surveying Inc., Project No. 29240-21 dated March 13,
2024 and bearing revision date March 20, 2024 attached
as Schedule "A" hereto (the "Lands")

for the municipal purpose(s) of: the advancement of a master plan for the short-term, medium-term and long-term use and development of lands at and in the vicinity of 45 Erb Street, in the City of Waterloo in furtherance of the economic and social well-being and parking rationalization of the City, implementation of community improvement objectives, realization of the Uptown Public Realm Strategy (March 19, 2019), promotion of good land use planning principles and Official Plan policies, implementation of Provincial Policy Statement policies, facilitation of required housing and considerations under Royal Assent of Bill 23 (More Homes Built Faster Act), together with completion of any future acquisitions and/or dispositions of land including transactions involving any or all of the Lands in furtherance of the foregoing municipal purposes and objectives.

- (b) Serve Notice of Application for Approval to Expropriate Land in connection with the application as described in paragraph (a) above in accordance with the Expropriations Act, R.S.O. 1990, c. E.26 (the "Act");
- (c) Forward any request for a hearing that may be received within the time prescribed under Section 6(2) of the Act to the Ontario Land Tribunal ("Tribunal");
- (d) Attend, with appropriate City Staff or legal counsel, any hearing to be held under Section 7 of the Act that may be scheduled, including filing and serving of Notice of Grounds and associated materials;

- (e) THAT arrangements be made for any report issued by the Tribunal pursuant to Section 7(6) of the Act to be brought to City Council for consideration;
- (f) THAT the City Solicitor is authorized to retain any professional advisor or expert deemed necessary or expedient in connection with the expropriation proceedings herein;
- (g) Discontinue expropriation proceedings, or any part thereof, upon registration on title of the required documentation to complete a transaction whereby the required interests in the Lands are secured or if otherwise deemed appropriate in the opinion of the City Solicitor; and
- (h) That the City Solicitor, and/or designate be authorized to do all things necessary and proper to be done in the furtherance of the above and to report thereon to Council in due course.

Carried Unanimously

9. QUESTIONS

Councillor Freeman had a question:

Can the City take a leadership role at AMO to put together a joint delegation of municipalities who have crossings of MTO highways breaking up their cities, in order to encourage the ministry to update their design guidelines?

Tim Anderson responded saying that they would add that to their list of delegation requests for AMO.

10. NEW BUSINESS

Councillor Vasic thanked the staff who organized the Health and Safety BBQ on Wednesday, May 8. She noted that it is always nice to connect with people around something important like creating a healthy and safe workplace.

Councillor Wright thanked the City team that coordinated Emergency Preparedness Week.

Councillor Hanmer mentioned that KidsAbility was opening new space that was nearly 20,000 sq ft in Kitchener. The grand opening was planned for May 14.

Councillor Roe mentioned that Words Worth Books celebrated their 40th anniversary on Saturday, May 11. She also gave a shout out to the BIA who worked hard to support local businesses.

Mayor McCabe attended the Building Black Communities Conference with Councillor Roach on Thursday May 9, which was jointly co-hosted by the University of Waterloo and Wilfrid Laurier. The event had excellent speakers and discussion. The conference also held an event in the evening at the Community Pavilion at the WMRC. She thanked staff for working in partnership with the universities to put these events on.

Councillor Freeman spoke about Parkwood Mennonite and their official ribbon cutting on their affordable housing units.

Councillor Freeman also mentioned that she was speaking at the Air and Waste Management Association International Conference this week. She was speaking on planning matters as they relate to air quality and providing the lens of an engineer and as a decision maker.

11. ENACTMENT OF BY-LAWS

Moved by Councillor Bodaly, Seconded by Councillor Vasic:

That the By-laws listed below be read a first, second and third time and finally passed, numbered sequentially commencing with By-law Number 2024-045 and that the Mayor and Clerk be authorized to sign them accordingly.

- | | | |
|----|-----------------|---|
| a) | By-law 2024-045 | By-law to appoint the Chief Building Official and Acting Chief Building Official(s) |
| b) | By-law 2024-046 | By-law to amend By-law 2017-082, as amended, to delegate authority to administer Generation Park Sustainability Standards (CAO2024-016, Council May 13, 2024) |
| c) | By-law 2024-047 | By-law to confirm all actions and proceedings of Council, May 13, 2024 |

Carried Unanimously

12. ADJOURNMENT

Moved by Councillor Roe, Seconded by Councillor Wright:

That the meeting adjourn.

(Time: 2:49 p.m.)

Carried Unanimously

READ AND APPROVED, June 17, 2024

Mayor

City Clerk



STAFF REPORT
Facility Design & Management Services

Title: Button Factory Lease Renewal
Report Number: COM2024-029
Author: Liz Williams, Real Estate and Leasing Consultant
Council Date: June 17, 2024
File: N/A
Attachments: None
Ward No.: 7

Recommendations:

1. That Council approve report COM2024-029.
2. That Council approve the lease renewal for the Button Factory Arts at 25 Regina Street South according to the Terms and Conditions as outlined in this report.
3. That the Mayor and Clerk be authorized to sign the Lease Amending Agreement and any other necessary documents, subject to the satisfaction of the City's Solicitor.

A. Executive Summary

The City of Waterloo and the Button Factory Arts (formerly the Waterloo Community Arts Centre) entered into an agreement on November 1, 1996, which granted the Button Factory Arts the right to utilize the former Button Factory, located at 25 Regina St S, for a five (5) year period commencing October 7, 1996.

The agreement has subsequently been renewed on four (4) occasions each at a five (5) year term. The latest agreement expired November 30, 2021 and the Button Factory Arts has agreed to extend the current lease for the Button Factory building at 25 Regina St S, Waterloo, under the following terms and conditions:

Space: Button Factory (25 Regina St S, Waterloo)

Terms: June 1st, 2024 – May 31st, 2029

Use: Community arts

B. Financial Implications

Should Council not approve this agreement, the City will be responsible for all utility, building maintenance and renovation costs.

C. Technology Implications

None

D. Link to Strategic Plan

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

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

Complete Community

E. Previous Reports on this Topic

CORP2016-078 License Agreement Renewal – Button Factory Arts



STAFF REPORT
Facility Design & Management Services

Title: Rink in the Park Lease Renewal
Report Number: COM2024-028
Author: Liz Williams, Real Estate and Leasing Consultant
Council Date: June 17, 2024
File: N/A
Attachments: None
Ward No.: 7

Recommendations:

1. That Council approve report COM2024-028.
2. That Council approve the Lease Amending Agreement for Athletic Association of Kitchener and Waterloo (known as KW Granite Club) at Rink in the Park (99 Seagram Drive) according to the Terms and Conditions as outlined in report COM2024-028.
3. That the Mayor and Clerk be authorized to sign the Lease Amending Agreement and any other necessary documents, subject to the satisfaction of the City's Solicitor.

A. Executive Summary

The Athletic Association of Kitchener and Waterloo (known as KW Granite Club) has agreed to extend the current lease for Rink in the Park, located at 99 Seagram Drive, for one year, under the following terms and conditions:

Space: Rink in the Park (99 Seagram Drive, Waterloo)

Terms: August 1st, 2024 – July 31st, 2025

Use: Athletic and social club

B. Financial Implications

Loss of revenue and operating and capital maintenance costs would be incurred by the City should the Lease Amending Agreement not be approved.

C. Technology Implications

None

D. Link to Strategic Plan

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

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

Operational Excellence and Community-centred

E. Previous Reports on this Topic

COM2021-021 Rink in the Park – Lease Renewal – Granite Club



STAFF REPORT
Planning

Title: Part Lot Control Exemption PC-01-23, Wm. J. Gies Construction,
450 and 451 Westhaven Street
Report Number: IPPW2024-031
Author: Amanda Wyszynski
Council Date: June 17, 2024
File: PLC-01-23
Attachments: Appendix A – Draft By-Law
Appendix B – Registered Plan 58M-483
Appendix C – Reference Plan 58R-21646
Ward No.: Ward 1 – Southwest

Recommendations:

1. That Council approve report IPPW2024-031.
2. That Council provide, by by-law, a Part Lot Control Exemption PC-01-23 pursuant to subsection 50(7) of the *Planning Act* for Blocks 127 and 129 on Plan 58M-483, provided that the lotting is in accordance with Parts 1 to 14 (inclusive), Plan 58R-21646, and provided that any conveyance effected in reliance of the exemption is consented to by the City of Waterloo's Director of Planning.
3. That Council authorize the City's Director of Planning to execute agreements and all other documents related to the Part Lot Control Exemption PC-01-23, provided the form and content of such agreements and documents is consistent with the division of land as shown on Reference Plan 58R-21646, and such documents are to the satisfaction of the City Solicitor.
4. That Council request that the Regional Municipality of Waterloo approve the Part Lot Control By-Law PC-01-23 for Blocks 127 and 129 on Plan 58M-483, in accordance with Section 50(7.1) of the *Planning Act* and IPPW2024-031.

A. Report

The subject lands are owned by Wm. J. Gies Construction (the "Applicant") and are municipally known as 450 and 451 Westhaven Street (the "Lands"). The Lands are located within the Gies-Westvale subdivision, south of Erb Street West and east of Ira

2 Integrated Planning & Public Works

Needles Boulevard. Specifically, the Lands form part of the lands abutting the Westhaven Street extension, between Westpark Crescent and Westcroft Drive.

450 Westhaven Street has an area of approximately 1,270 square metres and lot frontage of approximately 32.6 metres. Similarly, 451 Westhaven Street has an area of approximately 1,020 square metres and a lot frontage of approximately 32.5 metres. The Applicant is proposing to subdivide Blocks 127 and Block 129 (see image below) as set out in Reference Plan 58R-21646.

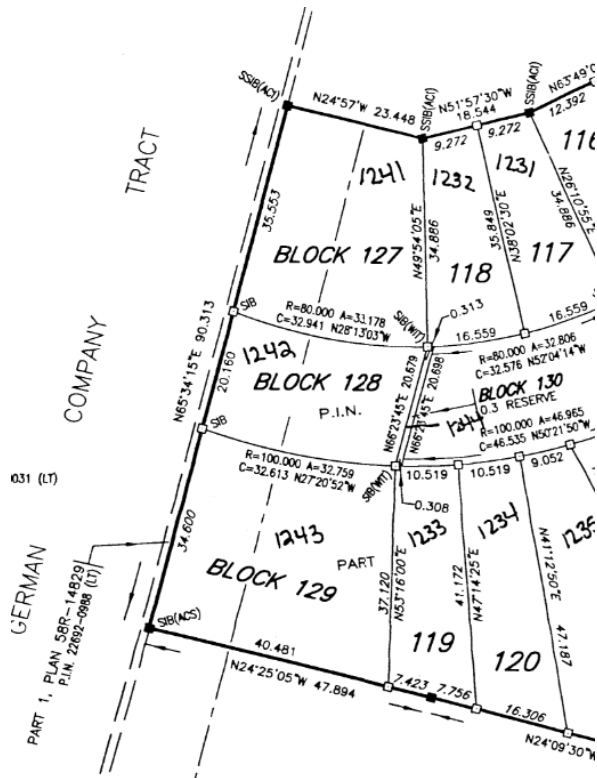


Figure 1: Current Lot Fabric

Block 127 and Block 129 of Plan 58M-483 were created through the final approval of Plan of Subdivision 30T-87004 in August 2009. Subsection 50(5) of the Planning Act states, in part, that if land is within a plan of subdivision, no person shall convey, by way of a deed or transfer, any part of the land other than the whole of any lot or block. Subsection 50(7) of the Planning Act states that despite subsection 50(5), the Council of a local municipality may by by-law provide that subsection (5) does not apply to specific lands within a registered plan of subdivision, effectively allowing a lot or block to be subdivided or encumbered for more than 21 years.

The primary purpose of Part Lot Control Exemption application PC-01-23 is to divide the Lands into a total of five (5) lots. As the subject lands are located within a registered plan of subdivision and the Applicant is proposing the creation of more than three lots (per Section 12.2.5(2)(a) of the Official Plan), the Applicant is therefore requesting that Council pass a by-law pursuant to subsection 50(7) of the Planning Act to exempt the Lands from Part Lot Control.

3

Through the Part Lot Control Exemption process, the Applicant is proposing to create five new residential dwelling lots, with three lots proposed for 450 Westhaven Street and two lots proposed for 451 Westhaven Street (see image below, per 58R-21646).

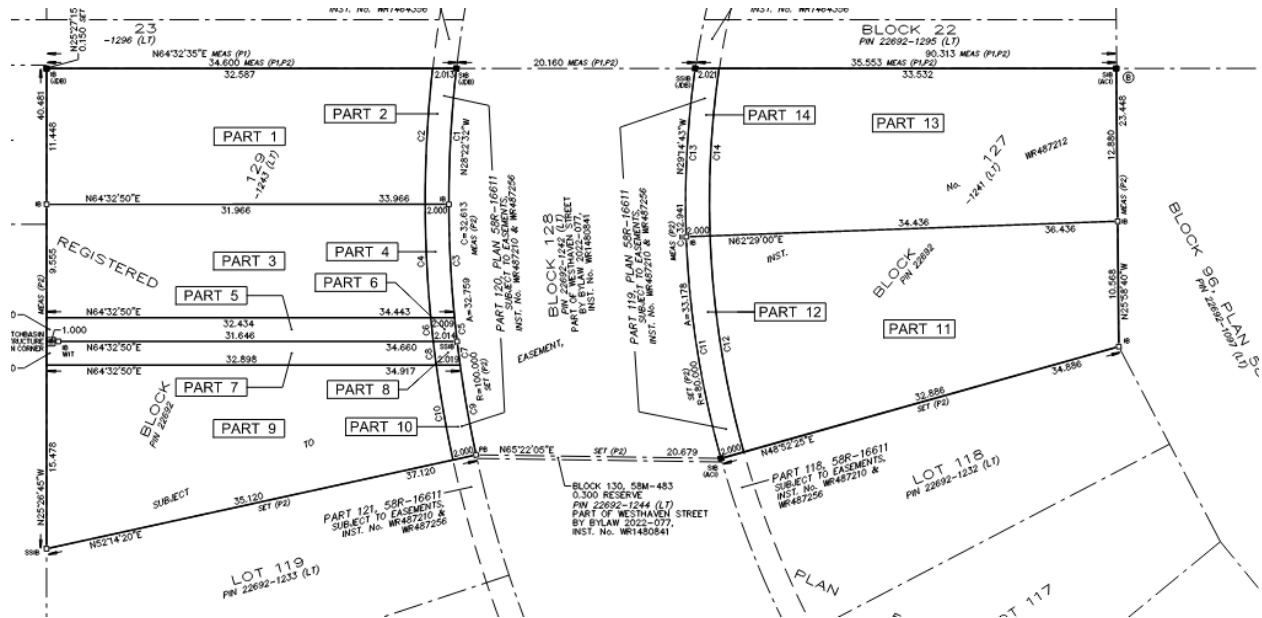


Figure 2: Proposed Lot Fabric

Based on staff's review, the proposed lots satisfy zoning requirements and implement the intended lotting design contemplated through the review and approval of Plan of Subdivision 30T-87004. The new lots will front onto Westhaven Street. Servicing and infrastructure for the subject lands is from Westhaven Street and through the overall subdivision design. An easement has been secured by the City to address existing infrastructure and overland flow on Parts 5, 6, 7 and 8, Plan 58R-21646.

A draft Part Lot Control By-law is attached as Appendix 'A' to this report.

B. Financial Implications

All registration fees to be paid by the Applicant, at no cost to the City.

C. Technology Implications

None.

D. Link to Strategic Plan

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

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

PC-01-23 aligns with the City's 2023-2026 Strategic Plan, including the guiding principle to create a community-centred city with strong and liveable neighbourhoods.

E. Previous Reports on this Topic

None.

**Appendix “A”
Draft By-Law**



THE CORPORATION OF THE CITY OF WATERLOO

BY-LAW NO. 2024 –

BY-LAW TO EXEMPT BLOCKS 127 AND 129, REGISTERED PLAN 58M-483, FROM THE PROVISIONS OF SUBSECTION 50(5) OF THE PLANNING ACT, R.S.O. 1990 c.P.13, AS AMENDED

450 and 451 Westhaven Street

WHEREAS:

1. Pursuant to Subsection 50(7) of the Planning Act R.S.O. 1990 c.P.13, as amended (the "Act"), the Council of The Corporation of the City of Waterloo (the "City") may pass a by-law exempting lands from Subsection 50(5) of the Act; and
2. Council considers it appropriate to approve an exemption for Blocks 127 and 129 of Registered Plan 58M-483, from Subsection 50(5) of the Act, provided that the lotting is in accordance with Parts 1 to 14 (inclusive), Plan 58R-21646, and provided that any conveyance effected in reliance of this by-law is consented to by the City's Director of Planning.

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

1. That Subsection 50(5) of the Planning Act, R.S.O., 1990 c.P.13, as amended, shall not apply to Blocks 127 and 129 of Registered Plan 58M-483, provided that the lotting is in accordance with Parts 1 to 14 (inclusive), Plan 58R-21646, and provided that any conveyance effected in reliance of this by-law is consented to by the City's Director of Planning.

2. That the lands affected by the By-law are:

ALL AND SINGULAR those certain parcels or tracts of land and premises situate, lying and being in the City of Waterloo, in the Regional Municipality of Waterloo, in the Province of Ontario and being composed of Blocks 127 and 129 of Registered Plan 58M-483.

3. This By-law shall come into effect upon its approval by the Regional Municipality of Waterloo.
4. This By-law shall expire on June 17, 2027.

Enacted this _____ day of _____, 2024.

D. McCabe, Mayor

J. Finley-Swaren, City Clerk

Appendix “B”
Registered Plan 58M-483

THE ELEVATION OF MONUMENT 93-0004 WAS 387.41 ON REG'D PLAN 1771.

[illegible]

REGIONAL MUNICIPALITY OF WATERLOO

- 1 - DIMENSIONS SHOWN ARE MEASURED UNLESS ANOTHER SOURCE IS SHOWN..
- 2 - ORIGIN OF MONUMENTS UNKNOWN UNLESS OTHERWISE NOTED.
- 3 - BEARINGS ARE ASTRONOMIC AND ARE REFERRED TO THE SOUTHERLY LIMIT OF LOTS 54 TO 57 AS SHOWN ON PLAN 515 A45.
- 4 - HAVING A BEARING OF N24°00'55"W. ALL EXTERNAL BOUNDARY MEASUREMENTS ARE 589.34, 296 AND 415 MEASURED.


I CERTIFY THAT:

1. LOTS 1 TO 171, BOTH INCLUSIVE THE LANES, NAMED BLOCKS 122, 123, 124 AND 125 THE BLOCKS, NAMED BLOCKS 126, 127, 128 AND 129 THE RESERVE, NAMED BLOCK 130 AND THE STREETS NAMED WESTHAVEN STREET, WESTPARK CRESCENT, WESTFIELD PLACE, APPLEGATE COURT, THORNDALE DRIVE AND THORNHILL PLACE HAVE BEEN Laid OUT IN ACCORDANCE WITH MY INSTRUCTIONS.
2. THE STREETS AND LANES ARE HEREBY DEDICATED AS PUBLIC HIGHWAYS TO THE CORPORATION OF THE CITY OF WARRIOR.

BEVERLY LYNN GIES, C.E.O.
I HAVE AUTHORITY TO BIND THE CORPORATION

I CERTIFY THAT:

1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEYS ACT, THE SURVEYORS ACT AND THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.
2. THE SURVEY WAS COMPLETED ON JULY 9, 2009



www.land-survivor.co

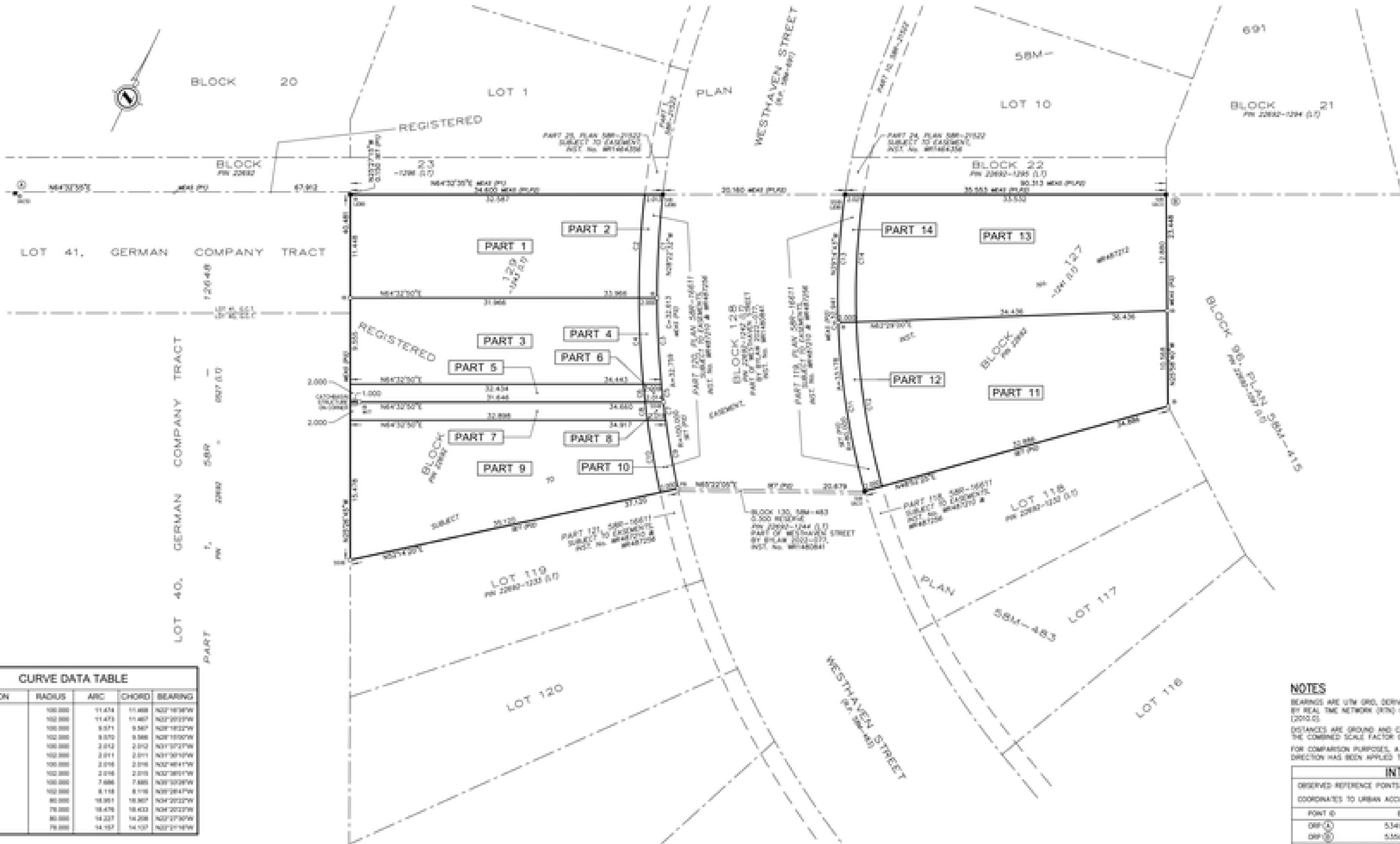
ACI
SURVEY CONSULTANTS
ONTARIO LAND SURVEYORS

582 FREDERICK ST, KITCHENER, ON
T: 519-578-2220 F: 519-576-6044

DATE: 2009-07-14	13606M.CRD	13606-SUB-2009	<D>	TH
15042				

**Appendix “C”
Reference Plan 58R-21646**

CURVE DATA TABLE				
LOCATION	RADIUS	ARC	CHORD	BEARING
C1	100.000	11.474	11.468	N02°10'00"W
C2	100.000	11.475	11.467	N02°00'00"W
C3	100.000	9.071	9.067	N02°18'00"W
C4	100.000	9.070	9.066	N02°10'00"W
C5	100.000	2.012	2.012	N01°57'00"W
C6	100.000	2.011	2.011	N01°50'00"W
C7	100.000	2.016	2.016	N02°48'47"W
C8	100.000	2.016	2.016	N02°38'01"W
C9	100.000	7.686	7.686	N02°50'00"W
C10	100.000	8.118	8.118	N02°28'47"W
C11	80.000	18.891	18.897	N04°20'00"W
C12	78.000	18.478	18.433	N04°20'00"W
C13	80.000	14.237	14.208	N02°57'00"W
C14	78.000	14.157	14.137	N02°57'00"W



SCHEDULE			
Part	Lot	Plan	Part of PIN
1	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
2	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
3	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
4	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
5	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
6	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
7	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
8	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
9	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
10	PART OF BLOCK 129	58M-483	20990-1241 (S.T.)
11	PART OF BLOCK 127	58M-483	20990-1241 (S.T.)
12	PART OF BLOCK 127	58M-483	20990-1241 (S.T.)
13	PART OF BLOCK 127	58M-483	20990-1241 (S.T.)
14	PART OF BLOCK 127	58M-483	20990-1241 (S.T.)

NOTE: PARTS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 COMPRISE ALL OF THE LANDS DESCRIBED BY PIN 20990-1241 (S.T.) PARTS 11, 12, 13 & 14 COMPRISE ALL OF THE LANDS DESCRIBED BY PIN 20990-1241 (S.T.)
PARTS 1 TO 14 BOTH INCLUSIVE ARE SUBJECT TO AN EASEMENT AS DESCRIBED IN PART NO. 58M-483/127 & 58M-483/129
PARTS 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 & 12 ARE SUBJECT TO EASEMENTS AS DESCRIBED IN PART NO. 58M-483/127 & 58M-483/129

PLAN 58R-21646

Received and deposited

February 28th, 2023

Kelly Cochrane-mott

Representative for the
Land Registrar for the
Land Titles Division of
Waterloo (No.58)

PLAN OF SURVEY OF
BLOCKS 127 & 129
REGISTERED PLAN 58M-483
CITY OF WATERLOO
REGIONAL MUNICIPALITY OF WATERLOO

SCALE 1 : 250
THE INTENDED PLOT SIZE OF THIS PLAN IS 31metres IN WIDTH BY 457metres IN HEIGHT
WHEN PLOTTED AT A SCALE OF 1:250

J.D.BARNES LIMITED
METRIC DISTANCES AND/OR COORDINATES SHOWN ON THIS PLAN ARE IN METRES AND CAN BE CONVERTED TO FEET BY DIVIDING BY 0.3048

LEGEND
■ DENOTES SURVEY MONUMENT FOUND
□ DENOTES SURVEY MONUMENT SET
SB DENOTES STANDARD IRON BAR
SSB DENOTES SHORT STANDARD IRON BAR
WB DENOTES WOOD BAR
PB DENOTES PLASTIC BAR
MEAS DENOTES MEASURED
AD DENOTES AD SURVEY CONSULTANTS INC.
ACI DENOTES ANGLE, CAMPBELL, DERACK LTD.
JDB DENOTES J.D. BARNES LIMITED
P1 DENOTES PLAN 58M-897
P2 DENOTES PLAN 58M-483
ALL SET COR AND PB MONUMENTS WERE USED DUE TO LACK OF OVERBURDEN AND/OR PROXIMITY OF UNDERGROUND UTILITIES IN ACCORDANCE WITH SECTION 11 (4) OF OREG, S25/91.

SURVEYOR'S CERTIFICATE
I CERTIFY THAT:
1. THIS SURVEY AND PLAN ARE CORRECT AND IN ACCORDANCE WITH THE SURVEY ACT, THE SURVEYORS ACT AND THE LAND TITLES ACT AND THE REGULATIONS MADE UNDER THEM.
2. THE SURVEY WAS COMPLETED ON JUNE 23, 2022.

FEBRUARY 16, 2023
DATE
J.D.BARNES LIMITED
ON-TO-TO LAND SURVEY

NOTES			
BEARINGS ARE UTM GRID, DERIVED FROM OBSERVED REFERENCE POINTS A AND B, BY REAL TIME NETWORK (RTN) OBSERVATIONS, UTM ZONE 17, NAD83 (CGRS) (2011.0).			
DISTANCES ARE GROUND AND CAN BE CONVERTED TO GRID BY MULTIPLYING BY THE COMBINED SCALE FACTOR OF 0.9999988.			
FOR COMPARISON PURPOSES, A ROTATION OF 10°40' IN A COUNTER-CLOCKWISE DIRECTION HAS BEEN APPLIED TO BEARINGS ON (P1).			
INTEGRATION DATA			
OBSERVED REFERENCE POINTS (ORP): UTM ZONE 17, NAD83 (CGRS) (2011.0).			
COORDINATES TO URBAN ACCURACY PER SECTION 14 (2) OF OREG 216/10.			
POINT ID	EASTING	NORTHING	
ORP ①	534994.89	4810330.66	
ORP ②	535097.76	4810309.50	
COORDINATES CANNOT, BY THEMSELVES, BE USED TO RE-ESTABLISH CORNERS OR BOUNDARIES SHOWN ON THIS PLAN.			
THE RESULTANT TIE BETWEEN ORP ① AND ORP ② IS 158.23 M@43°00'.			

J.D.BARNES LIMITED
LAND INFORMATION SPECIALISTS
401 KING ST. E. 10th FLOOR, KITCHENER, ON, N2Y 2K9
T: (519) 374-2226 F: (519) 374-0422 www.jdbarnes.com

DRAWN BY: JDB	CHECKED BY: JDB	REFERENCE NO: 22-40-534-01
DATE: 02/16/2023		



STAFF REPORT
Facility Design & Management Services

Title: Federation of Canadian Municipalities Green Municipal Fund Sustainable Municipal Buildings GHG Study Grant

Report Number: COM2024-024

Author: Scott Prevost

Council Date: June 17, 2024

File: NA

Attachments: NA

Ward No.: Ward 2, 3, 4, 5, 7

Recommendations:

1. That Council approve COM2024-024.
2. That Council direct staff to prepare an application to the Federation of Canadian Municipalities Green Municipal Fund Sustainable Municipal Buildings grant program under the study stream, in support of completing a greenhouse gas emission reduction study at Fire Station 1, Fire Station 2, Fire Station 3, Fire Station 4, Waterloo City Centre, Waterloo Park Service Building, and Waterloo Service Centre.
3. That should the City's application be successful, Council authorize the Mayor and Clerk to sign the grant transfer payment agreement and any other related documents.
4. That Council acknowledge the City of Waterloo's application to the Federation of Canadian Municipalities Green Municipal Fund Community Building Retrofit grant program to complete greenhouse gas emission reduction studies at Canadian Clay and Glass Gallery, Manulife Sportsplex and Healthy Living Centre, Moses Springer Community Centre, Waterloo Memorial Recreation Complex, Waterloo Public Library Harper Branch and Stork Family YMCA, and Waterloo Public Library Main Branch, which has been approved by the Extended Corporate Management Team in accordance with the City's grant policy.

A. Executive Summary

The Federation of Canadian Municipalities' (FCM) Green Municipal Fund (GMF) Sustainable Municipal Buildings grant program is open and accepting applications to

complete studies at existing municipal buildings identifying pathways to reducing greenhouse gas (GHG) emissions.

The study projects will provide, for each building, a study identifying multiple pathways (scenarios) consisting of a series of energy or carbon reduction measures when implemented sequentially will achieve a defined set of GHG emission reductions, targetting net zero emissions to align with the City of Waterloo's (City) GHG emission reduction targets.

Municipal buildings primarily providing public services are eligible for this study stream. The following buildings have been selected to include in the application:

- Fire Station 1 (216 Weber Street North)
- Fire Station 2 (470 Columbia Street West)
- Fire Station 3 (150 Northfield Drive West)
- Fire Station 4 (911 University Avenue East)
- Waterloo City Centre (100 Regina Street South)
- Waterloo Park Service Building (100 Westmount Road North)
- Waterloo Service Centre (265 Lexington Court)

The application is currently open and accepts applications on a continuous basis until all funding has been allocated.

Publicly accessible community type buildings (arenas, community centres, libraries, etc.) are not eligible for funding under the Sustainable Municipal Retrofits program.

However, there is a different FCM funding program intended for community type buildings. It is the FCM GMF Community Buildings Retrofit program and it will provide funding for GHG studies at community buildings.

The City has applied to the community building funding program to complete GHG studies at Canadian Clay and Glass Gallery, Manulife Sportsplex and Healthy Living Centre, Moses Springer Community Centre, Waterloo Memorial Recreation Complex, Waterloo Public Library Harper Branch and Stork Family YMCA, and Waterloo Public Library Main Branch as approved by the Extended Corporate Management Team in accordance with the City's grant policy.

Combining the GHG study grant applications under both the Sustainable Municipal Buildings and the Community Buildings Retrofit program, the majority of corporately owned buildings will be covered (representing over 85% of corporate City building GHG emissions).

B. Financial Implications

An individual study will be completed for each building; however the project will be completed as one project. FCM provides funding at 50% of eligible study costs with a

maximum grant funding award of \$200,000. Table 1 provides the estimated project costs and financial contributions.

Table 1: Study financial contributions

Program study grant funding rate	50%
Budget – Total Study cost	\$400,000
FCM GMF grant funding	\$200,000
City contribution	\$200,000

The City contribution for this project will be funded through capital project #202022 - Green Building Policy Implementation (Ref# 226 in the 2024-2026 approved capital budget), and there is sufficient funding available in the project to allocate toward this grant opportunity.

C. Technology Implications

Not applicable.

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)

This report supports the strategic priorities of:

- Environmental Sustainability and Climate Action through preparing buildings for low carbon retrofits and increasing building resilience.
- Infrastructure Renewal as the measures identified will focus on building system and infrastructure renewal alignment and implementation.

E. Previous Reports on this Topic

COM2024-010 Green Building Policy and GHG Progress Updates (April 22, 2024)



**Federation of Canadian Municipalities Green Municipal Fund Sustainable
Municipal Buildings GHG Study Grant
COM2024-024**

Background

The Federation of Canadian Municipalities (FCM) through the Green Municipal Fund (GMF) program offers various incentives, grants, financing, and other options for municipalities to increase energy efficiency, reduce greenhouse gas (GHG) emissions, control utility costs, offer community energy programs, and implement energy and carbon projects.

The Sustainable Municipal Buildings program offers grants and financing for capital retrofit projects and retrofit studies at existing buildings. The retrofit study program provides funding for municipalities to complete detailed GHG studies providing pathways and scenarios to significantly reduce GHG emissions through a series of identified and quantified measures, applicable to the building in study. Study requirements also include meeting best practice energy targets, fuel switching, indoor potable water consumption, equity assessment, sustainable material management, socio-economic benefits, and collaboration.

Funding is provided at 50% of eligible costs up to a maximum grant award of \$200,000.

Study Overview

The GHG Study scope will conform to the requirements of the program and will focus on retrofit measures to reduce energy consumption and GHG emissions for building systems including (but not limited to):

- Building enclosures (walls, windows, doors, roof)
- Mechanical systems (fuel switching/electrification, energy recovery, water heating/cooling, HVAC, domestic water)
- Electrical systems (LED lighting, lighting controls)
- Controls (building automation systems, controllers, sequence of operations, scheduling)
- Renewable energy systems (solar photovoltaic arrays, geoexchange systems)

Implementation of measures will align with infrastructure renewal at end of life and consider capital costs, utility costs, maintenance cost, and other impacts.

The studies will also investigate methods to decrease potable water consumption, achieve energy metrics and targets, assess embodied carbon of measures, and assess socio-economic benefits and engagement of interested parties.

Select Buildings

City staff have selected Waterloo's "Municipal" functional buildings. FCM's guidance of a municipal building includes "Primarily used by administrative or service staff to carry out their duties to the public." The selected buildings are:

- Fire Station 1 (216 Weber Street North)
- Fire Station 2 (470 Columbia Street West)
- Fire Station 3 (150 Northfield Drive West)
- Fire Station 4 (911 University Avenue East)
- Waterloo City Centre (100 Regina Street South)
- Waterloo Park Service Building (100 Westmount Road North)
- Waterloo Service Centre (265 Lexington Court)

These buildings are eligible for the study grant.

A GHG Study will be completed for each building. These studies are detailed and are a requirement for FCM's major capital retrofit grant programs and, at a minimum, support other grant programs should they become available.

Submission

The grant program is currently open and FCM is accepting applications on a continuous basis. Grant funding will be administered for eligible projects until all funds have been allocated.

FCM will consider the City's application eligibility and then provide a grant decision. Notification of approval can take between three (3) to five (5) months (or longer depending on volume).

Financial Implications

The FCM GMF Sustainable Municipal Building program provides study funding at 50% of eligible costs up to a maximum grant amount of \$200,000. Receiving the maximum grant amount would require a total study project cost of \$400,000.

The following table provides the estimated study cost, by City staff, along with the corresponding FCM grant and City contribution amounts.

Table 1: Study financial contributions

Program study grant funding rate	50%
Budget – Total Study cost	\$400,000
FCM GMF grant funding	\$200,000
City contribution	\$200,000

The City contribution for this project will be funded through capital project #202022 - Green Building Policy Implementation (Ref# 226 in the 2024-2026 approved capital budget), and there is sufficient funding available in the project to allocate toward this grant opportunity.

In accordance with policy FC-004 Grants Policy, this FCM grant application requires a financial commitment by the City over \$100,000. As such Council approval is required and being requested via this report. The Mayor and City Clerk would then be authorized to execute the grant agreement documentation pending a successful application.

City Owned Building Portfolio GHG Study Strategy

Community type buildings providing publically accessible services (arenas, community centres, libraries, etc.) are not eligible to receive funding under the FCM GMF Sustainable Municipal Building program. They are not part of the grant application outlined in this staff report COM2024-024.

Community buildings are however, eligible to receive GHG study funding under a different FCM program operating as the FCM GMF Community Buildings Retrofit program.

The Community Buildings Retrofit program provides grant funding for 80% of eligible GHG study costs up to a maximum of \$200,000 in grant funding. Receiving a maximum grant amount of \$200,000 corresponds to a total project cost of \$250,000 requiring a City contribution amount of \$50,000. The City has applied to the FCM GMF Community Buildings Retrofit program to complete GHG studies at City owned community buildings including:

- Canadian Clay and Glass Gallery (CCGG)
- Manulife Sportsplex and Healthy Living Centre (RIM)
- Moses Springer Community Centre (MSCC)
- Waterloo Memorial Recreation Complex (WMRC)
- Waterloo Public Library Harper Branch and Stork Family YMCA (WPLHB)
- Waterloo Public Library Main Branch (WPLMB)

With an anticipate total project cost of \$250,000 to complete GHG studies at City owned community buildings, a City contribution of \$50,000 is required. In accordance with FC-004 Grants Policy, the City's Extended Corporate Management Team (ECMT) has the authority to approve the grant application with a City contribution of \$50,000 and approved the application to the Community Building Retrofit program at their May 29, 2024 meeting.

Combining municipal and community type buildings included in both the Sustainable Municipal Buildings program and the Community Buildings Retrofit program, the City will complete detailed GHG studies at the majority of City owned buildings covering over 85% of corporate building emissions.

These studies will then be used to complete or support future capital project grant applications and provide a detailed pathway at each of the selected facilities to reach the GHG emission reduction targets. These studies are a pre-requisite when applying under a FCM capital grant funding program.



STAFF REPORT Finance

Title: 2023 Year End Capital Report
Report Number: CORP2024-031
Author: Kim Reger
Council Date: June 17, 2024
File: N/A
Attachments: N/A
Ward No.: All

Recommendations:

- 1) That Council receives report CORP2024-031, 2023 Year End Capital Report, for information.

A. Executive Summary

This is the eighth annual capital report for Council. This report provides Council with an overall high-level summary of the status of capital projects on an annual basis. The City continues to deliver hundreds of capital projects that touch citizens directly, such as construction of new buildings, road rehabilitation, stormwater management, trail works, skate parks, recreation facility rehabilitation and many others.

This report covers the period as at December 31, 2023 and therefore is a snapshot in time and complements the other year-end reports which Council already received. The focus of the staff capital report is more financial, whereas the booklet on the [City's website](#) is more graphics and story-driven.

The 2023 approved capital budget was a plan to deliver 195 projects (30 non-routine and 165 routine) with a total of \$98.6 million dollars of capital funding. These are important investments in the community and the environment that have long lasting impacts to citizens of Waterloo and the broader community.

B. Financial Implications

In 2023, for actual expenditures, the City had an inventory of 401 active projects, (76 non-routine and 325 routine). An active project is defined as one that has been initiated in either 2023 or in prior years and was active in 2023. Seventy percent (70%) of projects were on track. Fifteen (15%) had a yield status; a 'yield' status indicates that the project has budget or timing impacts. Yield status for 2023 is lower than last year (26% in 2022). The majority of projects with yield status were due to resource constraints. Fifteen percent (15%) of projects were completed during this current reporting period.

It is also important to note that 79 projects were closed in 2023. There were 52 projects that were closed for administrative housekeeping purposes or the project was complete and had a zero remaining balance. There were 27 projects with life to date funding of \$15.0 million which were closed and completed on budget or had surplus funding either returned to source (reserves) or transferred to other projects in 2023. Of the 27 projects that were closed, fourteen (14) projects returned \$0.4 million to reserves and thirteen (13) projects transferred \$0.3 million to other similar projects in accordance with policy. There were three (3) projects that returned funding of \$0.2 million to reserves but remained open; as such, these projects are not included in the 79 closed project count.

The majority (79%) of the \$55.3 million in capital expenditure last year can be attributed to Infrastructure and Transportation Systems (63%) and Complete Community (16%). The Infrastructure and Transportation Systems pillar included projects such as Fleet Expansion and Replacement, Pond Sediment Removal, Crematorium Retort Replacement and various road reconstruction project throughout the City. Some of the larger projects that were worked on for Complete Community were the Public Square Added Features, Waterloo Park Ball Diamonds and the Waterloo Park Circuit.

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)

Capital projects support all the Strategic Priorities, for 2023; however, the majority of the capital expenditures supported Infrastructure and Transportation Systems and Complete Community.

E. Previous Reports on this Topic

- **CORP2023-022 2022 Year End Capital Report**
- **CORP2022-007 2021 Year End Capital Report**
- **CORP2021-004 2020 Year End Capital Report**
- **CORP2020-033 2019 Year End Capital Report**
- **CORP2019-042 2018 Year End Capital Report**
- **CORP2018-019 2017 Year End Capital Report**
- **CORP2017-034 2016 Year End Capital Report**



**2023 Year End Capital Report
CORP2024-031**

Background

This report provides Council with an overall summary of the financial status of capital projects as at December 31, 2023 and therefore is a snapshot in time. The report is organized into the following sections:

1. Budget Review
2. Funding Availability and Expenditure Analysis
3. Highlights of Capital Projects Across the City

Section #1 – Budget Review

The 2023 Approved Capital Budget (approved Feb. 13th, 2023) allocated a total of \$98.6 million dollars of capital funding for planned project expenditures. The 2023 approved capital budget has been reclassified by the 2023-2026 strategic plan which was approved June 26th, 2023.

Table 1 – 2023 Capital Project Budget Summary by Strategic Priority

Strategic Priority	# of Projects	Total \$ ('000s)	% of 2023 Budget Dollars
Reconciliation, equity, accessibility, diversity and inclusion	8	\$806	1%
Environmental sustainability and climate action	31	\$11,799	12%
Complete community	33	\$24,009	24%
Infrastructure and transportation systems	104	\$53,459	54%
Innovation and future ready	18	\$8,438	9%
Advancing the strategic plan	1	\$46	0%
Total Capital Budget	195	\$98,557	100%

Capital Approval Process

The approval of the capital budget by Council allows City staff to move forward with the capital program. However, only projects that were identified as “routine” were formally approved by Council on Budget Day February 13th, 2023 and can proceed with project spending. Projects that are “non-routine” must be brought before Council again for final approval and funding release prior to any spending.

In 2023, there was \$45.7 million budgeted for 30 non-routine projects and \$52.8 million budgeted for 165 routine projects.

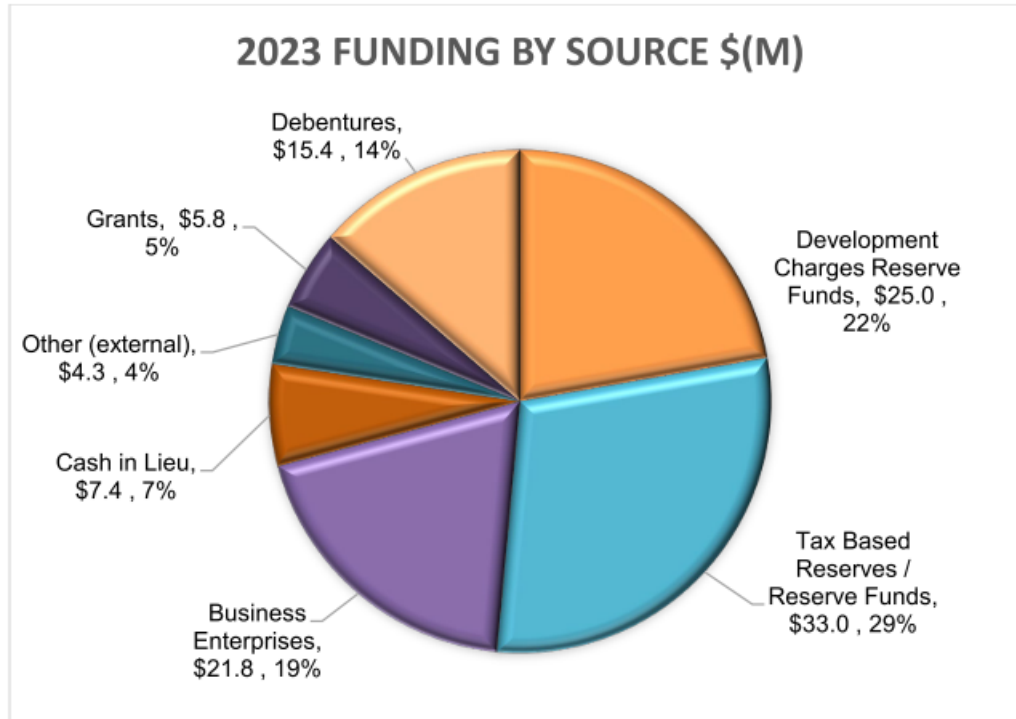
Table 2 – Approved Capital Expenditures by Reporting Criteria

2023				
Criteria	# of Projects	% by # of Projects	Total \$(M)	% of 2023 Budget Dollars
Non Routine	30	15%	\$45,727	46%
Routine	165	85%	\$52,830	54%
Total Capital Budget	195	100%	\$98,557	100%

Section #2 – Funding Availability and Expenditure Analysis

Funding Source

The primary sources for capital expenditure are the City’s Reserves and Reserve Funds. While the City has many Reserves and Reserve Funds, only those funds that are impacted by capital expenditures have been included in the 2023 Approved Capital Budget.

Graph 1 – Reserve and Reserve Funds Impacted by Capital

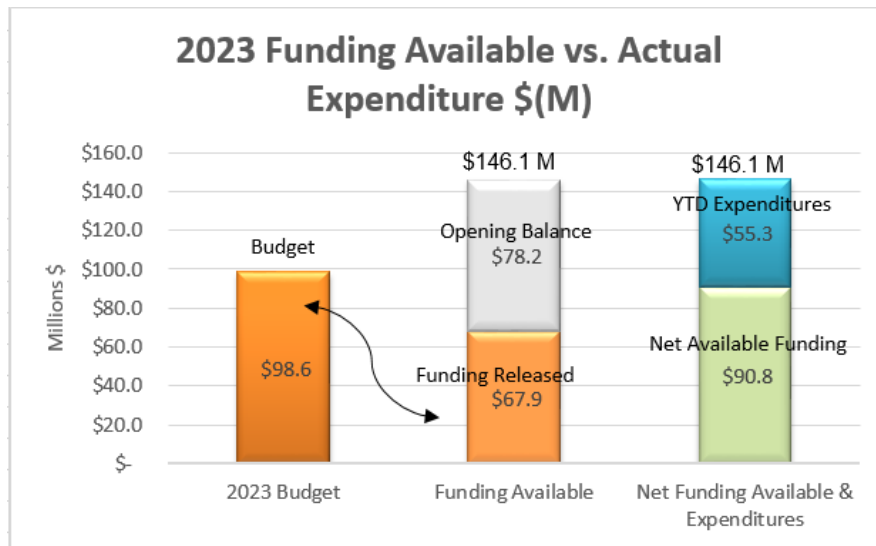
Note – “other” includes developer funding and funding from the Region of Waterloo and donations.

Carry Forward Balance – Prior Year (Opening Balance)

Each year, balances are carried forward from previously approved budgets, and they are in addition to budgeted funding that is released in the current year. The total opening balance carried forward to 2023 was \$78.2 million.

Both the opening balance of \$78.2 million and year to date funding released of \$67.9 million make up the total of \$146.1 million of funding available in 2023. Of the \$146.1 million available in 2023 the City spent \$55.3 million of that total, or 38% of the balance, which is a decrease compared to 2022 where the City spent 44% of available funds. The \$90.8 million in unspent funding was carried to 2024 and will be the 2024 opening balance. The Asset Management team will incorporate unspent rehabilitation and replacement funding within the Waterloo Decision Support System to inform the 2024 annual infrastructure funding gap.

Graph 2 – Funding Available vs. Actual Expenditures



*Figures subject to rounding

Actual Expenditures

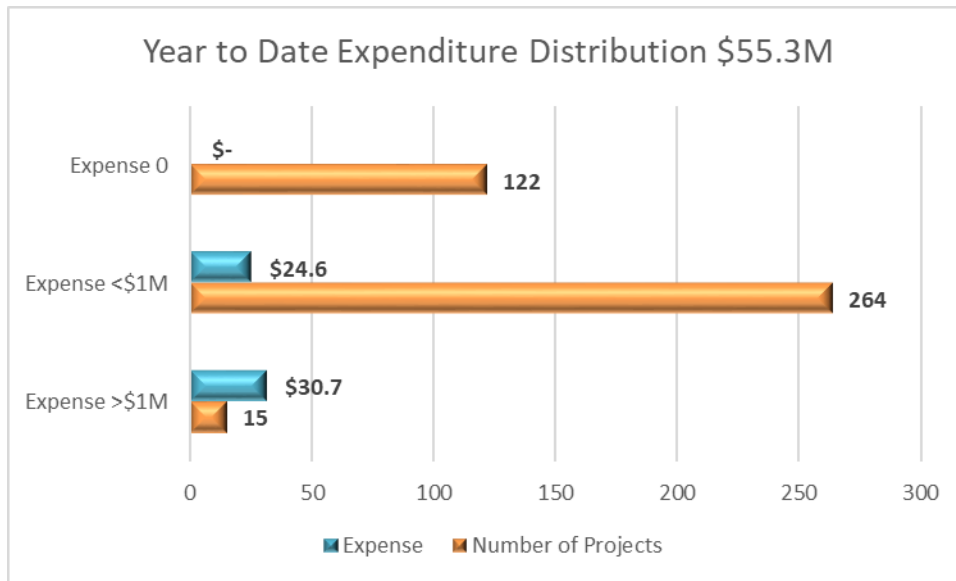
Year to Date Expenditures

To analyze \$55.3 million of expenditures from 401 projects in 2023, they have been grouped into three buckets:

1. Zero expenditures
2. Expenses less than \$1 million
3. Expenses greater than \$1 million

Of the 401 projects that were active last year, 122 projects had zero expenditures and 279 projects had expenditure activity. Of these 279 projects, 264 projects had less than one million dollars in total expenditure per project and 15 projects had expenditures greater than one million dollars total per project. These 15 projects account for \$30.7 million, which is 56% of the total yearly expenditure.

Graph 3 – Year to Date Expenditure Distribution



*Figures subject to rounding

Table 3 below shows that the majority (80%) of the \$55.3 million in capital expenditure last year can be attributed to Infrastructure and Transportation systems and Complete Community. The remaining 20% percent of expenses were spread throughout the remaining strategic priority areas.

Table 3 – Total 2022 Expenditure Activity by Strategic Priority

Strategic Priority	YTD Actual Expenditure \$(M)	%
Infrastructure and transportation systems	\$ 34.9	63%
Complete community	\$ 8.9	16%
Environmental sustainability and climate action	\$ 5.1	9%
Innovation and future-ready	\$ 3.0	5%
Advancing the strategic plan	\$ 2.1	4%
Reconciliation, equity, accessibility, diversity, and inclusion	\$ 1.3	2%
Grand Total	\$ 55.3	100%

Table 4 below shows that majority of projects with year to date expenditures over \$1 million were primarily Infrastructure and Transportation Systems (65%) and Complete Community (19%), which accounts for 83% of these projects' total expenditure. For the purposes of this table only one strategic priority can be chosen, but in reality, many of the projects deliver on overlapping strategic priorities and are not considered mutually exclusive.

Table 4 – Projects with Year to Date Expenditures > \$1 million

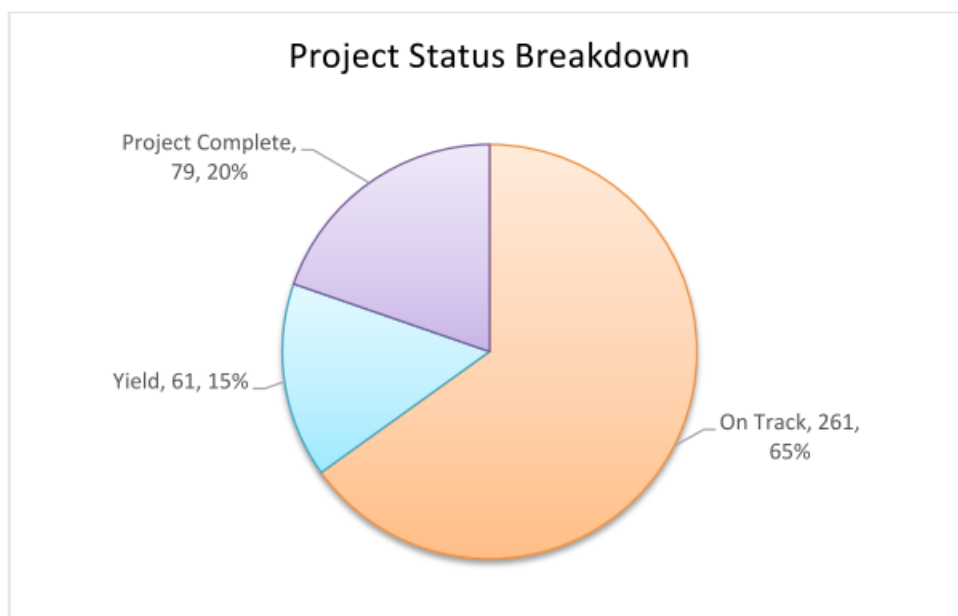
Ref#	Project #	Project Name	2023 Strategic Priority	YTD Actual Expenditure \$(M)
1	110090	Fleet Expansion and Replacement	Infrastructure and transportation systems	\$ 3.50
2	230060	Various Resurfacing of Roads	Infrastructure and transportation systems	\$ 3.06
3	220020	Teakwood Drive, Teakwood Place and Thorncrest Drive Reconstruction	Infrastructure and transportation systems	\$ 2.66
4	190031	Keatsway Storm Bypass	Environmental sustainability and climate action	\$ 2.57
5	202056	Weber St.-Forwell Creek	Infrastructure and transportation systems	\$ 2.56
6	220040	Waterloo Park Circuit	Complete community	\$ 2.17
7	140041	Storm Water Management Pond Sediment Removal	Infrastructure and transportation systems	\$ 1.95
8	220028	Waterloo Park Ball Diamond	Complete community	\$ 1.89
9	210102	Herbert St. Reconstruction	Infrastructure and transportation systems	\$ 1.67
10	150006	Public Square Added Features	Complete community	\$ 1.66
11	230047	Highpoint Avenue - Watermain Advance Metering	Infrastructure and transportation systems	\$ 1.58
12	202037	Infrastructure for City of Waterloo	Innovation and future-ready	\$ 1.53
13	202021	Cemetery Crematorium Retort Replacement	Infrastructure and transportation systems	\$ 1.44
14	220027	Schaefer St. Reconstruction - Weber N. to end of cul-de-sac	Infrastructure and transportation systems	\$ 1.44
15	190036	Uptown Public Realm Implementation	Environmental sustainability and climate action	\$ 1.02
Grand Total				\$ 30.70

Project Status Review

Annually at year-end Finance, in consultation with the home Divisions that deliver the projects, does a high-level review of all capital projects to assess whether the projects are on track (i.e. progressing as planned) or have been changed due to material adjustment in budget and/or time delay. An overview, by project status, total number of projects and by expenditure is provided below.

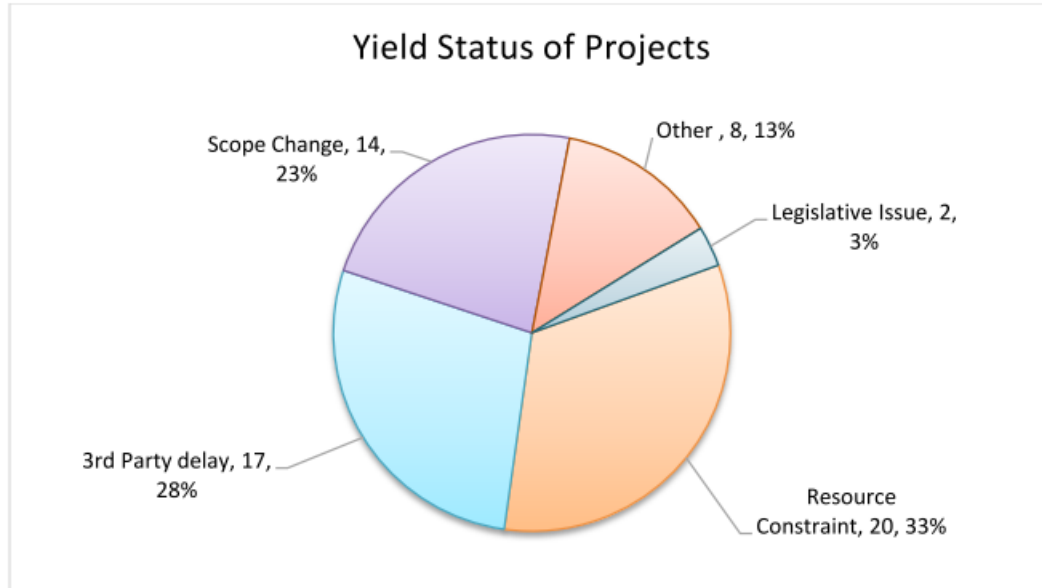
The majority, 65% of the 401 projects are on track. The percentage of yield projects dropped to 15% from 26% as compared to 2022 and 20% of projects were completed (Graph 4).

Graph 4 – Project Status Breakdown



Yield Status

The yield status distribution rationale Graph 5, totalled 61 projects. The largest cause of yield status was "resource constraint" at (33%), then 3rd Party Delay (28%), "scope change" at (23%), "other" at (13%) and "legislative issue" at (3%).

Graph 5 – Yield Status Breakdown

Resource constraint delays are the leading cause of yield status at 33% of all yield status projects. Resource constraint delays may include budget shortfalls, vacancies, staff changeover and resultant learning curves which can affect team productivity and project timing. It can also happen to fully intact teams that simply have too much work to feasibly complete all projects on time. Another potential factor is the City's ability to attract and retain the staffing needed for capital project implementation. Current market conditions, including the adoption of more flexible and remote 'work from anywhere' work by many organizations is resulting in significant competition across organizations for the same talent, from a larger geographical area.

Third party delays were the second most prevalent type of delay at 28% of all yield status projects. Third party delays may include documentation requirements (e.g. complete applications, agency permits and approvals) that need to be fulfilled by a 3rd party for work to continue, finalization of grant funding agreements from other government bodies, delays or unavailability of certain materials.

Scope changes make up 23% of all yield status projects. This status means some projects have become more complex or larger scope than originally planned which causes delays due to re-evaluation of planning, design, permitting and funding. Some projects the City is engaged in are continually evolving which requires the City to be flexible and pivot to accomplish planned outcomes (e.g. climate change).

Other project status 13% comprise of various issues such as a project being placed on hold, a search for site locations and sequential timing issues for larger and more complex projects.

Legislative issues made up 3% of yield status projects. Typical issues are related to completing official plan amendments that require Provincial approval.

Projection Completion and Returning Funds to Reserves

It is also important to note that 79 projects were closed in 2023.

There were 16 projects that were consolidated, meaning balances are still active but moved into a smaller number of new projects for the same purpose.

There were 36 projects that were closed with no funding to be transferred to reserves or other projects.

There were 27 projects with life to date funding of \$15.0 million which were closed and completed on budget or had surplus funding either returned to source (reserves) or transferred to other projects in 2023. Of the 27 projects that were closed, fourteen (14) projects returned \$0.4 million to reserves and thirteen (13) projects transferred \$0.3 million to other similar projects in accordance with policy.

There were three (3) projects that returned funding of \$0.2 million to reserves but remained open; as such, these projects are not included in the 79 closed project count.

Therefore in 2023, \$0.6 million was returned to reserves in total which will be available to fund any potential shortfalls and/or to be allocated to new capital projects in the next budget cycle.

Canada Community-Building Fund (CCBF)

The Canada Community-Building Fund (formerly known as the Gas Tax Fund) is a significant, stable source of funding for municipal infrastructure, administered by the Association of Municipalities of Ontario (AMO) for Ontario's municipalities. The Fund has been in place since 2005, and helps municipal governments plan for long term needs and invest in projects that truly make a difference as municipalities continue to make progress in addressing their infrastructure funding gaps. CCBF funding provided to City projects (current and carry forward funding) was \$5.4 million in 2023 and total lifetime funding of \$58.8 million. Forty-percent (40%) or \$2.2 million of the 2023 funding went to the Rink in the Park re-roofing project. Twenty-two percent (22%) or \$1.2 million was used for the reconstruction of Teakwood Drive/Place and Thorncrest Drive. Thirteen percent (13%) or \$0.7 million was used to fund the reconstruction of Schaefer Street. The rest of the CCBF 2023 funding was distributed to resurfacing various roads across the City (21%) or \$1.1 million and a few smaller road construction projects (4%) or \$0.2 million.

For more information on the CCBF funded projects, please visit our [Funding partners webpage](#).

Section #3 – Highlights of Capital Projects Across the City

While this is not an exhaustive list of active 2023 capital works, it is intended to provide a sense of the varying types of projects and geographic locations.

Northwest

- **West Side Multi-Use Trail (budget \$0.6 million)**
 - The proposed West Side multi-use trail will be approximately 450 metres, connecting St. Moritz Avenue to the eastern boundary of Generation Park (formerly known as the West Side Employment Lands, near Costco) to the west. The trail provides a connection to the future neighbourhood bikeway on St. Moritz Avenue and Montpelier Drive as part of the City of Waterloo's Transportation Master Plan Update, and a future community multi-use trail as part of the City's West Side Employment Lands Urban Design Guidelines. The design was finalized in 2023 and has been tendered for construction in the summer of 2024.

Uptown

- **Waterloo Park Circuit (budget \$2.9 million)**
 - The City of Waterloo is working on the Waterloo Park Circuit project to design and build an interior walkway, also called the Park Circuit, in the west side of the park. The Park Circuit will link the various activity areas of the park and create a strong connection to the surrounding communities and between the east and west sides of the park. The contractor will be mobilizing on site during March 2024, to initiate work on outstanding details. Major outstanding items include second lift of asphalt (parking lot and trail), line painting/signage, landscaping, and electrical. Items completed in 2023 include installation of: 1) a new pedestrian bridge that provides a new east-west crossing over Laurel Creek, 2) a basketball court, 3) a shelter for bike parking, and 4) a new east-west trail connection (first lift of asphalt). City staff anticipate this project will be completed spring 2024.
- **Waterloo Park Diamond 3 & 4 (budget \$2.1 million)**
 - Waterloo Park ball diamonds 3 and 4 will undergo a major upgrade. Currently the diamonds have overlapping outfields with poor drainage and no lighting. City staff have met with the main user groups to determine the most important upgrades required. Users identified 9 major improvements:
 - i. Separate the ball diamonds to allow for 230' (230 feet) outfields.
 - ii. Re-orient the diamonds to provide back to back outfield separate fences.
 - iii. Enclose the entirety of the diamonds with fencing to allow for safe play on both diamonds.
 - iv. Install new high efficiency LED lighting to increase scheduling capacity and better support groups that play in the evening.
 - v. Upgrade drainage to mitigate downtime on the fields due to heavy rains and flooding.

- vi. Provide natural low impact development stormwater infiltration areas.
- vii. Install an irrigation system for the grass areas.
- viii. Add new accessible paths to connect the diamonds to the trails within Waterloo Park as well as the parking lot along Seagram Drive.
- ix. Provide naturalized planting areas throughout the facility.

The City was able to implement all 9 improvements; with 85% of the work completed at the end of 2023. There is some remaining work to complete in the spring with a targeted opening date of summer 2024. The improvements and upgrades will return the performance of the ball diamonds to excellent and will be reflected in future asset management reporting.

- Herbert St. Reconstruction **(budget \$4.5 million)**
 - This project is for the full reconstruction of Herbert Street between Allen Street East and Union Street East with replacement the aged watermain, sewers, and road structure (i.e. sidewalk, curbs and asphalt). This scope also included the replacement of water and sanitary service laterals up to the common property line, including replacement of lead water services on City property. This project was mostly completed in 2023 with surface asphalt being placed in late summer 2024. This project will return the performance of each rehabilitated or replaced asset to excellent and will be reflected in future asset management reporting.
- Public Square Added Features **(budget \$1.98 million)**
 - On April 25, 2022 Council approved the Waterloo Public Square Improvements report (IPPW 2022-021). This project included the detailed design of the water feature, as well as both moveable and permanent shade structures. As of August 2023 the permanent shade structure was completed. The shade structures sprout from the ground and will provide dappled shade through reclaimed timber slates, which are shaped to provide a softer, more organic feel to the square. The water feature was completed November 2023. The water feature follows the shape of the previous garden in front of Beertown, featuring a water wall with a series of cascading pools. With the fountain in place, the approved upgrades to Waterloo Public Square are now complete. A community celebration was held in May 2024 to celebrate these new additions.
- Uptown Public Realm Implementation **(budget \$1.4 million)**
 - The Uptown Public Realm Strategy (UPRS) shall guide the public realm improvements in conjunction with capital works/project and when processing development applications. The UPRS will guide how space is created, repurposed and used in Uptown Waterloo. Based on the priorities established in the UPRS report, 4 key projects were recommended: Laurel Greenway Feasability Study, Minor Improvements Along Willis Way, Shade

Structure in Uptown Public Square and Civic Common. The Laurel Green Feasibility Study IPPW2023-025 was carried unanimously. One of the key projects identified through the Laurel Greenway Feasibility Study is the Civic Common project, which aims to unify the civic district around City Hall and the original location of the town square. A public park is contemplated and adaptive reuse of the pumping station building is proposed for the benefit of the community. Staff have budget in 2024 to retain a consultant to begin the preliminary design studies for this project.

- Laurel Creek Culvert (***budget \$0.6 million***)
 - In 2022, severe damage to the inlet deck of Waterloo's largest culvert prompted early emergency repairs. GM BluePlan Engineering was hired in early 2023 to conduct comprehensive investigation, design, and construction oversight. As of December 31, 2023, the project has been substantially completed with restoration and surface works to be finished in 2024.
- Canadian Clay and Glass Window Replacement (***budget \$0.8 million, incl. \$0.3 million in federal Canada Community Revitalization Fund Grant funding***)
 - The project will replace older windows, exterior doors and window walls within the City owned facility. As part of a previous grant, the City was able to replace approx. 40% of the buildings windows, window walls, doors along with other energy upgrades (roof, air-condition system). This grant will help replace the remaining windows, exterior doors and window walls which have deteriorated to the point where they were deemed to be in poor condition based on a recent facility condition assessment. Due to supply chain issue, the window system was delivered in January 2024 on site. Construction began in the 2nd week of January. The majority of the window replacement work is slated for completion by April 2024. However, due to supply chain issues, door deliveries are scheduled for June. In the interim, renovation work will proceed using temporary doors, to be replaced with the new ones upon their arrival. This project will return the performance of the windows and doors to excellent and will be reflected in future asset management reporting.

Central

- Keats Way: Tributary Channel to Clair Creek Restoration & Storm Sewer Bypass (budget \$4.6 million)
 - In 2020 the City of Waterloo completed the Stormwater Management Master Plan (SWM MP). As part of the SWM MP, a tributary channel to Clair Creek beginning near Keats Way and Keats Walk and ending at Clair Creek near McDougall Road was identified as a priority area for erosion control and bank stabilization, especially with respect to failing gabion walls (wire mesh baskets filled with rocks). The rehabilitation and stabilization of the channel's bank will reduce the risk of further erosion and bank failure that would result in flooding and damage to private property in this area. In addition to the need for bank stabilization, the SWM MP also identified a need for a new storm sewer along Keats Way that will allow a portion of the stormwater flow to bypass the channel and discharge directly into Clair Creek at the concrete box culvert that conveys Clair Creek under Keats Way. This bypass sewer will lessen the peak flows of stormwater in the tributary channel that has resulted in frequent rear yard flooding of adjacent properties. In 2023, a large storm sewer was installed on Keats Way from Keats/Karen Walk to the Clair Creek culvert in order to provide a secondary route for storm water to be conveyed to Clair Creek. This is intended to lessen the flows of stormwater in the existing storm channel running through the back yards of residents on Keats Walk and Keatsway Place. Completion of this phase was delayed due to conflicts with gas lines underground at Karen Walk and Keats Way. As a result, staff are planning to finish the road work this spring. Phase 2 of the project is the rehabilitation of the banks of the channel in the rear yards of the properties on Keats Walk and Keatsway Place, which is expected to commence summer/fall 2024. This project will return the performance of the channel to excellent and will be reflected in future asset management reporting.

Northeast

- Schaefer Street Reconstruction (budget \$2.0 million, incl. \$0.722 million in federal CCBF funding)

The project includes the replacement of sanitary sewers, storm sewers and watermain, as well as road reconstruction from Weber Street to the cul-de-sac, including new sidewalk, curb and gutter. The project was completed in the fall of 2023 to base asphalt.
- Pedestrian Bridge 22 – Replacement and Colonial Creek Channel Restoration (budget \$1.0 million)
 - The City of Waterloo is proceeding with the replacement of Pedestrian Bridge 22 and creek restoration in Kaufman Flats located at 753 University Ave. East, Waterloo. This work to rehabilitate the creek shoreline will minimize the risk of erosion and bank failure. It will also improve the water

quality in the creeks, and promote a healthy and diverse habitat for fish. The pedestrian bridge is a prefabricated steel bridge with a new load limit that can accommodate City of Waterloo operation vehicles. This project was successfully completed in the fall of 2023. This project will return the performance of the pedestrian bridge and creek excellent and will be reflected in future asset management reporting.

- **Davenport Road Cycling Design (budget \$0.1 million, incl. \$0.05 million in federal Active Transportation Fund funding)**
 - The City plans to replace the existing sidewalk on the east side of Davenport Road between Northfield Drive and Lexington Road with a wider asphalt multi-use-path (MUP). Similarly, the short section of sidewalk on north side of Lexington Road between Davenport Road and Anndale Road. These improvements were recommended as a priority project in the Transportation Master Plan 2020 Update approved by Council in April 2021. The design phase of this project was initiated in 2023 and has been progressing. Site investigation work is on-going to collect and assess soils information to help inform the design of the new multi-use-path. Further work includes reviewing improved lighting options along the street and preparation of a tree planting plan. Construction is currently targeted for 2025. This project will return the performance of the sidewalk to excellent and will be reflected in future asset management reporting.

Southeast

- **Cemetery Crematorium Retort Replacement (budget \$2.25 million)**
 - The Parkview crematorium, which opened in 1977, is at a point in its lifecycle where considerable infrastructure renewal is required. This includes replacement of both retorts and cooler as well as minor facility upgrades. In October 2019, Council approved report COM2019-031 outlining the staff recommendation to remain in the cremation business and the investment of capital funding needed for replacement of the 2 retorts, a new cooler and minor facility upgrades. The new retorts would also reduce greenhouse gas emissions, and combined with the recently opened green burial section, support the cemetery's vision to be a more environmentally friendly, green option within the region. The municipally run crematorium will continue to provide an affordable, respectful, non-pressure sales and culturally neutral cremation option within the region. The addition construction was finished by January 30, 2024, and the new retort unit has been installed and is now operational. The project team is in the process of finalizing the last change orders and other closeout documentation for the projects, with completion expected by late spring 2024. This project will return the performance of the cemetery asset to excellent and will be reflected in future asset management reporting.

Lakeshore

- Teakwood Drive, Teakwood Place and Thorncrest Drive Reconstruction (***budget \$3.9 million, incl. \$1.3 million in federal CCBF***)
 - As part of the City of Waterloo's asset management and road rehabilitation programs, this project will improve the road, watermain and sewer system on Teakwood Drive from Glen Forrest Boulevard to Thorncrest Drive, Teakwood Place from Teakwood Drive to the cul-de-sac, and Thorncrest Drive from west of Teakwood Drive to Glen Forrest Boulevard. The planned improvements for Teakwood Drive, Teakwood Place, and Thorncrest Drive are:
 - Replace the existing sanitary sewer, storm sewer, and watermain to meet current capacity requirements and design standards.
 - Replace the existing sanitary and water service laterals to each property from the new mains to the property line.
 - Replace the existing asphalt with a new 7.0 metre wide paved roadway and install new concrete curb and gutter and replace all existing sidewalks with new 1.8 metre wide concrete sidewalk.
 - Replace all existing driveway ramp entrances within the municipal right-of-way to conform to current City standards.
 - Restoration of disturbed areas with topsoil and sod.

This project was completed to base asphalt in 2023. Landscaping and some driveways on Thorncrest Drive will be finalized in 2024.

City Wide

- Accessibility Facility Upgrades (***Approved budget \$0.2 million in 2023, ~\$0.7 million per year as per the approved capital budget 2024-2026 and 2027-2033 (forecast)***)
 - An estimated 20% of the population in Waterloo Region over the age of fifteen live with a disability. Through the development of the City's new Multi-Year Accessibility Plan (MYAP), the Grand River Accessibility Advisory Committee (GRAAC) has confirmed the prioritization of built environment improvements as critical to improving lived experiences in Waterloo. As such, the City of Waterloo has budgeted \$6.8 million in funding over 10 years in the Approved 2024-2026 Capital Budget and 2027-2033 capital forecast, with an average of \$0.7 million being available each year to help make these needed improvements.

This funding will address Priority 1 items which are required upgrades needed to meet minimum accessibility standards for parking, exterior /interior routes, stairs, ramps, entrances, doors and exits, all washrooms, signage and wayfinding and life safety. This Facility Accessibility work will be captured in the MYAP. READI staff will bring the draft MYAP and a

detailed corporate implementation plan to Council for consideration this year.

Fifteen meaningful built environment improvements were made in 2023 with the support of the new Construction Coordinator. Some examples of these improvements are: six new automated door openers, braille buttons added to Waterloo Public Library Main Branch elevator, revising parking space signage at Waterloo Memorial Recreation Complex to better support older adults and listening system upgrades for RIM Park and City Hall.

To advance the overarching scope of work, Facility Maintenance and Design, and READI staff have partnered with the City of Kitchener, the Townships of Wilmot, Wellesley and Woolwich to create a comprehensive facility accessibility design standard for both interior and exterior spaces. It is anticipated that these accessibility design standards will be finalized in the spring of 2024.

- Advanced Metering Infrastructure City-wide Implementation **(budget \$4.89 million)**
 - Advanced Metering Infrastructure (AMI) City-wide implementation provides for the real time collection of water reads. The AMI system requires that each meter to be equipped with a transmitter that relays water reads and sends data to a database system. As of December 2023, 71% of the installations, totaling 22,546, have been completed. To address the remaining 29% of installations, an RFP was issued to secure contractors to finish the project in 2024.
- Annual Sidewalk and Trail Construction **(budget \$0.8 million)**
 - This project primarily focused on sidewalk rehabilitation as well as trail surfacing and resurfacing locations. Across the City, approximately 3,000m² of sidewalk was rehabilitated and approximately 5km of trails were resurfaced or newly surfaced with asphalt. This project will return the performance of the sidewalk and trails to excellent and will be reflected in future asset management reporting.
- Traffic Calming **(total budget \$3.1 million)**

There are several projects that City staff manage that all contribute to traffic calming within the City of Waterloo:

 - Speed Management **(budget \$0.8 million)** Safety for everyone on and near our roads is a community priority for the City of Waterloo. As part of our plan to improve road safety, lower speed limits are coming to Waterloo. Together, we can make our roads safer for all vulnerable road users: pedestrians, cyclists and children. School zones will be reduced to 30 km/h

and neighbourhood streets will be lowered to 40 km/h (and 30 km/h in our uptown ward, Ward 7). Implementation will happen in four phases from spring 2023 to summer 2025. Phase 2 is complete with Phase 3 going in 2024 and Phase 4 in 2025.

- Traffic Calming Studies & Implementation (***budget \$2.3 million***) The City of Waterloo is doing traffic calming studies for three neighbourhoods: Dunvegan Drive between Lexington Road and Sandowne Drive, Margaret Avenue between Lincoln Road and Bridgeport Road East and Woolwich Street between University Avenue East and Bridle Trail. Traffic calming is a series of measures a City can implement to ease traffic concerns. This can be done through physical changes, like signs and road markings, and by encouraging behaviour change through education and enforcement. In 2023, active traffic calming in the form of speed humps were installed along Margaret Ave between Lincoln Rd and Bridgeport Road East and along Woolwich Street between University Avenue East and the Bridle Trail. A total of fifteen (15) speed humps were installed, five (5) on Margaret Avenue and ten (10) on Woolwich Street. As part of the design and standard, signs and pavement markings at each location were installed.
- **Fleet Expansion and Replacement (2023 total budget \$2.4 million, forecast from 2024 to 2032 \$31.0 million)**
 - The fleet expansion and replacement capital project is continuous because maintaining and expanding the fleet is required on a year over year basis. As such, there was an opening balance for this project of \$3.7 million plus year-to-date funding of \$2.4 million for total available funding of \$6.2 million. In 2023 the Fleet and Expansion Capital Project funded the replacement of over 30 vehicles and pieces of equipment, which included nine electric units such as trucks, utility vehicles and ice re-surfacers (arriving in 2024). Other replaced units included speciality and passenger trucks for City Utilities, Transportation and Parks as well as mowers, a small tractor and other utility vehicles for various operational use. In addition, funded were seven expansion units that included most notably two trackless units for snow clearing on sidewalk and trails.



STAFF REPORT
Finance

Title: 2024 Preliminary Surplus-Deficit Projection - April
Report Number: CORP2024-008
Author: Brad Witzel and Michael Pugliese
Meeting Type: Council Meeting
Council/Committee Date: June 17, 2024
File: N/A
Attachments: Appendix A – Property Tax Supported Net Surplus/(Deficit) Projection
Appendix B – Enterprise Items Net Surplus/(Deficit) Projection
Appendix C - Other Items as per Policy
Ward No.: City-wide

Recommendation:

1. That Council approve report CORP2024-008.
2. That as part of report CORP2024-008 Council acknowledges the projected 2024 net tax base surplus of \$0.2 million.
3. That as part of report CORP2024-008 Council acknowledges the projected 2024 net Enterprise surplus of approximately \$43,000.
4. That Council directs staff to provide a follow up surplus-deficit projection report in the fall of 2024.

A. Executive Summary

The purpose of this report is to update Council on material variances to budget as of the end of April 2024. Finance staff have worked with divisional-department staff to identify items that have the likelihood to generate a \$100,000 variance (surplus or deficit) to budget by year-end. This analysis includes all items anticipated to have a material variance to budget.

Property tax supported items (tax base) are currently tracking to a net budget surplus of \$0.2 million as shown in Appendix A. The operational departments are expected to experience lower surpluses than what was incurred in 2023. The main influencing factors for the reduced projected surplus relate to:

- additional costs and new contract pricing received in 2024;
- increased program spending as newer divisions such as Strategic Initiatives and the READI teams ramp up resourcing;

- Planning and Engineering activity has started off slower in 2024; and
- other minor budget adjustments were made as part of the 2024 approved budget to better align sustainable surpluses with budgeted figures.

Revenue in Community Services was the City's most affected area during COVID restrictions, however rebounded well in 2023, and continues to trend ahead of budget for 2024. Staff will monitor the activity level in Community Services over the next couple of years and determine if the increased activity is sustainable for future operating budget adjustments. Corporate Transactions nets to a positive surplus with items such as penalties and interest and payments in lieu helping offset the departmental pressures.

In total, Enterprise and Other Items are projecting to contribute an additional \$4.3 million to reserves in accordance with Council approved policy (Appendix B and C). This is mainly due to investment income, and salary step gapping and vacancies. Sustainable items influencing these net contributions to reserves are reviewed on an ongoing basis with sustainable increases included in the 2024-2026 approved budget.

The review and update of budget variances is a continual process within the management framework of the city. Staff will continue to monitor activities and take appropriate action within their divisions as appropriate, with a further update report to be provided to Council in October.

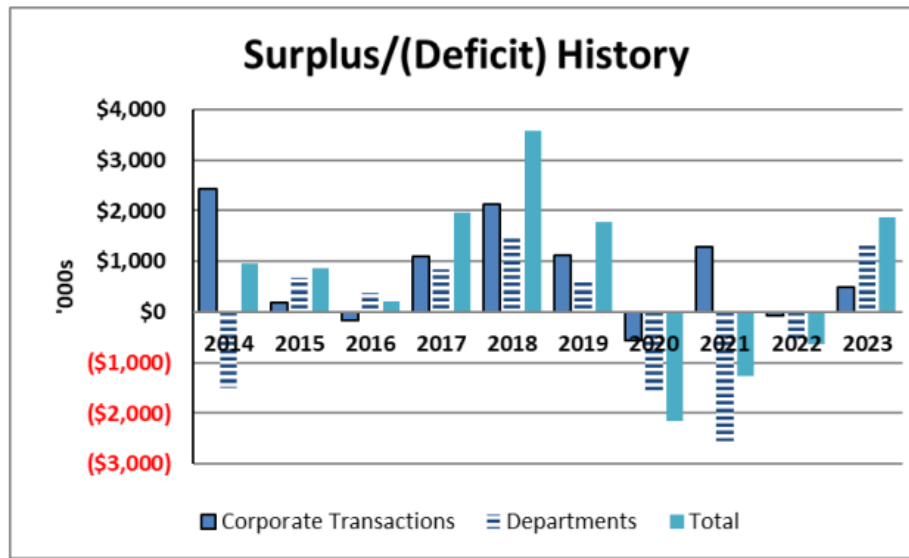
B. Financial Implications

The prior five-year average (pre-pandemic 2015-2019) tax base surplus was around \$1.7 million annually. Due to the impact of the pandemic, the City incurred deficits as follows from 2020-2022:

- 2020 tax base deficit of \$2.2 million (\$2.5 million due to COVID with \$0.3 million Non-COVID surplus)
- 2021 tax base deficit of \$1.3 million (\$3.3 million due to COVID with \$2.0 million Non-COVID surplus)
- 2022 tax base deficit of \$0.6 million (\$1.5 million due to COVID with \$0.9 million Non-COVID surplus).

Pandemic pressures eased in 2023, and the City achieved a 2023 tax base surplus of \$1.9 million as operations returned to normal levels. A summary of these figures can be seen in Chart 1 below.

Chart 1 - Historical Tax Base Surplus/(Deficit):



The 2024 projected net tax base position is a budget surplus of \$0.2 million, continuing this positive recovery trend seen in 2023. The Enterprise areas are projecting a net surplus of \$43,000.

Any tax base surplus at year-end is allocated in accordance with the City's Surplus Allocation Policy (FC-003). Any tax base deficit at year-end would be funded by the Tax Rate Stabilization Reserve (TRS). The 2024 projected ending TRS balance is \$4.3 million.

C. Technology Implications

N/A

D. Link to Strategic Plan

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

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

Operational Excellence - Through a commitment to operational excellence, the City of Waterloo creates and reinforces an internal and external culture that is founded on responsiveness and is customer centric. Embedded in this principle are service standards, performance measurements and a commitment to continuous improvement. Fiscal responsibility entails operating within a framework of policies and processes intended to improve fiscal outcomes and support longer-term financial health, in an environment of transparency and objective measurement.

E. Previous Reports on this Topic

- CORP2024-007: Allocation of 2023 Surplus (May 13, 2024)
- CORP2023-042: 2023 Surplus-Deficit Projection Update (September 18, 2023)
- CORP2023-032: 2023 Q1 Surplus-Deficit Projection (May 15, 2023)
- CORP2023-029: Allocation of 2022 Surplus (May 15, 2023)
- CORP2022-041: Financial Impact of COVID-19 – Update Report #8 & 2022 Surplus-Deficit Projection (September 19, 2022)
- CORP2022-026: Financial Impact of COVID-19 – Update Report #7 & 2022 Q1 Surplus-Deficit Projection (May 16, 2022)
- CORP2022-007: Allocation of 2021 Surplus (May 16, 2022)



**2024 Preliminary Surplus-Deficit Projection - April
CORP2024-008**

This report intends to provide an update on the projected surplus/deficit to year-end as of the end of April 2024. Finance staff have worked with divisional-department staff to identify items that have the likelihood to generate a \$100,000 variance (surplus or deficit) to budget by year-end. This analysis includes all items anticipated to have a material variance to budget. Projecting financial outcomes for the entire year based on only 4 months of actual activity is a difficult exercise as things can change over the course of the remaining 8 months in the year. Staff will continue to monitor actuals to budget, and plan to provide Council with an additional update report in October. This second report will be much more informative on any potential surplus or deficits the City may incur for 2024 as the data will encompass actual amounts for 8 months (to the end of August), with only 4 months remaining for projections and assumptions.

The report has been broken into three (3) sections as follows:

- 1) Property Tax Supported Net Surplus/(Deficit) Projection Summary
- 2) Enterprise Net Surplus/(Deficit) Projection Summary
- 3) Other Items as per Policy Summary

Section #1 – Property Tax Supported Net Surplus/(Deficit) Projection Summary:

Referring to Appendix A, property tax supported items (tax base) are currently tracking to a net budget surplus of \$0.2 million. This is being driven by the below major items and summarized by Department in Table 2.

Table 2 - Property Tax Supported Net Surplus/(Deficit) Projection Summary:

Department	2024 Net - Surplus / (Deficit)
1) Corporate Transactions	493,000
2) Corporate Services	(96,000)
3) Community Services	64,000
4) Office of the CAO	98,000
5) Integrated Planning and Public Works	(356,000)
TOTAL PROJECTED TAX BASE SURPLUS / (DEFICIT)	203,000

1. **Corporate Transactions** is tracking to a net budget surplus of \$493,000. This is being driven by traditional surplus drivers such as penalties and interest revenue and operating impacts of capital savings, offsetting pressures such as write-offs and refunds, and benefits for retirees.
 - a. Penalties and interest revenue are projected to exceed budget by \$800,000, which aligns with the 2023 surplus of \$861,000. Staff will continue to monitor and update this projection as part of future update reports. This budget line item was increased by \$150,000 as part of the 2020-2022 approved budget.
 - b. Supplementary taxes net of write offs and refunds (including charitable) are projecting on budget. The pace of adjustments in 2024 is anticipated to once again be lower as the province announced a further postponement of the property tax reassessment. Staff will continue to monitor and update these connected items as part of future update reports.
 - c. Payments in lieu are projected to exceed budget by \$85,000 based on current available information. This budget line item was increased by \$390,000 as part of the 2024 approved budget and will be monitored and evaluated for a future budget increase as warranted.
 - d. Benefits for retirees is projecting to exceed budget by \$(300,000). This pressure is consistent with prior years and will be evaluated for an increase as part of future budget cycles.
 - e. Insurance cost including the Waterloo Region Municipalities Insurance Pool (WRMIP) Levy continue to exceed budget and is forecasted to exceed budget by \$(260,000).
 - f. A surplus of \$168,000 is expected from operating impacts of capital savings. As a result of some capital projects being delayed/deferred, the corresponding operating budget for the capital projects is resulting in a surplus for 2024. Ongoing operating budgets for growth/new capital items are retained under Corporate Transactions until the asset is built and operational.
2. **Corporate Services** is tracking to a net budget deficit of \$(96,000).
 - a. Communications is anticipating coming in on budget.
 - b. Finance is projecting a net surplus of \$7,000 resulting from minor savings in various discretionary accounts offsetting historical pressures like postage.
 - c. Information Management and Technology Services is projecting a net deficit of \$(133,000) as a result of increases and additional new software maintenance costs being partially offset by savings from various discretionary accounts.
 - d. Legislative Services is anticipating a net surplus of \$90,000 driven mainly from revenue surpluses on Marriage Licenses and Ceremonies, along with other minor surpluses in discretionary cost accounts.
 - e. Remaining areas of Legal Services, Human Resources, Fleet and Procurement, and Commissioners Office are projecting a net deficit of \$(60,000) in various discretionary accounts other minor items.

3. **Community Services** is tracking to a net budget surplus of \$64,000.
- a. Community Programming & Outreach (CPO) is anticipating a deficit of \$(109,000).
 - Facility Rental Discount (FRD) is projecting a pressure of \$(70,000) for 2024. With Recreation Services back up to full speed, there is an anticipated shortfall in FRD budget as expenses have historically exceeded budget (pre-pandemic).
 - Other various non-material items are forecasted to result in a pressure of \$(39,000).
 - b. Facility Design and Management Services (FDMS) is anticipating a net deficit of \$(444,000).
 - Utilities (gas, water, hydro) are anticipated to generate a deficit of \$(382,000).
 - Cost pressures such as mechanical services and mechanical maintenance on behalf of various divisions is anticipated to result in a deficit of \$(184,000).
 - Other various non-material items including staffing are forecasted to result in a surplus of \$122,000.
 - c. Fire Rescue is anticipating a net deficit of \$(330,000).
 - Deficit is related to Fire overtime and revenue shortfall being partially offset by other related staff savings.
 - This projection is slightly higher than the net deficit incurred in 2023.
 - d. Municipal Enforcement is tracking to a net surplus of \$12,000.
 - Parking/Traffic violations revenue is expected to generate a surplus of \$285,000.
 - Tickets that are outstanding after 30 days are transferred to the Administrative Monetary Penalty System (AMPs) program and collected by MTO on behalf of the City.
 - AMPs collections continue to increase and is forecasted to generate a surplus of \$30,000.
 - These revenue surpluses are offsetting cost pressures totaling \$303,000 including Special Events Expense (Homecoming and St Patrick's Day), plate search fees and animal control contract increases.
 - e. Parks, Forestry and Cemetery Services (excluding Cemetery) is anticipating a net surplus of \$17,000.
 - Surplus is related to accumulated differences from non-material savings offsetting increased equipment costs.
 - f. Recreation Services is projecting a net surplus of \$918,000.
 - Recreation Services (RS) revenue (indoor rentals, room rentals, aquatics, food services etc.) has recovered to pre-pandemic levels and is forecasting a surplus of \$1,012,000, increased from the 2023 surplus of \$494,000, compared to a deficit of \$2.3M in 2022.
 - Other various non-material items are forecasted to result in a pressure of \$(94,000).

4. **Office of the CAO** is estimating a net budget surplus of \$98,000.
 - a. Economic Development anticipates a surplus of \$44,000 due to promotional package savings and increased sponsorship revenue.
 - b. Office of the CAO and Strategic Initiatives & Sustainability are projecting on budget at this time.
 - c. Reconciliation, Equity, Accessibility, Diversity and Inclusion (READI team) is forecasting a net surplus of \$54,000 due to Discretionary Spending savings and other non-material items savings.
5. **Integrated Planning and Public Works (IPPW)** is tracking to a net budget deficit of \$(353,000).
 - a. Engineering Services is forecasting a deficit of \$(291,000). This is due to Subdivision engineering revenue projected below budget similar to 2020-2023 partially offset by other discretionary savings and other non-material items. Subdivision engineering revenue is heavily dependent on development activity and timing of approvals and has resulted in deficits in recent years.
 - Staff will continue to monitor for potential future budget alignment.
 - b. IPPW Commissioner and Service Centre Administration is projected to be on budget.
 - c. Planning is currently projecting a surplus of \$33,000. Planning revenue including site plan revenue is projecting a surplus for 2024, but is slightly lower than the surplus achieved in 2023 of \$172,000.
 - d. Transportation Services (excluding Winter Control) is anticipating a net deficit of \$(95,000), comprised mainly of increased street light burnouts and maintenance contracts offset by other discretionary savings and other non-material items.

Section #2 – Enterprise Items Net Surplus/(Deficit) Projection Summary:

Referring to Appendix B, Enterprise Areas are currently tracking towards a net surplus of \$43,000. This is being driven by the below noted major items and summarized by Enterprise in Table 3. Enterprises are fully funded by their user fees/rate revenue and have no impact on the property tax base. Enterprise surpluses are allocated to the respective Enterprise reserve at year-end, while any Enterprise deficits are covered by a draw from the respective Enterprise reserve.

Table 3 – Enterprise Areas Net Surplus/(Deficit) Projection Summary:

Department	2024 Net - Surplus / (Deficit)
6) Comprehensive Business Licensing	(54,000)
7) Cemetery Services	(420,000)
8) Rental Housing	176,000
9) Building Standards	0
10) Parking Enterprise	43,000
11) Stormwater	(54,000)
11) Sanitary Sewer	551,000
11) Water	(199,000)
TOTAL PROJECTED ENTERPRISE SURPLUS / (DEFICIT)	43,000

6. **Comprehensive Business Licensing** is expecting a net deficit of \$(54,000).
- Revenues continue to fall short of target, resulting in a forecasted revenue deficit of \$(135,000) partially offset by expenditures tracking below budget for a savings of \$81,000.
 - This projection is based on similar revenue generation in 2024 as compared to 2023.
 - This anticipated deficit will result in a draw from the reserve at year-end.
 - Comprehensive Bus. Licensing Reserve 2023 ending balance was \$366,346.
 - Business Licensing Reserve received a \$400,000 transfer on December 11, 2023, through CORP2023-043 Reserve and Reserve Fund Report.
7. **Cemetery Services** is anticipating a net deficit of approximately \$(420,000).
- This is due to lower cremation revenue. The cremation business has seen an increase in competition in recent years.
 - This anticipated deficit will result in a draw from the reserve at year-end.
 - Cemetery Reserve Fund 2023 ending balance was in a negative position at *\$(216,453). *Reserve balance significantly reduced via COM2023-011 Parkview Crematorium Addition - Additional Funding Request of \$850,000 approved on April 17, 2023.
8. **Rental Housing Licensing** is estimating net surplus of \$176,000.
- Revenues continue to trend favourably in 2024, similar to 2023.
 - This anticipated surplus will be allocated to the reserve at year-end.
 - Residential Rental Housing Reserve 2023 ending balance was in a negative position at \$(56,884).

- d. The Residential Rental Housing Reserve received a \$100,000 tax-based transfer on December 11, 2023, through CORP2023-043 Reserve and Reserve Fund Report.
9. **Building Standards** is currently tracking to budget for 2024.
- a. On December 11, 2023, Council approved IPPW2023-061 - 2024 Building Standards Fees and Charges.
 - b. This report increased all applicable Building Standards fees and charges by 12% effective January 1, 2024, and set the Building Standards budget in alignment with the rate model and assumptions approved in that report.
 - c. The Building Standards Enterprise has a budgeted draw from the reserve.
 - d. Building Permit Reserve Fund 2023 ending balance was \$6,661,629.
10. **Parking Enterprise** is anticipating a surplus of \$43,000.
- a. Parking operations for 2024 continue to improve.
 - b. The Parking Enterprises experienced significant reduced parking permit and hourly paid parking revenue in 2020-2022 due to COVID.
 - c. In 2023, the revenue budget was reduced to better align with the decreased revenue levels seen in recent years, with gradual recovery to pre-pandemic levels anticipated to occur over the next 4-5 years. With this adjustment, along with surface lot revenues trending ahead of 2023 levels, Parking revenues are anticipated to result in a net surplus of \$62,000.
 - d. This revenue surplus is offsetting some minor cost pressures including property tax exceeding budget.
 - e. This anticipated surplus will be allocated to the reserve at year-end.
 - f. Parking Reserve Fund (City Programs) 2023 ending balance was \$1,242,348.
11. **The City Utilities division** is comprised of Water Distribution (WAT), Sanitary Sewer (Wastewater) Collection (SEW), and Stormwater Management (SWM). It is anticipating a combined surplus to budget of \$298,000.
- a. **Stormwater Management** is anticipating a deficit of \$(54,000) driven by lower revenue attainment offset by program savings and other non-material items. This is comparable to the 2023 deficit of \$(136,000).
 - b. This anticipated operating deficit will be covered by the Storm Water Management Reserve. The City Utility sections have an annual planned contribution to their reserves to provide rate stability, protect against unforeseen operating and capital pressures as well as fund the area's capital maintenance program.
 - c. Stormwater Utility Reserve 2023 ending balance was \$1,987,324.
 - This is required to rehabilitate/replace stormwater management and ponds assets, which have an estimated 2023 asset replacement value of \$761M.

- d. **Sanitary Sewer** is tracking to an operating surplus of \$551,000 driven by increased retail revenue and program savings and other non-material items. Treatment cost can vary annually, depending on precipitation levels. This is increased slightly from the 2023 surplus of \$493,000.
- e. This anticipated operating surplus will be added to the Sanitary Sewer Rate Stabilization Utility Reserve.
- f. Sanitary Sewer Utility Reserve (Combined) 2023 ending balance was \$16,455,101.
 - This is required to rehabilitate/replace sanitary sewer collection (including pumping stations) assets, which have an estimated 2023 asset replacement value of \$526M.
- g. **Water** is likely to experience a deficit of \$(199,000) due to increased spending on Hydrants, Meter Changes, and Vacuum Excavations, partially offset by staffing vacancies, and other operational program savings. This is reduced from the 2023 surplus of \$375,304.
- h. This anticipated deficit will be covered by the Water Utility Rate Stabilization Reserve.
- i. Water Utility Reserve (Combined) 2023 ending balance was \$8,013,337.
 - This is required to rehabilitate/replace water distribution assets, which have an estimated 2023 asset replacement value of \$636M.

Section #3 – Other Items as per Policy Summary:

Referring to Appendix C, Other Items are summarized below. Other Items are committed transfers to reserve(s) based on Council approved policies. These items have their base budget set at a sustainable level, however by policy, any amounts exceeding base budget are pre-committed to reserve(s) and are not included in the overall tax base surplus/(deficit) figure. The reserve(s) rely on these committed transfers to assist in delivering projects, help address our existing infrastructure gap, and help contribute to keeping property taxes as low as possible.

1. **Investment/Interest Income** is estimated to be \$1,800,000 in excess of budget.
 - a. This estimate is based on average excess to budget, adjusted for recent increased rate of returns. Over this period, the investment income surplus to budget high point was \$4M in 2023 and the surplus to budget low point was \$0.7M in 2021.
 - b. Rate of returns are anticipated to be lower than 2023 where the City achieved an overall return on the investment portfolio of 3.42%.
 - c. It is anticipated that the Bank of Canada could lower interest rates as early as June 2024, due to lower inflation levels.
 - d. The actual 2024 investment/interest income excess will be based on available surplus cash for investing and the rate of return that can be generated.
 - e. Any surplus is transferred 25% to each of: CIRRF, CRF, CARF and LXPR as per Council policy.

- f. This budget was adjusted in 2024 by \$300,000 to a level that is considered sustainable. A further budget increase of \$150,000 in 2025 and \$150,000 in 2026 was also approved for a total increase of \$600,000 over 2024-2026.
2. **Enova Power Corp. Hydro Investment Income** is projecting a surplus to budget of \$869,000 for 2024.
 - a. The first \$738,000 of the surplus will be allocated to project #220048 to complete the acquisition of 17 William Street as per IPPW2022-051.
 - b. As per policy, 75% of the surplus (\$98,000) will be transferred to the Capital Reserve Fund (CRF) and 25% (\$33,000) to the Capital Infrastructure Reinvestment Reserve (CIRRF).
 - c. This budget was last increased by \$374,825 in 2020 to a sustainable level and allocated to Increased Infrastructure Funding (CIRRF) as per the Long-Term Financial Plan (LTFP).
3. **Capital project overhead** is anticipated to generate an extra \$100,000 above budget.
 - a. This revenue item is reported under Corporate Transactions with an additional \$100,000 anticipated for 2024.
 - b. This will be transferred to the Capital Infrastructure Reinvestment Reserve (CIRRF) as per policy, providing additional assistance towards continuing to address the existing infrastructure gap.
 - c. This budget was adjusted in 2024 by \$150,000 to a level that is considered sustainable. A further budget increase of \$150,000 in 2025 and \$150,000 in 2026 was also approved for a total increase of \$450,000 over 2024-2026.
4. **Winter Maintenance** is tracking to a surplus of \$495,000.
 - a. The final winter maintenance cost will be heavily dependent on the severity of winter experienced in November and December 2024.
 - b. Projected savings are due to the mild January – March 2024 winter season.
 - c. Any 2024 surplus or deficit at year-end will be transferred to or funded from the Winter Control Reserve fund.
 - d. Winter Control Reserve 2023 ending balance was \$829,366.
 - This reserve was previously receiving an annual allocation of \$150,000.
 - As part of the 2024-2026 approved budget, Council eliminated this annual contribution and reallocated the savings to help fund the Winter Sidewalk Maintenance Service Enhancement.
5. **Salary Step and Vacancy Gapping** are estimated to result in savings of \$1,000,000.
 - a. This estimate is based on preliminary information as of April actuals and will be refined as part of future update reports.
 - b. These excess funds will be transferred to the Employee Development and Capacity Building Reserve (vacancy gapping) and the Tax Rate Stabilization Reserve (salary step gapping) as per Council policy.

Appendix A – Property Tax Supported Net Surplus/(Deficit) Projection

CITY OF WATERLOO - TAX ONLY								
ACTUALS VS. BUDGET REPORT								
For the Period Ending April 30, 2024								
		e	j	k	l	m=k+l	n	
		NET EXPENSES AFTER TRANSFERS	NET BUDGET AFTER TRANSFERS	REVENUE VARIANCE BEFORE RESERVES/ SURPLUS Amount Remaining	EXPENSE VARIANCE BEFORE RESERVES / SURPLUS Amount Remaining	NET EXPENSES VARIANCE BEFORE RESERVE TRANSFERS Amount Remaining	TRANSFERS IN EXCESS OF BUDGET (TO)/FROM RESERVES	NET SURPLUS/ (DEFICIT)
		Actuals YTD	Full Year Budget					
		2024-04-30	2024					
00000	COW Departments Summary							
00010	TRAN-Corp Transaction Summary	-3,106,441	15,476,949	-13,049,169	14,373,271	1,324,102	17,259,288	493,000
50000	COMM-Community Dept Summary	13,711,034	49,481,651	-8,999,218	44,857,270	35,858,052	-87,435	64,000
01000	CAO-Department Summary	1,993,805	4,900,253	-356,572	3,378,358	3,021,786	-115,338	98,000
13000	IPPW-Department Summary	4,559,064	12,985,631	-3,440,418	11,867,713	8,427,295	-728	-356,000
00100	CORP-Corporate Dept Summary	6,299,326	16,765,185	-2,561,185	13,386,867	10,825,682	-359,824	-96,000
TOTAL	COW Departments Summary	23,456,789	99,609,669	-28,406,562	87,863,479	59,456,917	16,695,963	203,000

* Note: positive variances are favourable; (negative) variances are unfavourable.

The above table summarizes the year-to-date tax-based revenues and expenditures, for each department.

Appendix B – Enterprise Items Net Surplus/(Deficit) Projection

CITY OF WATERLOO - ENTERPRISES FUNDED								
ACTUALS VS. BUDGET REPORT								
For the Period Ending April 30,2024								
	c	d	h	i	k	l	m= d-i	
	NET REVENUE OVER EXPENSES	TRANSFERS TO (FROM) RESERVES/ SURPLUS	NET REVENUE OVER EXPENSES	TRANSFERS TO (FROM) RESERVES/ SURPLUS	REVENUE VARIANCE BEFORE RESERVES/ SURPLUS	EXPENSE VARIANCE BEFORE RESERVES / SURPLUS	TRANSFERS IN EXCESS OF BUDGET TO/(FROM) RESERVES/ SURPLUS	TRANSFERS IN EXCESS OF BUDGET TO/FROM RESERVES
	Actuals YTD	Actuals YTD	Full Year Budget	Full Year Budget	Amount Remaining	Amount Remaining		Projected for Year
	2024-04-30	2024-04-30	2024-04-30	2024				
Comprehensive Business Licensing	-14,459	0	171,286	-171,286	-52,410	238,155	171,286	-54,000
Cemetery Services	56,011	0	355,653	-355,656	-1,420,937	1,720,579	355,656	-420,000
Rental Housing Licensing	-813,323	0	228,986	-228,986	-158,620	1,200,930	228,986	176,000
Building Standards	173,778	0	1,019,703	-1,019,703	-1,548,571	2,394,496	1,019,703	0
Parking Enterprise	-158,256	0	20,499	-20,499	-977,549	1,156,304	20,499	43,000
City Utilities	-5,291,727	0	-13,835,198	13,835,198	-50,016,786	41,473,315	-13,835,198	298,000
TOTAL	-6,047,977	0	-12,039,071	12,039,068	-54,174,873	48,183,779	-12,039,068	43,000

* Note: positive variances are favourable; (negative) variances are unfavourable.

The above table summarizes the year-to-date revenues and expenditures, for Enterprises.

Appendix C - Other Items as per Policy

CITY OF WATERLOO - OTHER ITEMS RE SURPLUS - INCLUDED IN TAX SUMMARY, FOR INFO ONLY						
ACTUALS VS. BUDGET REPORT						
For the Period Ending April 30,2024						
	a	b	c	d	e=c-a	f=e-i or k
	REVENUE	TRANSFERS TO (FROM) RESERVES/ SURPLUS	REVENUE	TRANSFERS TO (FROM) RESERVES/ SURPLUS	VARIANCE BEFORE RESERVES/ SURPLUS	TRANSFERS IN EXCESS OF BUDGET TO RESERVES
	Actuals YTD	Actuals YTD	Full Year Budget	Full Year Budget	Amount Remaining	
	2024-04-30	2024-04-30	2024	2024		
INVESTMENT/INTEREST INCOME	-598,651	0	-2,408,308	-300,000	-1,809,657	1,800,000
WATERLOO NORTH HYDRO INVESTMENT INCOME	-3,793,027	0	-3,583,825	0	209,202	869,000
CAPITAL PROJECT OVERHEAD	-828,440	-828,440	-1,495,942	-1,495,942	-667,502	100,000
WINTER MAINTENANCE		0		-93,000	0	495,000
SALARY STEP AND VACANCY GAPPING		0		0		1,000,000
VARIOUS OTHER RESERVES						
Total - per Tax Based Summary	-5,220,118	-828,440	-7,488,075	-1,888,942	-2,267,957	4,264,000

* Note: positive variances are favourable; (negative) variances are unfavourable.

** Winter Maintenance includes both Transportation Services & Environment & Parks.

The above table summarizes other items in accordance with policy.



STAFF REPORT
Parks, Forestry and Cemetery Services

Title: Eby Farm Playground Expansion - Award of Tender RFT24-11
Report Number: COM2024- 027
Author: Hala Al Amine, Senior Landscape Architect, Parkland, Capital Projects and Stewardships
Amy Ross, Accessibility Advocate, READI
Council Date: June 17, 2024
File: 220029
Attachments: Figure 1 – Location plan, Figure 2 – Site Plan
Ward No.: Ward 06

Recommendations:

1. That Council approve report COM2024-027.
2. That Council approve the award of RFT 24-11 Eby Farm Playground Expansion for the submitted price of \$626,476.82 including added provisional items in the amount of \$153,603.91 plus unrecoverable HST in the amount of \$13,729.42 for a total award value of \$793,810.15.
3. That Council approve project transfers to the Accessible Playground project 220029 totaling \$700,000 funded \$520,000 from the Park Strategy Implementation project 170005, and \$130,000 from the Playground Equipment project 110083 and \$50,000 from the Park Shade Structure project 220005.
4. That the Mayor and Clerk be authorized to sign the Agreement between The Corporation of the City of Waterloo and Lyncon Construction Inc., and any other documents related to this project, subject to the satisfaction of the City Solicitor.

A. Executive Summary

The report seeks Council's approval for the award of RFT # 24-11 – Eby Farm Playground Expansion. The funding will be used to comply with the Accessibility for Ontarians with Disabilities Act, 2005 (AODA) Design Of Public Spaces (DOPS) requirements by providing an accessible path of travel between the Young Street Lot and the playground area, and by expanding the accessible surface playground that opened in 2023 through incorporation of accessible play components, sand play area and picnic area. The playground expansion will create a vibrant, inclusive and accessible space that brings

members of the community together while providing a place for people of all ages to enjoy time in Waterloo Park.

This playground expansion is advancing ahead of the current Eby Farm consultation in an effort to immediately improve and expand access to accessible playground amenities. The project was contemplated prior to the broader Eby Farm Review and is a suitable park amenity that can be integrated with any proposed outcome of the review. The vision for this playground expansion is supported by the Waterloo Park Advisory Committee and the City's accessibility initiatives in alignment with GRAAC.

The City of Waterloo has hired Snow Larc Landscape Architecture as the consultant to prepare designs, construction documents, and provide contract administration for the project. Throughout the design process, members of the Grand River Accessibility Advisory Committee (GRAAC) were engaged to provide feedback on multiple phases of the design process.

In accordance with the City's Purchasing By-Law 2019-026, tenders were solicited via RFT 24-11 for the Eby Farm Playground Expansion. Bids were received from one qualified contractor. The pricing received in this bid is consistent with pricing provided through the detail design and construction tender preparation by the consultant. Staff are confident that the pricing received in this bid is at fair market rate.

After reviewing the bids, it is recommended that Lyncon Construction Inc. be awarded the above contract.

Upon approval of this report and award of RFT24-11, it is anticipated that construction will commence in the summer of 2024 and be substantially completed by October 31, 2024 and be fully complete by November 30, 2024.

B. Financial Implications

The current available funding remaining in the Accessible Playground project #220029 after Phase 1 of the playground installation is \$126,617. To award the bid of \$793,810.15, total funding transfers are required from the various projects as outlined below:

- \$520,000 from the Park Strategy Implementation project 170005
- \$130,000 from the Playground Equipment project 110083
- \$50,000 from the Park Shade Structure project 220005

C. Technology Implications

There are no technological implications with respect to this report.

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)

Reconciliation, Equity, Accessibility, Diversity and Inclusion

- Addition of playground and sand play area with a focus on accessible play elements, seating and picnic areas that welcome people of all ages.

Environmental Sustainability and Climate Action

- The project will improve urban tree canopy and storm water infiltration.

Complete Community

- The playground expansion will foster a sense of community and create an inclusive, vibrant and safe space for people of all ages.

E. Previous Reports on this Topic

COM2021-002 Waterloo Park Master Plan Implementation – 2020-2022 Project Priorities



Eby Farm Playground Expansion - Award of Tender RFT24-11 COM2024- 027

Section 1: Background

The Eby Farm Playground Expansion involves the demolition of the existing junior playground that is aging and does not meet the needs of all visitors to the park. The Peacock Enclosure/Farm Building will also be demolished and these areas will be replaced with an accessible path of travel to the Young Street Lot and a new play area and picnic space with accessibility features.

Accessible play spaces provide opportunities for people with or without disabilities to use available equipment; they also include parents, caregivers or siblings with disabilities to supervise or take part in the fun.

In late 2021, the City of Waterloo applied to the Ontario Trillium Foundation's Community Building Fund to upgrade an existing play area at Eby Farm in Waterloo Park to one with an accessible rubberized surface. The application was supported by the Grand River Accessibility Advisory Committee (GRAAC), Waterloo Park Advisory Committee, and the Friends of Waterloo Park. In January 2022, the City was advised that the grant application was approved, and in May 2023 the City of Waterloo opened the Eby Farm Accessible Surface Playground located at 50 Young St W as the first playground in the City with rubberized surfacing.

Feedback from the disability community about the new accessible surface playground has indicated that while the rubberized surface improves access to the play area, the design does not provide a truly inclusive play experience. For example, the sand area, playhouse and play structure do not include appropriate space for mobility devices. GRAAC has raised concerns with municipalities across the region for many years about the lack of inclusive play spaces available.

Organizations are required to meet or exceed Part IV.1 Design of Public Spaces Standards of Ontario Regulation 191/11 (Integrated Accessibility Standards), under the AODA when building new or upgrading outdoor facilities. This helps to identify, remove, and prevent barriers to participate in events in the community.

In an effort to learn more about the needs indicated by the community and GRAAC, Staff have piloted an iterative design process. The focus of the new play area is to provide an accessible and inclusive space for people of all ages.

Early in the process, concept designs were shared with members of GRAAC's built environment subcommittee and detailed suggestions for changes were received. Through a feedback loop, revisions based on the input were shared at the 90% detailed design phase with members of the built environment subcommittee with additional comments received.

As a result, the Eby Farm Playground Expansion will include the following accessible elements:

- ramp with embankment slide
- sensory panels
- sensory tunnel
- horse spring rider
- communication board
- elevated sand table with built-in shade
- sand pit with transfer stations
- path of travel to nearby parking lot
- picnic tables
- umbrella tables

The playground will be covered with an accessible rubber surfacing that will compliment existing play elements to create a vibrant play area and picnic space for all users.

Final design concepts were brought to GRAAC in January before tendering. Staff acknowledge that much of the design has been guided by engagement with GRAAC; however, the desire for an accessible swing could not be included at this time due to space required for safety. This will be revisited in future park updates.

In collaboration with the READI Team \$50,000 from AODA Funds (ref#130/ Accessibility capital project 170118) were previously transferred to project 220029 to contribute to this expansion.

GRAAC has also indicated that accessible washrooms should also be available in parks. Staff are exploring future opportunities for improved washroom facilities.

The construction of the playground expansion will be supported by the Construction Coordinator in Facility Design and Management Services.

Section 2: Procurement Process

RFT24-11 – Eby Farm Playground Expansion was advertised on Bids and Tenders on April 17th, 2024. The bid closing date was May 2nd, 2024 and one (1) submission was received.

The bid was opened in the presence of Mercedes Hall, Procurement Specialist. Table 1 below summarizes the Bid Results.

Table 1:

Bidder	Bid Price	Non-recoverable HST (1.76%)	Total including non-recoverable HST
Lyncon Construction Inc.	\$626,476.82	\$11,025.99	\$637,502.81
Provisional Items to include: (accessible sand play area with elevated sand table, 3 umbrella tables and bench, widening of asphalt pathway, 2 picnic tables and benches, shade structure)	\$153,603.91	\$2,703.43	\$156,307.34
Grand Total	\$780,080.73	\$13,729.37	\$793,810.15

Section 3: Financial Implications

The current available funding remaining in the Accessible Playground project #220029 after Phase 1 of the playground installation is \$126,617, which includes a previous transfer of \$50,000 from project 170118. To award the bid of \$793,810.15, total funding transfers are required from the various projects as outlined in Table 2 below:

Table 2: Funding and Estimated Costs:

Description	Report Number	Approval Date	\$ Amount*
FUNDING:			
Current available funding Accessible Playground project 220029	N/A		\$126,617
Transfer funding Park Shade Structure project 220005	COM2024-027	17-Jun-2024	\$50,000
Transfer funding Playground Equipment project 110083	COM2024-027	17-Jun-2024	\$130,000
Transfer funding Park Strategy Implementation project 170005	COM2024-027	17-Jun-2024	\$520,000
Total Funding			\$826,617
PROJECTED EXPENDITURES:			
Eby Farm Playground Expansion Contract RFT24-11	COM2024-027	17-Jun-2024	\$793,810

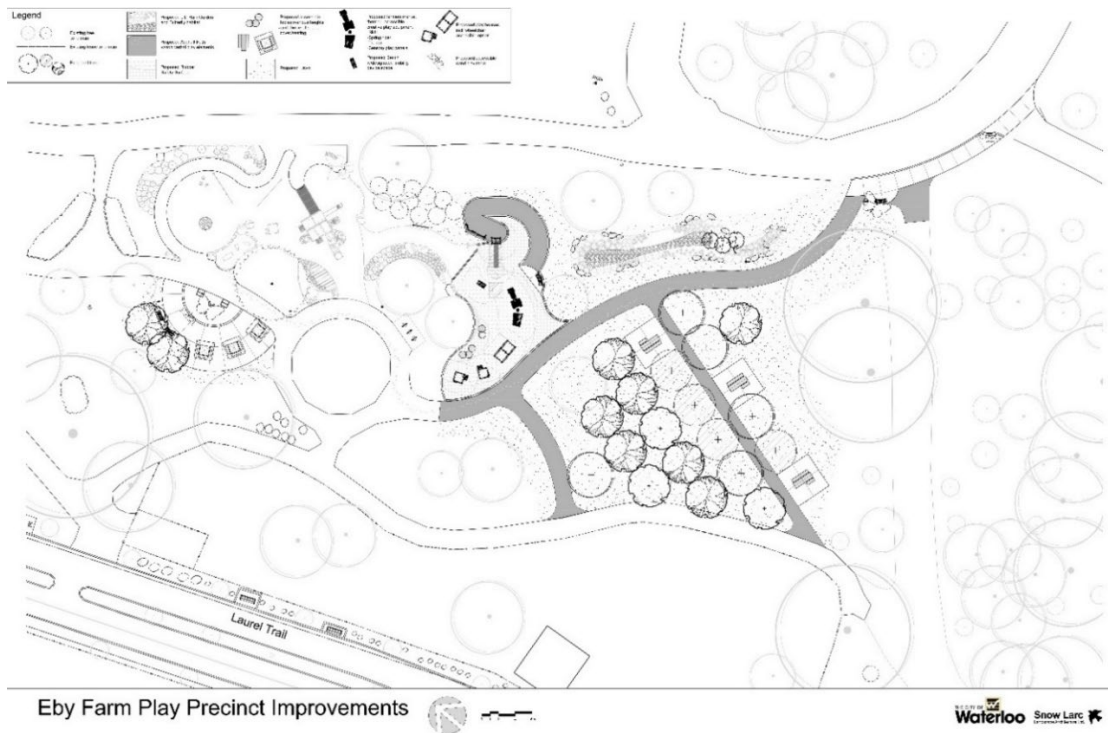
Description	Report Number	Approval Date	\$ Amount*
Other miscellaneous project costs including contingencies, etc.			\$32,807
Total Projected Expenditures			\$826,617
BALANCE:			\$0

*Note: non-recoverable portion of HST included

Figure-1: Eby Farm Playground Expansion Location Plan



Figure 2: Eby Farm Playground Expansion Site Plan





STAFF REPORT

Asset Management

Title: 2024 Asset Management Plan
Report Number: CORP2024-018
Author: Cassandra Pacey
Council Date: June 17, 2024
File: NA
Attachments: [Link to Appendix A – 2024 Asset Management Plan](#)
Ward No.: All

Recommendations

1. That Council approves CORP2024-018;
2. That Council endorses the 2024 Asset Management Plan; and
3. That Council acknowledges the 2023 average annual infrastructure funding gap of \$54.3 million (\$37.6 million for tax-funded assets and \$16.8 million for enterprise-funded assets); and
4. That Council direct staff to continue advocating for environmental sustainability, climate change and sustainable infrastructure grant funding recognizing that funding support from all levels of government is needed to enable the City to reach its corporate GHG emissions reduction targets of 50% by 2030 (2010 baseline) and net-zero by 2050 while maintaining infrastructure to provide valued services to the City; and
5. That Council directs staff to publish the 2024 Asset Management Plan on the City's website as required by Ontario Regulation 588/17.

A. Executive Summary

The City of Waterloo (City), located in the heart of Canada's Technology Triangle, is home to three leading post-secondary institutions and is one of the fastest-growing regions in Canada in terms of both population and employment. Many people have chosen the City as a place to live, work, play and learn as it offers a harmonious balance of open space, amenities, employment opportunities and a vibrant uptown. The community expects innovation when it comes to managing operations and the City's approximately \$4 billion in assets. The purpose of this report is to seek Council's endorsement of the 2024 Asset Management Plan (AMP), as required by provincial legislation. The City's 2024 Asset Management Plan has been endorsed by the Asset Management Steering Committee which includes the CAO as the Executive Lead for Asset Management.

Developing and sustaining public infrastructure is a complex and challenging task requiring continuous improvement and monitoring. Since the approval of the City's first comprehensive asset management plan (AMP) in 2016, staff throughout the organization have been improving the maturity (quantity, quality, and completeness) of infrastructure data. The information gathered through these efforts has been used to inform the City's custom Waterloo Decision Support System (Waterloo DSS) to help prioritize infrastructure projects, and infrastructure funding allocations and calculate the annual infrastructure-funding gap.

The Waterloo DSS has forecasting capabilities that allow staff to project the performance of City assets over a 25-year timeframe. The analysis is completed using the current year asset inventory, performance, and deterioration trends, and planned funding included in the 2023 Approved Capital Budget and 2024-2032 Capital Forecast, as well as any unspent rehabilitation and replacement funding from in-process projects, approved in prior budget cycles. The analysis excludes infrastructure funding in the 2024-2026 budget approved by Council on February 12, 2024 or the financial impacts of reaching Council's ambitious new goal for the corporation to achieve net zero emissions by 2050.

Advanced asset management practice is an equal partnership between subject matter experts (SMEs within operations and maintenance staff), engineering, finance, senior management, and elected officials. The ability of the City's staff to bridge gaps of knowledge between positions is the key to the City's success. The City's success has resulted in momentum in advancing municipal asset management principles and practices. It is recommended the City continue building on top of existing processes and build on this momentum. This will enhance the City's decision-making effectiveness for selecting the most appropriate infrastructure improvements and their timing.

This AMP is intended to help the City manage its infrastructure, valued at almost \$4 billion, by being a decision-making tool for Council and staff. The AMP provides information about the assets the City owns as well as the projected performance of infrastructure assets based on currently available inventory data, deterioration rates and the funding included in the 2023 Approved Capital Budget and 2024-2032 Capital Forecast.

B. Financial Implications

It is important to note that the information included in this report is based on the best available information for asset inventory, performance, and deterioration trends including condition data (when available), estimated replacement, and treatment costs for 2023. Additionally, staff has incorporated the capital funding within the 2023 Approved Capital Budget and the 2024-2032 Capital Forecast and previously approved unspent rehabilitation and replacement funding from prior budgets. The annual infrastructure gap is influenced by replacement and rehabilitation improvements and costs, continued deterioration, and improved asset inventory data, including the addition of assets that were previously excluded (e.g. streetlights, retaining walls, and library assets). As each of these inputs is enhanced, the average annual infrastructure-funding gap is refined. It is estimated that this process will take several years and that, during that time, the estimated annual infrastructure gap will be progressively amended to reflect new and/or improved information.

While the 2024 AMP has been developed using the 2023 data and information, recognizing Council's foresight to develop a plan to begin narrowing the infrastructure-funding gap is important. Council's plan to begin narrowing the infrastructure-funding gap was initiated in 2020 and currently includes their approval within the 2020-2022 budget of an increase of \$2.1 million by 2022, a \$0.7 million increase within the 2023 budget and a \$1.3 million increase within the 2024-2026 budget, for a total increase of \$4.1 million annually for infrastructure assets. The additional infrastructure funding was added to the Capital Infrastructure Reinvestment Reserve Fund (CIRRF) and since its inception in 2008 by Council, the annual contribution to CIRRF has increased significantly and is currently \$13.4 million per year in infrastructure-related funding.

As part of the budget processes, the increased infrastructure funding was strategically allocated. The primary approach was to allocate the funding to key tax-funded asset classes based on their weighted average need, although a strategic adjustment was incorporated in the 2024-2026 budget. As part of the 2024-2026 budget process, a strategic allocation was made to the facility asset class to support a transformational project to assist the City in meeting its GHG targets, while also improving our facility asset condition.

Due to the work completed over the past year, staff have determined the expenditures required to achieve an acceptable level of performance from the City's infrastructure assets. The analysis completed in 2023 has determined that additional annual funding of approximately \$54.3 million (\$37.6 million for tax-funded assets and \$16.8 million for enterprise-funded assets), is required. Table 1 identifies the additional annual contributions needed to fund the target scenario for each asset class and the average funding contributions identified in 2023.

Table 1: Infrastructure Funding Gap (000's)**

Asset Groups	Replacement value (millions)	Current Performance	Projected Performance in 25 Years	Annual Funding Needed to Meet Target Performance	Average Annual Funding	2023 Average Annual Funding Gap
Transportation*	1,122	Fair	Very Poor	30,000	7,000	23,000
Facilities	541	Poor	Very Poor	16,700	5,200	11,500
Parks	69	Poor	Very Poor	4,200	1,800	2,400
Information Technology	19	Fair	Fair	1,200	1,200	0
Fire	15	Fair	Good	1,300	1,200	100
Bridges and Culverts^	28	Good	Very Poor	400	250	150
Forestry^^	113	Excellent	Excellent	500	100	400
Library	6	Good	Good	300	300	0
Public Art	2	Good	Good	15	5	10
Total Tax Base				\$ 54,615	\$ 17,055	\$ 37,560
Stormwater	761	Fair	Poor	17,200	4,300	12,900
Water Distribution	635	Good	Fair	3,800	3,800	0
Sanitary Collection	526	Good	Fair	6,000	3,000	3,000
Fleet and Shop Equipment	28	Poor	Fair	3,000	2,800	200
Bridges and Culverts^	28	Good	Very Poor	400	250	150
Parking	38	Fair	Poor	600	200	400
Cemeteries	15	Fair	Poor	200	100	100
Total Enterprise				\$ 31,200	\$ 14,450	\$ 16,750
Total City of Waterloo Funding Gap	\$ 3,946			\$ 85,815	\$ 31,505	\$ 54,310

Note: some numbers may not add due to rounding.

*The Transportation class is comprised of roads, sidewalks, standard streetlights, retaining walls, multi-use paths, trails & trail links, traffic & wayfinding signs.

^The Bridges and Culverts asset class is jointly owned by the Tax Base and by Stormwater resulting in the infrastructure funding gap being split 50/50.

**The analysis for this chart used the "Status Quo" approach and excludes rehabilitation or replacement funding approved by Council as part of the 2024-2026 budget process.

^^The forestry asset class has a unique forecasting calculation that specifically considers the immediate impacts of the Emerald Ash Borer (EAB), as well as maintaining trees in excellent condition for the duration of their expected life, after which they rapidly decline. Approximately 50% of the infrastructure funding gap is related to EAB impacted Ash trees.

The 2023 average annual infrastructure-funding gap has increased by \$20.6 million in comparison to 2022 due to these key items:

- Replacement cost updates including significant inflation/price escalation impacts (~70%)
- Data improvements including the addition of assets to the Waterloo DSS (~30%)
 - Examples of assets added to the Waterloo DSS include water valves, standard streetlights, park trees, and the East Side Branch Library facility.

Price escalation impacts are strongly influenced by inflation which City staff monitors regularly. Council received an update on the inflation factors through the 2024-2026 Staff Tabled Budget Summary, CORP2023-055, on December 11, 2023. Council may consider various inflationary measures. While these indicators are results that have occurred in the past, they may provide context to assist Council in making decisions that will impact the future. Future inflation may be higher or lower and therefore the indicators are used as a guideline. Consumer price indices have been decreasing over

the past 12 months, but are almost 3% on a 12-month rolling average as of March 2024, which impacts the cost of services within a municipal budget:

Table 2: Consumer Price Indices Percentage Changes:

Consumer Price Indices	CPI	CPI-ONT	CPIX
April 2023 - March 2024	2.9%	2.61%	2.00%
12-Month Rolling Average	3.33%	3.19%	2.91%

As noted in CORP2023-055, the City uses the non-residential construction price index to inflate our capital budget and contributions to the main capital reserves (CIRRF, CRF and CARF). While tender prices at the time of writing this report are coming in lower than the 2023 construction estimates, they are more in line with current expectations. It is anticipated that the current construction pricing will be the new baseline moving forward, however returning to pre-pandemic pricing (i.e. construction cost deflation) is unlikely. If in the future market forces for supply and demand result in a decrease in replacement costs, this will be incorporated into the Waterloo DSS and will decrease the annual infrastructure-funding gap.

While the above drivers are specific to the increase for 2023, the annual infrastructure gap is calculated by comparing the budget and target scenarios produced using the Waterloo DSS. The budget scenario provides the projected performance of assets based on current asset data, deterioration trends, and funding included in the 2023 Approved Capital Budget and 2024-2032 Capital Forecast. The target scenario generates the infrastructure expenditure needed to achieve the targeted levels of service established in partnership with subject matter experts (SMEs).

The estimated additional funding is required to achieve a level of service that is anticipated to be acceptable to most interested and affected parties. The City's average annual funding target is based on maintaining the average performance of assets with a fair or better performance profile. This reflects the fact that the City's infrastructure assets are in various performance categories and will need rehabilitation or replacement at different times. The required expenditures have been established based on an analysis of the available asset data, combined with professional management strategies, to determine why, when, and how each different type of asset should be renewed. It is not financially sustainable to maintain all assets with an excellent performance profile and as a result, that approach has not been incorporated in the City's approach to asset management.

It is important to note climate change impacts on infrastructure have not been included in the budget and target scenarios throughout this plan. This includes the to-be-determined financial impacts of Council's decision on October 16, 2023, to set a powerful new goal for the corporation to achieve net-zero emissions — the point at

which the City does not emit greenhouse gas emissions, or fully offsets its emissions — by 2050. AM staff will collaborate with the Strategic Initiatives division, the Environmental Sustainability Team (EST) and SMEs throughout the organization to incorporate climate change adaptation and mitigation into the Waterloo DSS and performance forecasting methodologies as more information and data become available. Both the Provincial and Federal governments have established grant programs over the past several years to help fund the rehabilitation/replacement of municipal infrastructure and address climate change. Despite these programs, for municipalities like Waterloo to achieve their powerful climate action goals and to maintain infrastructure assets, more funding from higher orders of government will be required. Ongoing advocacy efforts and proactive engagement with all levels of government are needed to identify funding potential opportunities and to effectively communicate the City's needs.

C. Technology Implications

There are no technological implications directly associated with this report.

D. Link to Strategic Plan

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

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

The City's AM approach enables infrastructure assets to be managed within the direction provided through the City's 2023 to 2026 Strategic Plan. The strategic plan includes the Community Vision: "A leader in sustainability and a future-ready community for all." For this vision to be realized, the services and programs provided by City-owned and operated assets are essential and must be in place to provide a solid foundation upon which to build and achieve these higher-order goals.

The AMP supports the strategic plan by working to make these services dependable and sustainable. The City's Official Plan (OP) also works to facilitate the community vision by establishing a land use policy focusing on intensification for the City. The AMP supports the vision by identifying the maintenance, rehabilitation, and replacement needs for City assets.

Specific components of the City's 2023 to 2026 Strategic Plan that AM activities align with include:

Strategic Objectives:

- Reconciliation, Equity, Accessibility, Diversity and Inclusion;
- Environmental Sustainability and Climate Action;
- Complete Community;
- Infrastructure and Transportation Systems.

This initiative advances the City's environmental sustainability mindset, assessing and addressing the infrastructure gap with sustainable infrastructure planning to meet the needs of future generations. Asset management helps the City identify and plan for required operational, maintenance, and rehabilitation/replacement needs associated with new and existing infrastructure while considering ways to minimize the impacts of life cycle costs.

Guiding Principles

- Equity and Inclusion;
- Sustainability;
- Integrity;
- Community-centred;
- Operational Excellence.

E. Previous Reports on this Topic

CORP2023-040 2023 Asset Management Report Cards and Update, Nov 20, 2023

CORP2023-039 Strategic Asset Management Policy Update, Nov 20, 2023

COM2023-017 Facilities Infrastructure Replacement and Rehabilitation Needs, June 19, 2023

CORP2023-038 2024-2026 Budget Strategy, June 19, 2023

IPPW2023-024 Transportation Infrastructure Replacement and Rehabilitation Needs, May 15, 2023

CORP2022-042 2022 Asset Management Update and Report Cards, Dec 5, 2022

CORP2022-005 Building LOS and Modern Equivalent Adjustments, Feb 28, 2022

CORP2021-035 2021 Asset Management Update and Report Cards, Dec 6, 2021

COM2021-032 Alignment of Facility Infrastructure with Energy Roadmap, Oct 18, 2021

CORP2021-027 IMTS Infrastructure Replacement and Rehabilitation Needs – 2020-2022 Implementation Plan, Jun 14, 2021

COM2021-012 Rink in the Park Funding Release, Apr 19, 2021

CAO2020-010 2020 Asset Management Report Cards, Dec 7, 2020

CAO2020-014 Strategic Asset Management Policy Update, Dec 7, 2020

CAO2020-009 2020 Asset Management Plan, Nov 2, 2020



2024 Asset Management Plan CORP2024-018

This report is divided into three main sections, with various sub-sections as follows:

1 General Information

- 1.1 Background
- 1.2 Ontario Regulation 588/17
- 1.3 Contributions to Asset Management

2 State of Waterloo's Infrastructure

- 2.1 Maturity of Asset Information
- 2.2 Replacement Value
- 2.3 Measuring Asset Performance
- 2.4 Levels of Service – Expenditure Needs and Asset Performance
- 2.5 Financing Opportunities
- 2.6 Infrastructure Funding Gap

3 Next Steps

1. General Information

1.1 Background

Many people have chosen the City of Waterloo (City) as a place to live, work, play and learn as it offers a harmonious balance of open space, amenities, employment opportunities and a vibrant uptown. The City is home to three leading post-secondary institutions, has three think-tank organizations within our boundaries and is in the heart of Canada's Technology Triangle. This means that the City is one of the fastest-growing regions in Canada in terms of both population and employment. Residents and businesses expect innovation when it comes to managing operations and the City's almost \$4 billion in assets.

To assist the current and growing community, the City provides a significant number of services such as recreational facilities (indoor and outdoor), roads, the active transportation network (sidewalks, trails, and trail links), cemetery services, day camps, senior services, stormwater management, water distribution, and sanitary collection.

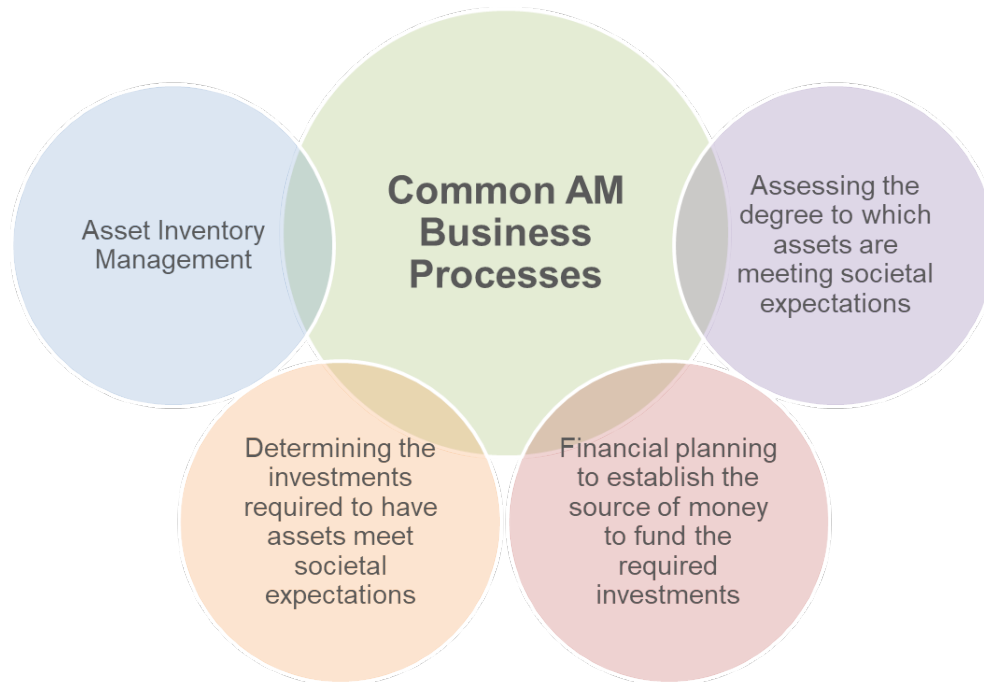
The City has supported growth throughout past decades by building the infrastructure needed to offer services to the community. The need to maintain assets such as water pipes, sanitary pumping stations, roads, facilities, parks, and trees is not new, but prioritizing which assets are replaced and when is a challenge. The City has been actively practicing a form of asset management for several decades however the formal reporting of asset management is relatively new.

Developing and sustaining public infrastructure is a complex and challenging task requiring continuous improvement and monitoring. Since the approval of the City's first comprehensive asset management plan (AMP) in 2016, staff throughout the organization have been improving the maturity (quantity, quality, and completeness) of infrastructure data. The information gathered through these efforts has been used to inform the City's custom Waterloo Decision Support System (Waterloo DSS) to help prioritize infrastructure projects and calculate the annual infrastructure-funding gap.

To understand infrastructure needs and support long-term strategies to ensure services are sustainable, in 2016 the City set out to develop a custom analytical software application to guide decisions regarding the building, operating, maintaining, renewing, and disposing of infrastructure assets: the Waterloo Decision Support System (Waterloo DSS). Rather than purchasing an off-the-shelf asset management program, the Waterloo DSS was developed to equip the City with processes to effectively operationalize asset management practices at detailed (operational), tactical, and strategic levels throughout the organization. The goal was to create an asset management system that would inform an ongoing plan; one that would provide the data needed to address the city's infrastructure funding gap and build on existing processes. The Waterloo DSS enhances the city's decision-making effectiveness for selecting the most appropriate infrastructure improvements and their timing.

For consistency across the City's complex asset classes, the Waterloo DSS maintains an inventory database with key attributes. Examples of the attributes include asset ID, description, estimated service life, asset valuation, and performance. With the Waterloo DSS and organizational processes, staff can estimate future levels of infrastructure performance and corresponding expenditure needs.

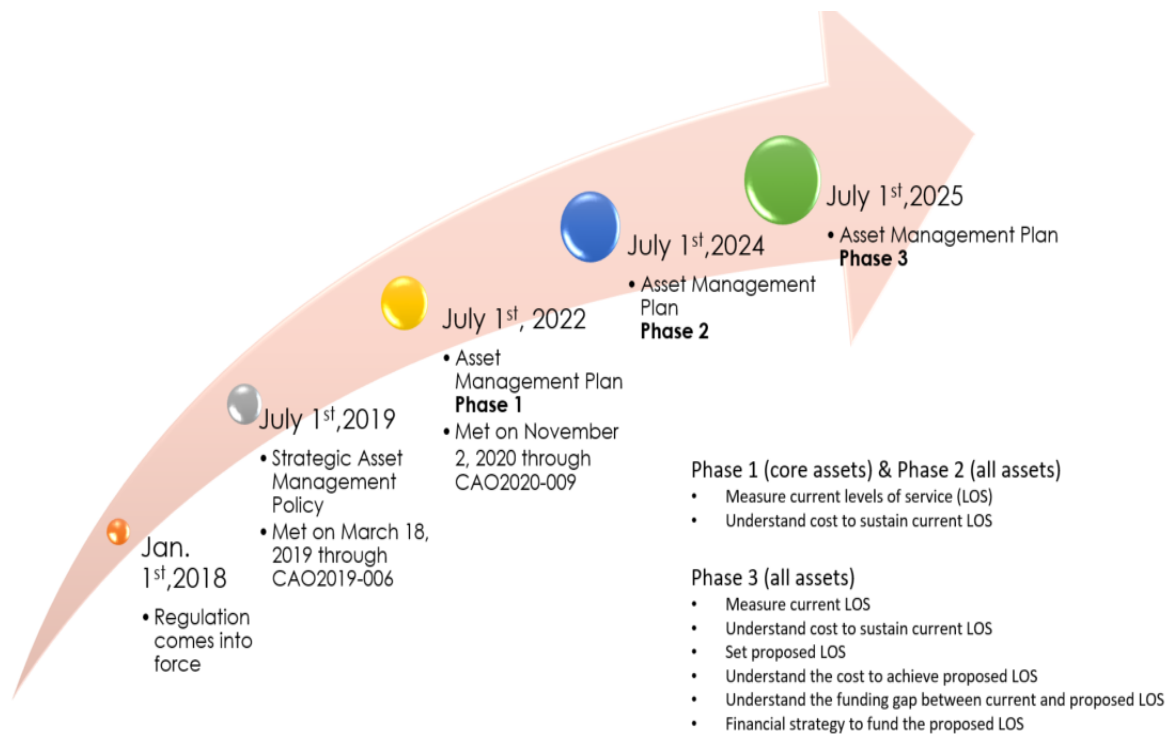
Asset Management is a cross-disciplinary expertise involving a series of integrated business processes used to inform infrastructure-related decisions, as indicated in Figure 1. This includes the process of making the best possible decisions regarding the building, operating, maintaining, renewing, and disposing of infrastructure assets. The overall objective is to maximize value, manage risk and provide satisfactory levels of service to the public in a sustainable manner.

Figure 1: Common Asset Management Business Processes

1.2 Ontario Regulation 588/17

The Province of Ontario recognized the importance of asset management planning when Ontario Regulation 588/17: Asset Management Planning for Municipal Infrastructure (O. Reg. 588/17) was enacted on January 1, 2018. O. Reg. 588/17 outlines guidelines and expectations for the application of asset management principles for municipalities. A significant number of municipal assets are intended to last for decades or beyond to continually support the community and it is imperative that the lifecycle costing, performance, risks, and impacts of asset ownership are considered.

O. Reg. 588/17 identifies numerous items that municipalities must consider and include in future asset management plans (AMP) although the requirements have a 7-year phased-in timeline, as summarized in Figure 2. The original phase-in period was 6 years, however, due to the pandemic the Province extended the timeline by one year.

Figure 2: Ontario Regulation 588/17 Requirement Phase-In Revised Timeline

The first requirement was the approval of a strategic asset management policy by July 1, 2019. The City met this requirement through Council's approval of CORP2019-006 Asset Management Policy Update on March 18, 2019. The second requirement under O. Reg 588/17 was the approval of an AMP meeting all of Phase 1 requirements. With Council's approval of the 2024 AMP through this report, the City of Waterloo will meet Phase 2 and Phase 3 requirements identified in O.Reg 588/17.

The final aspect of O. Reg 588/17 is an annual review of the City's AM progress on or before July 1st of each year. The annual review must address the following items:

- 1) Our progress in implementing our AMP;
- 2) Any factors impeding our ability to implement our AMP; and
- 3) A strategy to address the factors described in item 2.

In a continued effort to keep Council and the public informed of efforts to sustain existing and planned infrastructure, the City has developed AM report cards (RC). The RCs are intended to be a brief snapshot of the performance and needs of the City's infrastructure and will be updated on an annual basis. Table 4 identifies the planned frequency of updates for AM-related documents.

Table 4: Frequency of AM Updates

Document	Frequency
Strategic Asset Management Policy	Every 4 years
Asset Management Plan	Every 4 years
Report Cards	Annually
Annual Review of AM Progress	Annually*

*The City's first annual review report card will be tabled before Council in Q2 2025.

Council has been receiving annual updates through our annual Report Card and Asset Management Update reports that started in 2020. Asset Management staff will consider annual reporting requirements required by O. Reg 588/17 to ensure that the City complies with the legislation.

1.3 Contributions to Asset Management

The City has been an active participant in the asset management community by sharing knowledge, experience, and leading practices. These opportunities have occurred through conference presentations, partnerships, and previous research initiatives with the University of Waterloo. In addition, the City has won 3 awards since 2016 for our asset management initiatives.

Awards presented to the City of Waterloo:

- Canadian Network of Asset Managers Tereo Award
 - 2016 – The City won 1st place for the Decision Support System
 - 2018 – The City won 3rd place for the Cross Asset Prioritization Tool
- Federation of Canadian Municipalities (FCM) – Gas Tax Award
 - 2017 – The City won for the Asset Management System

The City has shared our knowledge and experiences through the following organizations:

- Canadian Network of Asset Managers (CNAM)
- Asset Management Ontario (AMONTario)
- PEMAC Asset Management Association of Canada
- Centre for Advancement of Trenchless Technologies (CATT)
- Municipal Engineers Association (MEA)
- National Conference on Transportation Asset Management (USA)
- National Water and Wastewater Benchmarking Initiative (NWWBI)
- Transportation Association of Canada
- University of Waterloo
- Municipalities to share our experiences in the development and operationalization of the Waterloo DSS

In addition, the City of Waterloo is profiled in two [AMONTario case studies](#). AMONTario is an organization that knows that municipalities are on the front lines of climate change. The City knows that much of our public infrastructure was designed to perform in conditions that are no longer the reality due to the changing impacts of climate change.

Case Study 1 is entitled “An Integrated Approach to Climate Change and Asset Management at the City of Waterloo”. It highlights the importance of an approach to climate change that moves away from applying a “climate lens” to one that focuses on integrating climate change into everything we do. The City’s Asset Management team is recognized as a significant collaborator as part of this approach to use asset management to advance our climate change goals.

Case Study 7 is entitled “The City of Waterloo’s collaborative approach to prioritization”. The case study celebrates Waterloo’s approach to project prioritization made possible through the award-winning Waterloo Decision Support System (Waterloo DSS). This case study also highlights the unique way all asset categories have access to funding through the rehabilitation funding allocation process which allows all services to receive equitable funding. Furthermore, the importance of collaboration both internally and externally was also profiled, which was critical to the success of the Waterloo DSS.

2. State of Waterloo’s Infrastructure

As noted earlier, the City of Waterloo has been practicing the principles of asset management for several decades. The City has been undertaking inspection, maintenance, and replacement activities for many of its assets. The aggregated information provided in this section represents all asset groups and is managed by the City’s dedicated staff. Table 4 identifies the asset groups managed by subject matter experts (SME) within the City.

Table 4: City-Owned Asset Classes*

Tax Base Asset Classes	Enterprise Asset Classes
Transportation*	Stormwater
Facilities	Water Distribution
Parks	Sanitary Collection
Information Technology	Fleet and Shop Equipment
Fire	Bridges and Culverts^
Bridges and Culverts^	Parking
Forestry	Cemeteries
Public Art	
Library	

*The Transportation asset class is comprised of roads, sidewalks, multi-use paths, trails, trail links, traffic and wayfinding signs, bike racks, retaining walls, and standard streetlights.

^The Bridges and Culverts asset class is jointly owned by the Tax Base and by Stormwater Enterprise.

In addition to the city-owned asset classes, the City is responsible for reporting on assets consolidated into our financial statements, which include Waterloo Public Library (WPL) and Uptown Business Improvement Area (BIA) assets. BIA assets have been excluded from Table 4 as the BIA funds the purchase and replacement of their assets.

2.1 Maturity of Asset Information

Staff evaluates the performance of our assets using asset data, a combination of historical knowledge, age, observed conditions, measurements, and analytical techniques. Updates to asset data and deterioration trends will influence the projected performance of an asset. The higher the data maturity is, the greater confidence we have in our future performance projections for the asset. This information's quality, completeness, and availability (also known as "asset data maturity") is continuously improving.

The process of evaluating data maturity was initiated in 2016 and the process was updated in 2022 when, with the assistance of SMEs, a data maturity questionnaire was developed. The questionnaire allows SMEs and AM staff to work collaboratively to determine an asset class's data maturity rating.

There are a couple of important items to note for the data maturity rating:

- The rating does not influence the capital rehabilitation and replacement funding allocated during the budget process;
- The data maturity is assigned to each asset class individually; and
- The rating is not meant to be compared from one asset class to another, it is more relevant to compare progress from year to year for the same asset class.

The data maturity rating is a qualitative assessment of the data and information provided and utilized by the Waterloo DSS for each asset class. The rationale behind determining a data maturity rating is intended to help staff (AM and SMEs) understand the availability, completeness, and quality of the data/information used within the Waterloo DSS. It is meant to help guide staff from AM and SMEs to know where improvements can be made to help inform future decisions via the Waterloo DSS. It also provides a baseline overview for Council and the public so that readers understand that the projected performance of an asset class may change as data improves and that the average annual infrastructure-funding gap may change. It is envisioned to be a high-level overview of how mature the data is for each asset class. The data maturity for each asset class funded by the city has been identified in Table 5.

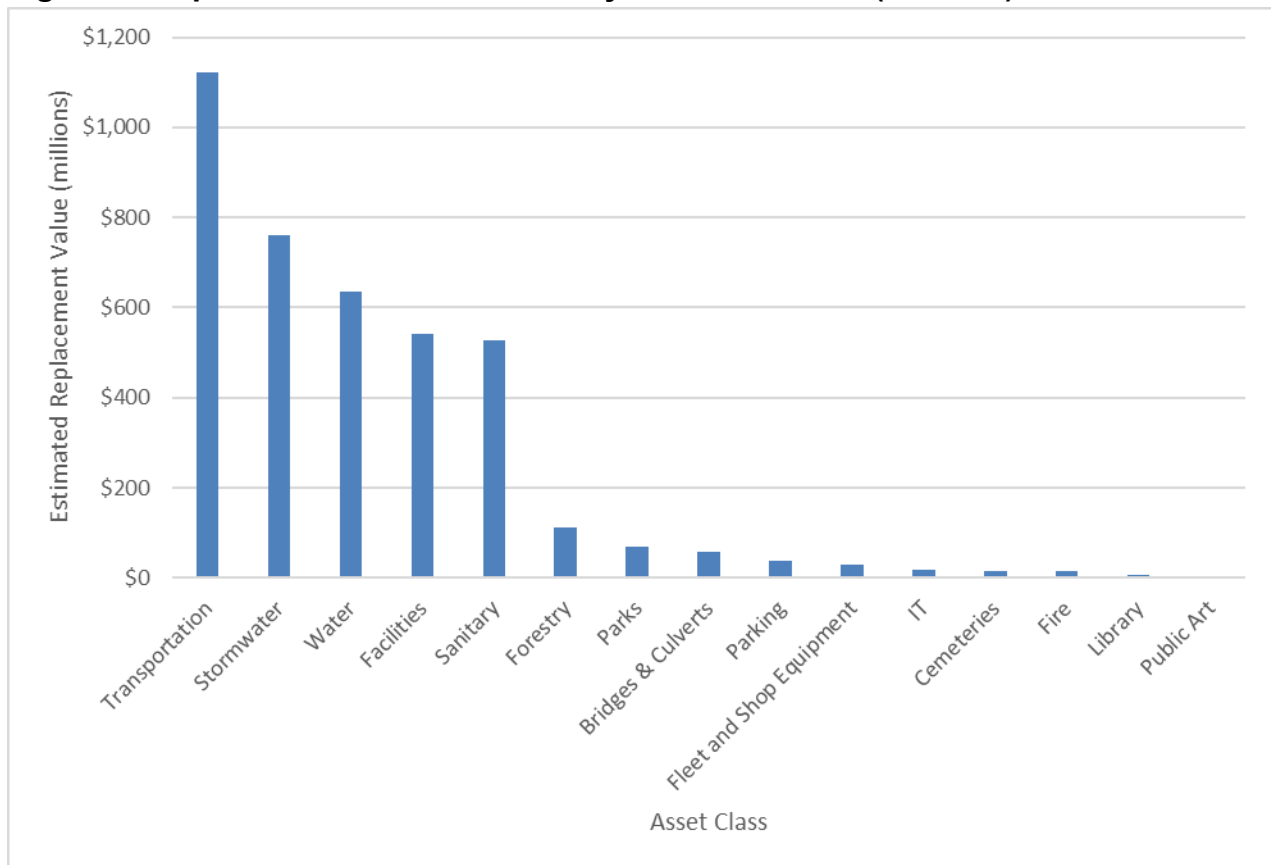
Table 5: City of Waterloo Asset Data Maturity

<i>Asset Class</i>	<i>Proportion of Total Infrastructure in Waterloo Based on Replacement Value</i>	<i>2023 Maturity of Asset Information</i>	<i>2022 Maturity of Asset Information</i>
<i>Transportation*</i>	28.4%	High	High
<i>Stormwater</i>	19.3%	Medium	Medium
<i>Water Distribution</i>	16.1%	High	High
<i>Facilities</i>	13.7%	Medium	Medium
<i>Sanitary Collection</i>	13.3%	High	High
<i>Forestry</i>	2.9%	Medium	High
<i>Parks</i>	1.7%	Low	Low
<i>Bridges & Culverts</i>	1.4%	Medium	Medium
<i>Parking</i>	1.0%	Medium	Medium
<i>Fleet and Shop Equipment</i>	0.7%	Medium	Low
<i>Information Technology</i>	0.5%	Medium	Medium
<i>Cemeteries</i>	0.4%	Medium	Medium
<i>Fire</i>	0.4%	Medium	Medium
<i>Public Art</i>	0.0%	High	NA
<i>Library</i>	0.0%	NA	NA

*The Transportation class is comprised of roads, sidewalks, trails & trail links, bike racks, traffic & wayfinding signs, retaining walls & cobra streetlights.

2.2 Replacement Value

Asset Management data is based on the best available information for asset inventory, performance, deterioration trends, estimated replacement, and treatment costs. In addition to the asset information, staff have incorporated the capital funding within the 2023 Approved Capital Budget and the 2024-2032 Capital Forecast and previously approved unspent rehabilitation and replacement funding from prior budgets. The analysis indicates an estimated replacement value of almost \$4 billion for all City infrastructure assets. Figure 3 displays the replacement value of the City's infrastructure, proportioned by individual asset class.

Figure 3: Replacement Value* of the City's Infrastructure (millions)

*Actual costs are subject to market forces at the time of the infrastructure construction or improvement activity. The values in the figure are based on current unit prices and industry standards.

2.3 Measuring Asset Performance

Measuring asset performance is a complex activity, with two main factors – condition and function. Condition is often the primary factor used when considering when and how an asset should be treated although functional performance is also an important consideration. Many different factors are integrated into the decision-making processes by the experts who decide when an asset is not achieving its intended performance targets.

Examples of condition and function influences that inform the decision to determine when and how an asset is renewed (replacement or rehabilitation or maintenance) are:

- **Condition:** The decision to rehabilitate the surface asphalt of a road to prevent the entire road structure (e.g. base asphalt and granular base) from failing and subsequently needing full-depth reconstruction.

- **Function:** Types of considerations that are captured in the functional performance of assets include:
 - The size of an asset (i.e. is it too big or too small)
 - Whether the asset is functionally obsolete (e.g. outdated computer hardware or software)
 - Whether the asset is functioning as intended (e.g. greenhouse gas emissions from a facility are greater than an established target)

Table 6 identifies the City's approach to providing a qualitative description of the indicators. Depending on the asset class, the SME performance indicators typically include assessed or projected condition, estimated service life (ESL), or a mix of both. Examples include the Pavement Quality Index for roads, the number of pipe breaks for water distribution pipes, and assessed condition and ESL for facility components such as floor or heating-ventilation-air conditioning (HVAC) systems, respectively.

Table 6: Qualitative Description of Performance Indicators

Asset Performance Score	Rating	Qualitative Description
80% - 100%	Excellent	Fit for the future. The asset is well maintained, in good condition, new or recently rehabilitated.
60% - 79%	Good	Adequate for now. Acceptable, generally approaching mid-stage of expected service life.
40% - 59%	Fair	Requires attention. Signs of deterioration, some elements exhibit deficiencies.
20% - 39%	Poor	At risk of affecting service. Approaching the end of service life, conditions are below standard, and a large portion of the system exhibits significant deterioration.
0% - 19%	Very Poor	Near or beyond service life, widespread signs of advanced deterioration, some assets may be unusable. No longer providing the intended service.

2.4 Levels of Service – Expenditure Needs and Asset Performance

Using the Waterloo DSS, staff can develop scenarios to project future performance and the primary scenarios developed are budget and target scenarios. To assist in the budget and target scenario projections, staff throughout the organization work collaboratively to improve data and processes. The individual analysis at the operational and tactical levels can then be consolidated to obtain a strategic perspective on the overall suite of assets. The analyses of these “what-if” scenarios will be the key to addressing the infrastructure challenges over the coming years and can be utilized when the City's Long Term Financial Plan (LTFP) is updated with each three-year budget process or when considering the rationalization of city assets.

The two scenarios that are included within this plan are the budget scenario (2023 approved budget) and the target scenario. The budget scenario projects future asset performance, based on current asset performance, deterioration rates, and council-approved funding. The target scenario generates the infrastructure expenditure needed to achieve the target levels of service established through collaboration with SMEs. Both scenarios use a similar approach for the first year of the projection by using the weighted average of replacement cost based on the current asset inventory, performance, replacement costs, and the approved infrastructure funding. The remaining years are a projection based on the deterioration of the assets along with the rehabilitation or replacement of assets based on the approved/forecasted infrastructure funding approved by Council.

For the 2024 AMP, the Waterloo DSS analysis used the 2023 Approved Capital Budget and 2024-2032 Capital Forecast. In addition, unspent council-approved rehabilitation, and replacement funding from prior budget cycles, for projects currently underway, have also been included. The Waterloo DSS then uses the City's 10-year average capital funding for the remaining years 11-25.

Developing and sustaining public infrastructure is a complex and challenging task requiring continuous improvement and monitoring. Since the development and approval of the City's first comprehensive asset management plan in 2016, staff throughout the organization have been improving the data maturity (quantity, quality, and completeness). In addition, AM staff have been working with SMEs to improve the forecasting capabilities of the Waterloo DSS. This has resulted in an update to the annual infrastructure funding gap for 2023 which is estimated to be \$54.4 million (\$37.6 million is for tax-funded assets and \$16.8 million is for enterprise-funded assets).

Since 2020, Council has had a plan to narrow the infrastructure funding gap. While the plan has been approved, the infrastructure gap may increase due to increasing construction costs, continued deterioration and the asset inventories being updated to reflect assets that were excluded (e.g. retaining walls, library assets). Table 7 identifies the additional annual contributions needed to fund the target scenario for each asset class and will be used to inform the updates to the City's LTFP.

Table 7: Infrastructure Overview (000's)**

Asset Groups	Replacement value (millions)	Current Performance	Projected Performance in 25 Years	Annual Funding Needed to Meet Target Performance	Average Annual Funding	2023 Average Annual Funding Gap
Transportation*	1,122	Fair	Very Poor	30,000	7,000	23,000
Facilities	541	Poor	Very Poor	16,700	5,200	11,500
Parks	69	Poor	Very Poor	4,200	1,800	2,400
Information Technology	19	Fair	Fair	1,200	1,200	0
Fire	15	Fair	Good	1,300	1,200	100
Bridges and Culverts^	28	Good	Very Poor	400	250	150
Forestry^^	113	Excellent	Excellent	500	100	400
Library	6	Good	Good	300	300	0
Public Art	2	Good	Good	15	5	10
Total Tax Base				\$ 54,615	\$ 17,055	\$ 37,560
Stormwater	761	Fair	Poor	17,200	4,300	12,900
Water Distribution	635	Good	Fair	3,800	3,800	0
Sanitary Collection	526	Good	Fair	6,000	3,000	3,000
Fleet and Shop Equipment	28	Poor	Fair	3,000	2,800	200
Bridges and Culverts^	28	Good	Very Poor	400	250	150
Parking	38	Fair	Poor	600	200	400
Cemeteries	15	Fair	Poor	200	100	100
Total Enterprise				\$ 31,200	\$ 14,450	\$ 16,750
Total City of Waterloo Funding Gap	\$ 3,946			\$ 85,815	\$ 31,505	\$ 54,310

Note: some numbers may not add due to rounding.

*The Transportation class is comprised of roads, sidewalks, streetlights, retaining walls, multi-use paths, trails & trail links, traffic & wayfinding signs.

^The Bridges and Culverts asset class is jointly owned by the Tax Base and by Stormwater resulting in the infrastructure funding gap is split 50/50.

**The analysis for this chart used the "Status Quo" approach and excludes rehabilitation or replacement funding approved by council as part of the 2024-2026 budget process.

^^The forestry asset class has a unique forecasting calculation that specifically considers the immediate impacts of the Emerald Ash Borer (EAB), as well as maintaining trees in excellent condition for the duration of their expected life, after which they rapidly decline. Approximately 50% of the infrastructure funding gap is related to EAB impacted Ash trees.

The annual infrastructure funding gap is calculated through the comparison of the Waterloo DSS budget and target scenario outputs. The budget scenario provides perspective on the projected performance of assets based on the budgeted expenditures for each asset group. The target scenario generates the infrastructure expenditure needed to achieve the target levels of service that have been established through collaboration with SMEs. The Waterloo DSS analysis uses the capital funding included in the 2023 Approved Capital Budget and 2024-2032 Capital Forecast, as well as any unspent rehabilitation and replacement funding from in-progress projects approved in prior budget cycles for the first 10 years. The analysis then uses the City's 10-year average capital funding for the years 15-25 to calculate the projected performance.

Since the development of the DSS, the AM team has been incorporating funding approved through the capital budget process. Unspent capital represents the approved funding held within capital project accounts that have not been spent yet but will be spent on rehabilitating or replacing assets. The inclusion of unspent capital funding is a process improvement that ensures that these investments are not missed in the DSS while the capital project is ongoing. Table 8 identifies the unspent funding incorporated within the DSS in 2023 and reduced the annual infrastructure funding gap by approximately \$1.7 million.

Table 8: Unspent Capital Funding (000's)

Asset Groups	Unspent Capital Funding
<i>Transportation*</i>	6,226
<i>Facilities</i>	5,857
<i>Parks</i>	10,650
<i>Information Technology</i>	3,734
<i>Remaining Tax Base Asset Classes**</i>	1,155
Total Tax Base Unspent Funding \$	27,623
<i>Stormwater</i>	10,275
<i>Remaining Enterprise Funded Asset Classes**</i>	3,991
Total Enterprise Unspent Funding \$	14,266
Total Unspent Capital Funding \$	41,889
25-Year Average Annual Unspent Capital Funding \$	1,676

*The Transportation asset class is comprised of roads, sidewalks, standard streetlights, retaining walls, trails and trail links, traffic and wayfinding signs.

**A consolidation of all unspent funding of less than \$3 million per asset class.

Capital project implementation is very complex, and projects can often span numerous years or encounter delays outside of city staff control. Examples of potential delays include but are not limited to:

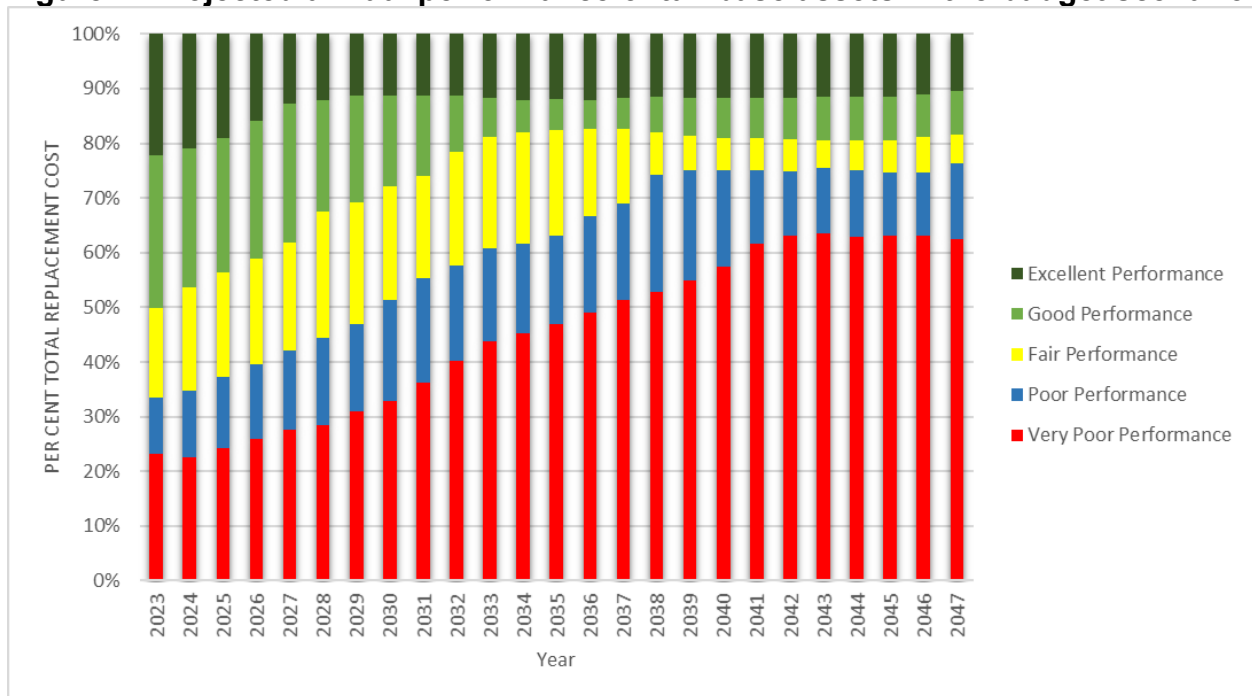
- Land acquisition or expropriation;
- Third-party delays (e.g. developers, regulatory agency approvals, resource capacity* for developers and contractors);
- Increased public engagement requirements;
- Staff capacity to complete the projects;
- Tender pricing coming in over budget resulting in projects being rescope or re-budgeted;
- Long-term capital projects where full funding is allocated to award a contract and funding is drawn down over time as work is completed.

*Resource capacity may include staff, equipment, and funding.

Another potential factor is the City's ability to attract and retain the professional staffing needed for capital project implementation. Current market conditions, including the adoption of more flexible and remote 'work from anywhere' work by many organizations is resulting in significant competition across organizations for the same talent, from a much larger geographical area.

Figure 4 illustrates the current projected tax-base asset performance over 25 years and identifies that 34% of the City's tax-funded infrastructure assets currently exhibit poor or very poor performance profiles. However, more importantly, it is estimated that with current levels of funding, in 25 years, the proportion of assets exhibiting poor or very poor performance profiles will increase from 34% to approximately 76%. It is anticipated that this performance level will be unacceptable to most interested and affected parties.

Figure 4: Projected annual performance of tax base assets in the budget scenario

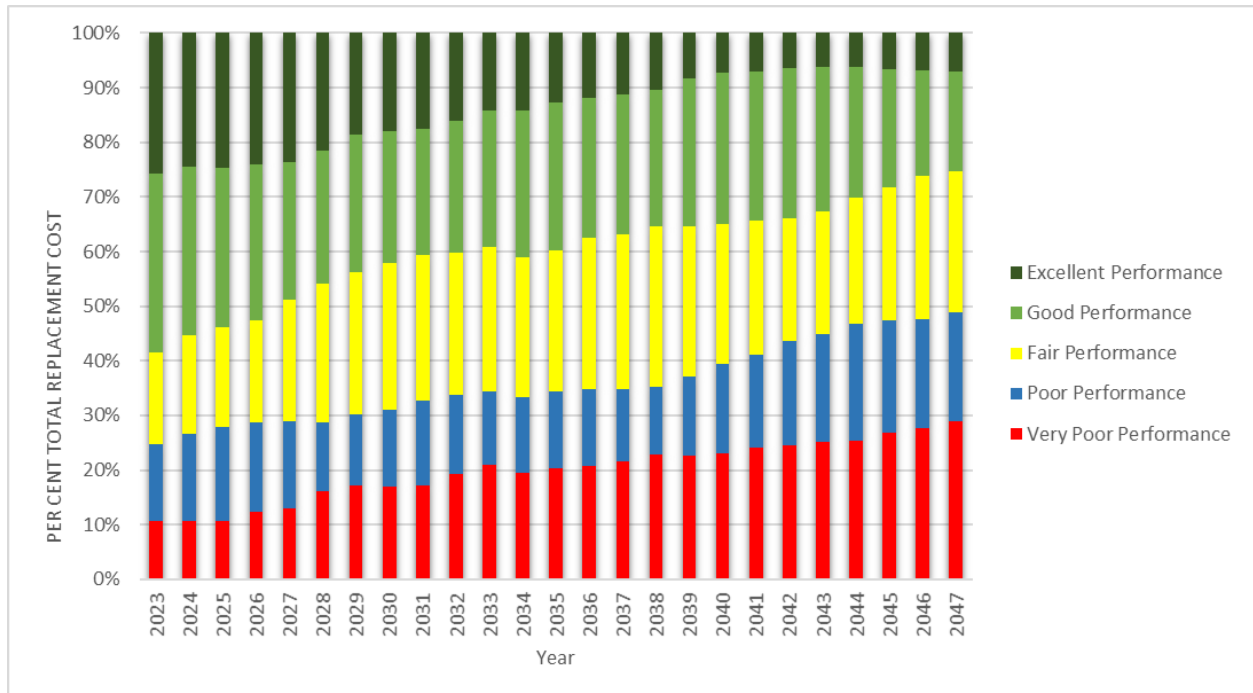


The target scenario follows the same principles however, supplementary infrastructure funding is added above and beyond the approved budget scenario. It is important to note that the Waterloo DSS will only apply funding to assets identified as requiring rehabilitation or replacement and some funding may be left unallocated. Once both the budget and target scenarios have been created, the annual infrastructure-funding gap is calculated through the comparison of the Waterloo DSS budget and target scenario outputs.

Using the same approach for enterprise-funded infrastructure assets, Figure 5 illustrates the projected performance using currently available data. Similar to Figure 4, this graph represents enterprise asset inventory, performance, and deterioration trends, and planned funding included in the 2023 Approved Capital Budget and 2024-2032 Capital Forecast, as well as any unspent rehabilitation and replacement funding from in-process

projects, approved in prior budget cycles. Figure 5 identifies that with current levels of funding, in 25 years, enterprise asset performance is projected to decline, increasing from 25% of assets exhibiting a poor or very poor performance profile to almost 50%. It is anticipated that this performance level will be unacceptable to most interested and affected parties.

Figure 5: Projected annual performance of enterprise assets in the budget scenario.



*Enterprise assets include water distribution, sanitary collection, storm collection, stormwater management ponds, parking, fleet vehicles, fleet shop equipment, cemeteries, and 50% of bridges and culverts.

It is important to note climate change impacts on infrastructure have not been included in the budget and target scenarios throughout this plan. This includes the to-be-determined financial impacts of Council's decision on October 16, 2023, to set a powerful new goal for the corporation to achieve net-zero emissions — the point at which the City does not emit greenhouse gas emissions, or fully offsets its emissions — by 2050. AM staff will collaborate with the Strategic Initiatives division, the Environmental Sustainability Team (EST) and SMEs throughout the organization to incorporate climate change adaptation and mitigation into the Waterloo DSS and performance forecasting methodologies as more information and data become available.

2.5 Financing Opportunities

Integrating asset management with financial planning is as equally important as the integration with engineering. Both disciplines are important when considering the value of infrastructure and the reliance on the assets to deliver services to the community. Efforts to integrate asset management and financial planning include utilizing the Waterloo DSS to help determine the optimal allocation of available treatment funding provided through reserves, the development of a lifecycle costing methodology and the inclusion of asset-specific data within capital project sheets used for the budget process. All these activities improve the link between financial planning and asset management by allowing for data-driven and evidence-based decisions.

Funding sources that can be utilized for the rehabilitation or replacement of assets include:

- Capital Infrastructure Reinvestment Reserve Fund (CIRRF)
 - A reserve fund dedicated to the rehabilitation or replacement of tax base assets.
- Canada Community Building Reserve Fund (CCBF)
 - The CCBF provides funding for investments in Environmentally Sustainable Municipal Infrastructure (ESMI) Projects and Capacity Building Projects
 - CCBF is an annual formula-based grant program that is incorporated within the AMP
- Infrastructure Funding Allocation Methodology
 - Utilizing the percentage of needs by asset class to allocate available limited rehabilitation and replacement funding (CIRRF and CCBF) in the most optimal manner possible.
- Debenture Financing
 - Debt can be a viable option if interest rates are lower than the rate of inflation as the cost to complete the project may be higher if delayed under a pay-as-you-go financing approach. Debt can be used to advance a project that could not otherwise be accommodated until later in the capital budget or to smooth the impact of a large dollar-value project over several years.
 - Debt may also serve to allow the City to professionally manage the assets with the appropriate treatment with the highest cost/benefit ratio at the correct time. Resurfacing a road at the appropriate time allows for a lower whole-life cost compared to the asset missing that resurfacing treatment window due to a lack of available funding.
 - In accordance with policy FC-009 Debt Management Policy, the use of debt is for strategic priorities including but not limited to; infrastructure renewal projects, climate action projects and/or any other strategic initiatives subject to Council approval.

- Grants*
 - Grants transferred to the City through formula-based programs are incorporated within the AMP while competitive/application grants are included as the grants are approved and assets treated.
 - From 2012 to 2024 YTD, the City of Waterloo received over \$33 million from application grants.
- User fees/rate model
 - To the extent possible, for tax base operations (e.g. sports field rentals, community space rentals in facilities), user fees are applied based on the principle of full cost recovery for services residents choose to participate in. While the user fees are based on full cost recovery principles, the fees are monitored and compared against the market and neighbouring municipalities. User fees are market-driven and established to allow for community benefit and as a result, generally cannot be set at full cost recovery levels.
 - The rate-based budget philosophy results in the development of realistic and adequate resource alignment to meet the Council approved level of service within a specific division, considering the price elasticity of the fee.
- Rationalization of Existing Assets
 - Most assets will be rehabilitated or replaced upon reaching the end of their useful life, however, in some instances, the assets (e.g. land) may be deemed surplus and sold with the net proceeds then being potentially available to use for the treatment of other City assets.

*Both the Provincial and Federal governments have established grant programs over the past several years to help fund the rehabilitation/replacement of municipal infrastructure and address climate change. Despite these programs, for municipalities like Waterloo to achieve their powerful climate action goals and to maintain infrastructure assets, more funding from higher orders of government will be required. Ongoing advocacy efforts and proactive engagement with all levels of government are needed to identify funding potential opportunities and to effectively communicate the City's needs.

2.6 Infrastructure Funding Gap

Since 2020, Council has implemented a plan to begin narrowing the infrastructure-funding gap. This includes Council's approval within the 2020-2022 budget of an increase of \$2.1 million by 2022, a \$0.7 million increase within the 2023 budget and an increase of \$1.3 million as part of the 2024-2026 budget for a total increase of \$4.1 million annually for infrastructure assets. The additional infrastructure funding was added to the CIRRF and since its inception in 2008 by Council, the annual contribution to CIRRF has increased significantly and is currently \$13.4 million per year in infrastructure-related funding. The new funding approved as part of the 2024-2026 budget process will be incorporated as part of future AM reporting.

When Council approved the \$2.8 million of increased infrastructure funding from 2020-2023, it was allocated to four key tax-funded asset classes, facilities, information technology, parks, and the transportation network based on their weighted average need. Figure 6 provides a summary of the capital rehabilitation and replacement funding for tax-based funded assets and enterprise assets for the last four budget cycles. Using the same information, Figure 7 breaks Figure 6 down further by asset class.

Figure 6: 2016-2023 Average Annual Capital Rehabilitation and Replacement Funding Summary

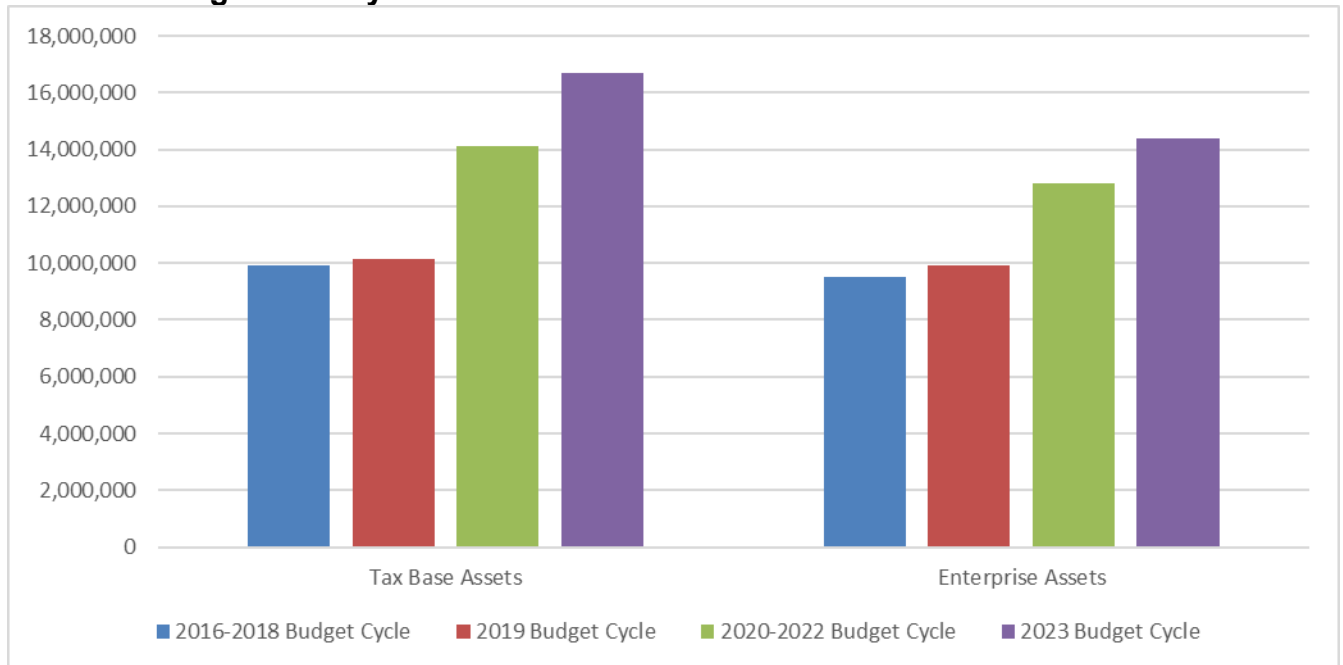
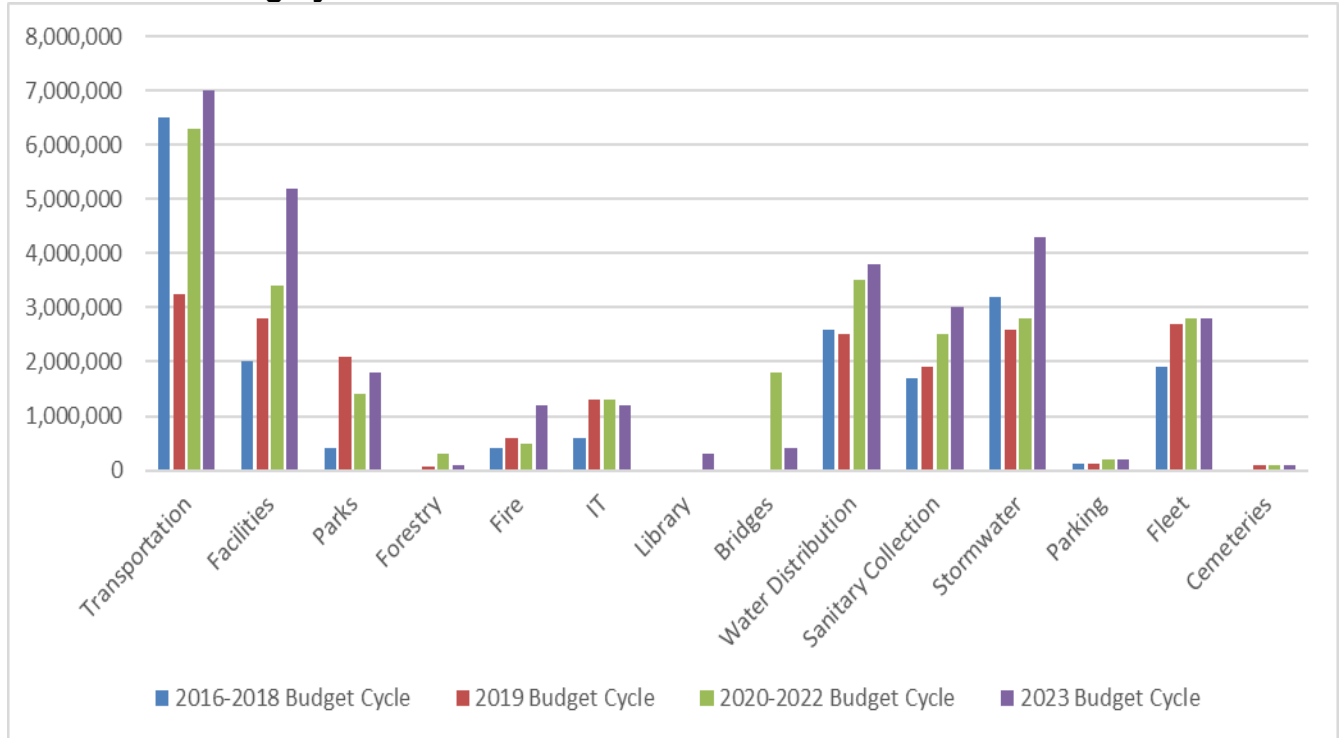


Figure 7: 2016-2023 Average Annual Capital Rehabilitation and Replacement Funding by Asset Class



Although the 2023 Approved Capital Budget and 2024-2032 Capital Forecast will invest an average annual funding of \$31 million for the treatment of city-owned assets over the 2023-2032 period, the analysis performed through the Waterloo DSS has determined this amount is insufficient to maintain existing levels of service as identified in Table 9.

Due to the work completed in 2023, staff have determined the expenditures required to achieve an acceptable level of performance from the city's infrastructure assets. When comparing the current planned expenditures in the capital and operating budgets, staff determined that additional annual funding of approximately \$54.3 million (\$37.6 million for tax-funded assets and \$16.8 million for enterprise-funded assets) is required. The additional funding is required to achieve a level of service anticipated to be acceptable to most interested and affected parties. The City's average annual funding target is based on maintaining the average performance of assets with a fair or better performance profile. This reflects the fact that the City's infrastructure assets are in various performance categories and will need rehabilitation or replacement at different times. The required expenditures have been established based on an analysis of the available asset data, combined with professional management strategies, to determine why, when, and how each different type of asset should be renewed. It is not financially sustainable to maintain all assets with an excellent performance profile and as a result, that approach has not been incorporated in the City's approach to asset management.

Table 9: Infrastructure Funding Gap (000's)**

Asset Class	Annual Funding Needed to Meet Target Performance	Average Annual Funding	2023 Average Annual Funding Gap	2022 Average Annual Funding Gap	2021 Average Annual Funding Gap	2020 Average Annual Funding Gap
Transportation*	30,000	7,000	23,000	20,200	13,200	13,700
Facilities	16,700	5,200	11,500	3,300	1,200	1,200
Parks	4,200	1,800	2,400	2,200	1,000	1,500
Information Technology	1,200	1,200	0	800	0	300
Fire	1,300	1,200	100	400	100	300
Bridges and Culverts^	400	250	150	200	200	200
Forestry	500	100	400	1,000	0	-100
Library	300	300	0	NA	NA	NA
Public Art	15	5	10	NA	NA	NA
Total Tax Base	\$ 54,615	\$ 17,055	\$ 37,560	\$ 28,100	\$ 15,700	\$ 17,100
Stormwater	17,200	4,300	12,900	4,100	3,700	4,800
Water Distribution	3,800	3,800	0	-100	200	1,000
Sanitary Collection	6,000	3,000	3,000	700	500	1,700
Fleet and Shop Equipment	3,000	2,800	200	200	-500	-200
Bridge & Culverts^	400	250	150	200	200	200
Parking	600	200	400	400	200	300
Cemeteries	200	100	100	100	100	0
Total Enterprise	\$ 31,200	\$ 14,450	\$ 16,750	\$ 5,600	\$ 4,400	\$ 7,800
Total City of Waterloo	\$ 85,815	\$ 31,505	\$ 54,310	\$ 33,700	\$ 20,100	\$ 24,900

*The Transportation class is comprised of roads, sidewalks, streetlights, retaining walls, trails & trail links, traffic & wayfinding signs.

^The Bridges and Culverts asset class is jointly owned by the Tax Base and by Stormwater resulting in the infrastructure funding gap being split 50/50.

**The analysis for this chart used the "Status Quo" approach and excludes rehabilitation or replacement funding pending council approval.

The 2023 average annual infrastructure-funding gap has increased by \$20.6 million in comparison to 2022 due to these key items:

- Replacement cost updates including significant inflation/price escalation impacts (~70%)
- Data improvements including the addition of assets to the Waterloo DSS (~30%)
 - Examples of assets added to the Waterloo DSS include water valves, standard streetlights, park trees, and the East Side Branch Library

Price escalation impacts are strongly influenced by inflation which city staff monitors regularly. Council received an update on the inflation factors through the 2024-2026 Staff Tabled Budget Summary, CORP2023-055, on December 11, 2023. Future inflation may be higher or lower and therefore the indicators are used as a guideline. Consumer price indices have been decreasing over the past 12 months, but are almost 3% on a 12-month rolling average as of March 2024, which impacts the cost of services within a municipal budget:

Table 10: Consumer Price Indices Percentage Changes:

Consumer Price Indices	CPI	CPI-ONT	CPIX
April 2023 - March 2024	2.90%	2.61%	2.00%
12-Month Rolling Average	3.33%	3.19%	2.91%

As noted in CORP2023-055, the City uses the non-residential construction price index to inflate our capital budget and contributions to the main capital reserves (CIRRF, CRF and CARF). While tender prices at the time of writing this report are coming in lower than the 2023 construction estimates, they are more in line with current expectations. It is anticipated that the current construction pricing will be the new baseline moving forward, however returning to pre-pandemic pricing (i.e. construction cost deflation) is unlikely. If in the future market forces for supply and demand result in a decrease in replacement costs, this will be incorporated into the Waterloo DSS and will decrease the annual infrastructure-funding gap.

While the above drivers are specific to the increase for 2023, the average annual infrastructure-funding gap is influenced by escalating construction costs, continued deterioration, rehabilitation or replacement improvements, improved asset inventory data, and the addition of assets that were previously excluded. As each of these inputs is enhanced, the average annual infrastructure-funding gap is refined. It is estimated that this process will take several years and that, during that time, the estimated annual infrastructure gap will be progressively amended to reflect new and/or improved information.

As noted earlier, the current level of service incorporated in the budget scenario and the target scenario excludes the new infrastructure needs to incorporate community and corporate GHG emission reduction targets. This includes the to-be-determined financial impacts of Council's decision on October 16, 2023, to set a powerful new goal for the corporation to achieve net zero emissions — the point at which the amount of greenhouse gas emitted is equal to the amount that is removed from the atmosphere — by 2050.

3. Next Steps

As identified in the 2024 AMP, the City has gained momentum in advancing municipal asset management principles and practices. It is recommended the City continue building on top of existing processes as outlined in the 2024 AMP.

There are the main categories of activity to focus on over the next few years:

1. Continuing to align with the Strategic Plan, Official Plan, and other master plans.
2. Continuing to advance the City's AM program as outlined in the 2024 AMP.
3. Improving or creating tools (e.g. Corridor tool) that provide data that SMEs can use in their day-to-day decision-making.
4. Recommend preventative maintenance funding increases for public art and bridges and culverts within the operating budget within the 2027 and 2028-2030 budget process for Council's consideration.
5. Reviewing level of service metrics to better understand the implications and incorporate more metrics as appropriate.
6. Monitoring and sharing the City's AM progress annually with Council and the public.

The above will increase decision-making effectiveness for selecting the most appropriate infrastructure improvements and their timing. They will also contribute to minimizing previously anticipated costs while achieving the same anticipated performance.

The City is already working on further advancement of its asset management practice, by ensuring current processes are leveraged, and supporting new ones. This approach continues to be an essential strategy for success.

Advanced asset management practice is an equal partnership between SMEs (operation and maintenance staff), engineering, finance, senior management, and elected officials. The ability of the City's staff to bridge gaps in knowledge between positions continues to be the key to success.



STAFF REPORT
Parks, Forestry and Cemetery Services

Title: Parkland Strategy Implementation and St. Moritz Community Park Project - Funding Release Request
Report Number: COM2024-026
Author: Anna lee Sangster, Manager Parkland, Capital Projects, & Stewardship
Council Date: June 17, 2024
File: 170005
Attachments: None
Ward No.: City-wide

Recommendations:

1. That Council approve report COM2024-026.
2. That Council approves the release of 2024 non-routine capital funding for Park Strategy Implementation project (ref#295) in the amount of \$299,000 from the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast.
3. That Council approves the release of 2025 non-routine capital funding on January 1, 2025, for the Park Strategy Implementation project (re#295), in the amount of \$318,000 from the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast.
4. That Council approves the release of 2026 non-routine capital funding on January 1, 2026, for the Park Strategy Implementation project (re#295), in the amount of \$338,000 from the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast.
5. That Council approves the release of 2024 non-routine capital funding for St. Moritz Community Park (ref#303) in the amount of \$239,000 from the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast.

A. Executive Summary

The purpose of this report is to seek Council's approval to release capital funds to initiate and advance the identified Park, Forestry, and Cemetery Services non-routine projects in 2024-2026. Specific projects include:

- Park Strategy Implementation (ref#295, existing project 170005)
- St. Moritz Community Park (ref#303)

B. Financial Implications

The approved 2024-2026 Capital Budget includes non-routine funding for the Park Strategy Implementation project (ref#295) and St. Moritz Community Park (ref#303), funded as outlined below in Table 1:

Table 1: Approved Funding Breakdown:

	2024	2025	2026
Parkland Strategy Implementation Project (ref#295):			
Capital Reserve Fund (CRF)	\$48,000	\$51,000	\$54,000
Development Charges Fund (DC)	\$140,000	\$149,000	\$158,000
Capital Infrastructure Reinvestment Reserve Fund (CIRRF)	\$111,000	\$118,000	\$126,000
Total Funding (ref#295)	\$299,000	\$318,000	\$338,000
St Mortiz Community Park Project (ref#303):			
Parkland Dedication Reserve Fund (PUB)	\$239,000	\$1,513,000	
Development Charges Fund (DC)		\$169,000	
Total Funding (ref#303)	\$239,000	\$1,682,000*	

*(pending future request)

C. Technology Implications

There are no technology implications.

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)

Advancement of these projects supports a Complete Community by enhancing quality of life for all residents and overall community vibrancy through equitably available parks, public spaces, and other recreational and cultural amenities.

E. Previous Reports on this Topic

- COM2022-025 Parkland Strategy
- COM2021-017 Draft Parkland Strategy

- COM2019-021 Parkland Strategy Background Document: Research, Analysis and Visioning Report
- COM2017-007 Parkland Strategy Project Initiation



**Parkland Strategy Implementation and St. Moritz Community Park Project -
Funding Release Request
COM2024-026**

The purpose of this report is to provide Council with an update of ongoing capital projects, and to seek Council's approval to release capital funds to progress or launch the Park, Forestry and Cemetery Services non-routine projects as detailed below.

Parkland Strategy Implementation (ref#295, project 170005)

The City of Waterloo's [Parkland Strategy](#) was approved by Council in June 2022. This strategy was developed after the City's existing parkland inventory was analyzed, a thorough parkland policy review was conducted, a socio-demographic analysis was prepared, and extensive research undertaken looking at trends and community parkland needs. Significant engagement and consultation with internal and external partners, collaborators, and agencies occurred. With this information, a vision for the City's park system for the next ten to fifteen years was established and strategic recommendations identified that are needed to achieve the vision.

Since the initial approval, efforts have commenced on some Parkland Strategy recommendations towards implementation. Below is a summary of current status of those specific initiatives:

- In 2023, plans were advanced to design and construct an accessible expansion to the [Eby Farm Playground](#) Phase 1, that opened in 2023 in Waterloo Park with intention of using existing funds in project 170005 to supplement the construction costs. This supports Parkland Strategy recommendation #4 *"Prioritize projects that improve barrier-free access to facilities and activities within parks, specifically actions that bring parkland into compliance with AODA legislation and associated standards, and in consultation with the Grand River Advisory Committee."*
- The implementation of the City's [Action Sport Strategy](#) has been underway for a number of years, with Albert McCormick Community Centre Plaza opening in 2021, the RIM Park West Bike Track in 2023 and the new skate park at the Harper Library – Stork Family YMCA is set to open in June 2024. Construction is anticipated to begin on the RIM Park Skate Park in 2024. This initiative is in support of recommendation #29 *"When designing new parks and when updating older parks, ensure that provision of new facilities meets both active recreation (sports) needs (identified in the outdoor sports field strategy, action sports strategy) with new community gathering / social spaces and amenities that have been identified in this parkland strategy."*

- Community engagement has been completed and construction plans are being finalized for tender to implement two new spray pads in Waterloo, one in the west at [Blue Beech Link](#) and one in the east at [Eastbridge Green](#). Construction for both is planned for summer 2024. These efforts are in support of recommendation #36 *“continue with plans to construct three new splash pads city-wide. Select locations based on a set of criteria that includes the ability to balance geographic distribution and underserviced communities.”*
- A full-size basketball court will open in Waterloo Park West, behind the upgraded Bauer Lot through the [Park Circuit](#) construction in support of recommendation #42 *“Develop outdoor basketball courts at a minimum of two parks, focusing upon future designated residential greenfield areas in the city’s northwest and/or northeast, as well as in established neighbourhoods that do not have access to a city-owned court within reasonable walking distance. Basketball courts may be designed to allow multiple uses...”*
- Research of off-leash areas, public engagement and design of the west side off-leash area has started. The future off-leash area, Copper Street Off-Leash, is anticipated to be constructed in Fall of 2024 on a park block in the City’s Generation Park. This supports and advances Parkland Strategy recommendation #43 *“Undertake a site search for the development of at least one off-leash area, ideally in the west end to increase the distribution across the City.”*
- The [Urban Forest Strategy](#) is currently underway. The first phase of public engagement is occurring currently, with a final recommendation report anticipated in Q4 of 2024. This work supports and advances Parkland Strategy recommendation #78 *“Prepare a comprehensive urban forest strategy / management plan specifically to direct the management and enhancement of the city’s urban tree canopy cover including treed natural areas with strategies for effective management and monitoring of the urban forest targets and recommendations for staffing and resources.”*

The Parks, Forestry and Cemetery Services division remains focused on continued advancement of other recommendations from the Parkland Strategy through to 2026, as opportunities present. Generally, the recommendations apply to services throughout the division, and range in categories such as engagement with equity-seeking collaborators, land acquisition and site selection, policy development and planning for a growing community, capital project planning and implementation, development of maintenance standards and operational and procedures manual, expansion of community environmental education by offering community stewardship opportunities and events, assessment of staffing needs to resource specific divisional programs / services, and cross-divisional coordination and cooperation.

The plans to utilize capital funding currently available in project 170005 Parkland Strategy Implementation include:

- To supplement Eby Farm Playground Expansion in Waterloo Park (as outlined in report COM2024-022)
- To supplement contract staff wages
- To supplement minor improvements to 2024 playground replacement projects at White Elm Park and Rummelhardt Park:
 - to install concrete curbing around the identified playground area complete with concrete transitional ramp access into the playground areas
 - to provide AODA compliant access from the street
 - to improve site safety by opening sight lines, as required
 - to provide site comforts such as canopy trees and seating

The 2024-2026 budget for the Parkland Strategy Implementation will be used:

- To supplement contract staff wages within division
- For staff development and training opportunities (such as playground practitioner, crime prevention through environmental design)
- To supplement minor improvements to the identified 2025 and 2026 playground replacements as those replacements are identified and finalized.
- Procurement of equipment / subscription for data collection about park use to support park planning and capital initiatives. As an example, in 2024, trail counters were purchased and installed in locations in Waterloo Park, in advance of the Waterloo Park Plan update project in 2025, and at Sugar Bush Park to monitor visitor levels pre and post growth in the neighbourhood.
- External consultant expertise is anticipated to advance initiatives such as:
 - Privately Owned Public Spaces (POPS) standard (2024-2025).
 - Develop policies and standards for off-leash areas in high-density neighbourhoods.
 - Develop criteria, range of options, and a funding strategy for the provision of shade in parks as both a requirement for new park development and upgrades to existing parks.
 - Develop criteria for the provision and location of comfort amenities in parks including the provision of washrooms and hydration stations.
 - Design and implementation of a comprehensive, consistent, accessible wayfinding and signage system for parks and open spaces that facilitates multi-modal uses, ease of access, user safety, and support diverse users and activities.

- On completion of the City's Urban Forest Management Strategy, develop a comprehensive natural areas management plan and complete a natural system inventory and strategy. This will support the development of invasive species management plan.

Additionally, staff will advance Parkland Strategy recommendations with anticipated minimal associated costs relating to:

- Finalizing a Parks and Open Space Classification system that will reflect a range of current and anticipated park types, which addresses both planning and operational purposes, provides consistency, and is applied to the existing parks and open spaces inventory.
- Finalizing a Playground Strategy
- Updating playground development and renewal budgets
- Identify locations for specific parks amenities (includes passive and active), such as shade, washrooms and hydration stations, sports courts or fields, etc. that can be planned for future implementation
- Aligning capital and operating budget needs for the division

St. Moritz Community Park (ref#303)

St. Moritz Park has been identified as a potential park where amenities could be upgraded to satisfy the definition of a "community hub," as identified in the Parkland Strategy. A community hub park will have enhanced outdoor passive and active amenities and programs to animate the park, encourage social interaction, and support community events. "Community hub" parks are physically large enough to accommodate larger numbers of people and offer a wider variety of facilities. The geographic location of this park will serve residents of both Wards 1 and 2.

The 2024 capital funds will be used to retain a design consultant to engage with the community and then to develop two concepts for the park. Staff will return to Council in 2025 to request release of funds to support construction. Additionally, in 2026, staff will return to Council at a later time to request release of 2024 funds to support a spray pad or cooling facility (ref#302) in St. Moritz Park, should engagement with the community indicate support.

The anticipated project schedule is included below:

- Spring 2024 – RPF advertisement for design consulting services
- Fall 2024 – Community engagement

- Winter 2025 – Concept design development & design selection via community engagement
- Spring & summer 2025 – Detail plans, construction package, approvals, tender, permits
- Fall 2025 to spring/summer 2026 – Park construction

Financial Implications

The current available funding remaining in the Parkland Strategy Implementation project #170005 is \$643,000 carried over from 2023. To commence the various project designs, plans and constructions, funding release requests as approved in the 2024-2026 Capital Budget non-routine project for the Parkland Strategy Implementation project ref #295 and St Moritz Community Park ref#303, are required as outlined in Table 2 below:

Table 2: Funding and Estimated Costs:

Description	Report Number	Approval Date	\$ Amount*
FUNDING:			
Current available funding Park Strategy Implementation project 170005	COM2024-026	17-Jun-2024	\$643,000
Funding Release – Park Strategy Implementation Non-Routine 2024 Capital Budget Ref#295	COM2024-026	17-Jun-2024	\$299,000
Funding Release – Park Strategy Implementation Non-Routine 2025 Capital Budget Ref#295	COM2024-026	17-Jun-2024	\$318,000
Funding Release – Park Strategy Implementation Non-Routine 2026 Capital Budget Ref#295	COM2024-026	17-Jun-2024	\$338,000
Funding Release – St. Moritz Community Park Non-Routine 2024 Capital Budget Ref#303	COM2024-026	17-Jun-2024	\$239,000
Total Funding			\$1,837,000
PROJECTED EXPENDITURES:			
Parkland Strategy Implementation Projects			\$1,550,000
Preliminary Design St Mortiz Park			\$228,000
Other Project costs including but not limited to: overhead, public art contribution, etc.			\$160,000
Total Projected Expenditures			\$1,837,000
BALANCE:			\$0

*Note: non-recoverable portion of HST included



**STAFF REPORT
Engineering Services**

Title: Beaver Creek Road and Conservation Drive – Award of Sanitary Pumping Station Design and Contract Administration and Inspection Services

Report Number: IPPW2024-033

Author: Dan Ditaranto

Council Date: June 17, 2024

File: 140021

Attachments: N/A

Ward No.: Ward 2 – Northwest

Recommendations:

1. That IPPW2024-033 be approved.
2. That Council approve the award of engineering design and tendering services for the Beaver Creek Meadows sanitary pumping stations, as well as contract administration and inspection services for the Beaver Creek Road and Conservation Drive reconstruction project (Ref. #590), to Stantec Consulting Ltd. for the submitted fee estimate of \$2,602,135 plus unrecoverable HST in the amount of \$45,798 for a total award value of \$2,647,933.
3. That the Mayor and Clerk be authorized to sign the Agreement between The Corporation of the City of Waterloo and Stantec Consulting Ltd., and any other documents related to this project, subject to the satisfaction of the City Solicitor.

A. Executive Summary

As directed by Council (via IPPW2024-013), the City recently applied for up to \$35 million in grant funding under the Province of Ontario's Housing-Enabling Water Systems Fund (HEWSF) for the Beaver Creek Road and Conservation Drive Reconstruction project (Ref. #590 in the Approved 2024-2026 Capital Budget). The Province has indicated that HEWSF results will be communicated in summer 2024. Should the application be successful, the City would be required to complete construction by March 2027, which is a very tight timeline.

To date, Stantec Consulting Ltd. has been performing the detailed engineering design of the roadworks and underground linear infrastructure, which is approaching 90%

completion. However, the two (2) sanitary pumping stations are not as advanced and are currently in the early stages of detailed design. Time is of the essence in progressing the designs, as the construction tenders will need to be prepared by late fall 2024 / early winter 2025 to meet the Province's stipulated HEWSF timelines.

Stantec's current scope of services does not include sufficient budget for the completion of the detailed design for the pumping stations nor for contract administration and inspection (CAI) services during construction of the project works. Due to the urgency associated with the HEWSF timelines and other rationale as outlined in this report, staff recommend that these services be awarded to Stantec in accordance with Section 14 of the Purchasing Bylaw (2019-026).

B. Financial Implications

There are currently sufficient funds in the project account to complete the pumping station designs. The CAI services during construction can be funded through the Approved 2024 – 2026 Capital Budget (Ref. #590). This project is classified as "non-routine" in the capital budget; therefore, Council's approval for the release of the CAI funding will be sought when staff report back on the results of the HEWSF application in fall 2024, as outlined in IPPW2024-013.

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)

- Infrastructure and Transportation Systems – Expand and support infrastructure and transportation systems in an environmentally and fiscally sustainable manner that provides residents with resilient public infrastructure and sustainable transportation solutions.
- Complete Community – Achieve a high quality of life for all residents and overall community vibrancy through strategic density, diverse housing options and equitably available parks, public spaces and recreational and cultural amenities.
- Operational Excellence – 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

IPPW2024-013 Housing-Enabling Water Systems Fund – City of Waterloo Application



Beaver Creek Road and Conservation Drive – Award of Sanitary Pumping Station Design and Contract Administration and Inspection Services IPPW2024-033

Section 1 – Background

As directed by Council (via IPPW2024-013), on April 17, 2024 the City applied for up to \$35 million in grant funding under the Province of Ontario's Housing-Enabling Water Systems Fund (HEWSF) for the Beaver Creek Road and Conservation Drive Reconstruction project (Ref. #590 in the Approved 2024-2026 Capital Budget).

In general, the scope of this project consists of the reconstruction and urbanization of Beaver Creek Road (from 400m north of Laurelwood Drive to Conservation Drive) and Conservation Drive (from Snowcrest Place to 200m east of Beaver Creek Road). It also includes the construction of two new sanitary pumping stations to service the ultimate build out of the Beaver Creek Meadows (BCM) district. Approximately 3,400 future housing units are dependent on the project.

The eligible costs under the HEWSF grant include the construction of new watermains, trunk sanitary sewers and trunk storm sewers that will be completed as part of the urbanization and reconstruction of Beaver Creek Road and Conservation Drive, as well as a stormwater outlet channel to the Laurel Creek Reservoir and the (two) new sanitary pumping stations.

The Province has indicated that HEWSF results will be communicated in summer 2024. While the program represents a significant opportunity to potentially access provincial funding, should the application be successful the City will be required to construct all of the above-mentioned infrastructure by March 2027, which is a very tight timeline for a project of this scale and complexity.

To date, Stantec Consulting Ltd. has been performing the detailed engineering design for the roadworks and underground linear infrastructure, which is approaching 90% completion. This work was awarded through a competitive Request for Proposal process. However, the pumping stations are not as advanced and are currently in the early stages of detailed design. Time is of the essence in progressing the designs, as the construction tenders will need to be prepared by late fall 2024 / early winter 2025 to meet the Province's stipulated HEWSF timelines.

Stantec's current scope of services does not include sufficient budget for the completion of the detailed design for the pumping stations nor for contract administration and inspection (CAI) services during construction of the project works. To provide those services (the "Remaining Services"), Stantec estimates it would cost \$2.6 million in

4 Integrated Planning & Public Works

consulting fees, excluding HST (\$865,895 for completion of the pumping station designs and tenders and \$1,736,420 for contract administration and inspection during construction). Staff believe the fee estimates are reasonable and in line with typical industry rates for large, complex capital projects. For example, the CAI amount represents approximately 2.6% of the estimated construction cost (\$68 million), which is well within the typical range for an engineering project of this nature.

In accordance with Section 14 of the Purchasing Bylaw (2019-026), staff recommend that Stantec be awarded the Remaining Services as an allowable exception to a competitive procurement process for several reasons. First, the project history to date is quite lengthy and complicated, involving a wide range of environmental and technical complexities and significant coordination with multiple adjacent landowners, developers, and agencies. Given the tight timelines associated with the HEWSF grant and the complex project history, it is advisable to continue with the same consultant to maintain continuity and progress. Second, a change in consultants at this stage of the project would cause significant disruption and inconvenience and would likely result in higher fees and substantial duplication of effort/costs to bring a new design team up to speed. Further, the strict timelines associated with the HEWSF program would not allow sufficient time for an open bid process to be conducted (typically one to two months). As mentioned previously, the pumping station designs need to proceed with urgency to meet the Province's timelines, should the City's application be successful. If the project cannot be completed by March 2027, a portion of the grant funding could potentially be lost, negatively impacting the City's development charges reserve. Finally, continuing with Stantec for the pumping station designs and CAI services will provide efficiencies related to the coordination of the road design and the more complicated, overlapping construction staging that will be necessary to meet the HEWSF deadlines.

Section 2 – Financial Implications

There are currently sufficient funds in project 140021 to complete the pumping station designs. The CAI services can be funded through the Approved 2024 – 2026 Capital Budget (Ref. #590). This project is classified as "non-routine" in the capital budget; therefore, Council's approval for the release of the CAI funding will be sought when staff report back on the results of the HEWSF application in fall 2024, as outlined in IPPW2024-013.



STAFF REPORT
Strategic Initiatives

Title: 2022 Waterloo Region Community Greenhouse Gas Inventory
Report Number: CAO2024-021
Author: Ena Ristic
Council Date: June 17, 2024
File: N/A
Attachments: Appendix A: The History of Community Greenhouse Gas Inventories for Waterloo Region
Ward No.: City Wide

Recommendations:

That Council receive report CAO2024-021 summarizing the 2022 Region of Waterloo greenhouse gas inventory as information.

A. Executive Summary

Climate Action Waterloo Region (ClimateActionWR) has completed the [2022 Waterloo Region Community Greenhouse Gas Inventory Report](#). The inventory is an estimate of all the greenhouse gas (GHG) emissions created by the regional community of Waterloo within the year 2022.

This inventory was previously conducted every five years¹ (see Appendix A). Beginning with this 2022 inventory, the intention is to accelerate this timeline and create more frequent inventories to better monitor progress and adjust decision making. The new frequency of these inventories is still under consideration. As with previous inventories, there is a standard two-year lag in data calibration and availability which means data presented in 2024 represents emission data from 2022. The 2022 inventory observed a 12% reduction in community GHGs as compared to the 2010 baseline. This trend was further broken down into the following sectors:

- Emissions from transportation decreased 5.8% from 2019 to 2022. This represents a total decrease of 4% since 2010. Transportation is the single largest source of emissions (47.2% of total emissions in 2022). This reduction is attributed to a decrease in travel time and increased fuel efficiencies of vehicles.

¹ Please note that due to the effects of the COVID-19 pandemic data from the year 2020 was not a reliable representation of GHG emissions trends. Data from 2019 is used as a proxy for comparison.

- Emissions from buildings decreased by 9.3% from 2019 to 2022. This represents a total decrease of 26% since 2010. Buildings are the second largest source of emissions (45.4% of total emissions in 2022). A large portion of these emissions are from natural gas used to heat homes and can fluctuate because of annual temperature differences.
- Emissions from agricultural activities increased by 0.2% from 2019 to 2022. This represents a total increase of 4% since 2010. Agricultural emissions account for 5.8% of total emissions and are largely created outside of the boundaries of the City of Waterloo.
- Emissions from waste increased by 19.2% from 2019 to 2022. This represents a total increase of 16% since 2010. Waste emissions account for 1.5% of total community emissions.

To reach the mitigation target of a 50% decrease by 2030 (as compared to 2010) the community will need to decrease an additional 215,000 tonnes CO₂e (Carbon Dioxide equivalent) each year (beginning in 2023). While the role and responsibilities of municipalities are crucial in meeting these goals, community emissions are currently highly dependent on external influences including the provincial energy grid, availability and price of new technology, and residential and consumer behaviour. The data in this inventory has shown that incremental change will not be sufficient to meet the region's 2030 community target of a 50% reduction (as compared to 2010). Transformational changes are required from all levels of government to shift away from GHG intensive energy sources and activities.

B. Financial Implications

Although there are no direct financial implications of this report, the ongoing implementation of [TransformWR](#) will require continued investment to support our efforts to achieve community GHG emissions reduction targets. An estimate of capital costs for TransformWR implementation has been included in the 2024-2026 Approved Capital Budget and 2027-2033 Capital Forecast (ref#142), funded by the Climate Action Reserve Fund (CARF). Consideration and prioritization of increased sustainability and climate change funding will need to be included in future budget processes with recommendations brought forward for Council's consideration and approval, including the potential leveraging of debt to advance projects. In addition, and in recognition of the fact that municipalities cannot solve the climate crisis alone, ongoing advocacy to higher levels of government, and leveraging of grant opportunities will continue to be an area of priority in addressing the climate emergency.

Under the terms of the Municipal Community Climate Action Plan Agreement, each of the four municipalities (the Cities of Cambridge, Kitchener, and Waterloo, and the Region of Waterloo) pay an equal share of the plan management fees for the ClimateActionWR budget. For 2023, this amounted to \$60,000 per municipality. Any future contributions will be subject to the budget process.

C. Technology Implications

None.

D. Link to Strategic Plan

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

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

The community GHG inventory and community climate action are intrinsically linked to all aspects of the 2023-2026 Strategic Plan. This work directly links to the strategic priority of Environmental Sustainability and Climate Action and the guiding principle of Sustainability by acting as a reporting and monitoring mechanism for the work done on prioritizing sustainability, taking meaningful action to address environmental goals, leading in the climate space, and encouraging an environmentally sustainable economy and mindset.

E. Previous Reports on this Topic

- CAO2024-010 2024 Sustainability and Climate Change Update Report, April 22, 2024
- CAO2024-002 2050 Net-Zero Impact Report, January 29, 2024
- CAO2023-016 2020 Community Greenhouse Gas Inventory, April 24, 2023
- CAO2023-013 2023 Sustainability and Climate Change Update Report, April 24, 2023
- CAO2022-012 2018-2022 Sustainability and Climate Change Progress Update, November 14, 2022
- CAO2021-011 TransformWR, May 31, 2021
- IPPW2017-025 Community Climate Action Plan Progress Update, May 29, 2017
- IPPW2013-50 Community Climate Action Plan Progress Update, November 4, 2013
- PWS2012-035 Waterloo Region 2010 Community Greenhouse Gas Inventory, September 19, 2012



2022 Waterloo Region Community Greenhouse Gas Inventory CAO2024-021

1.0 Background

Community inventories are a method of estimating the amount of GHG emissions produced by the community of Waterloo region. This process involves gathering data such as energy utility and waste information and converting it into a standardized measure of CO₂e (Carbon Dioxide equivalent) using established emissions factors. This allows for direct comparison of progress over the course of several years. This inventory is created by Climate Action Waterloo Region (ClimateActionWR) with support from Regional staff. ClimateActionWR is a collaborative led by Reep Green Solutions and Sustainable Waterloo Region and includes the eight municipalities in Waterloo Region, including the City of Waterloo.

As part of Waterloo region's first climate action plan (A Climate Action Plan for Waterloo Region (2013)) and TransformWR, our community mitigation plan, a fulsome community GHG inventory was initially completed every five years (see Appendix A). Beginning with this 2022 inventory, the intention is to accelerate this timeline and create more frequent inventories to be better able to monitor progress and adjust decision making. The new frequency of these inventories is still under consideration. This includes looking at the GHG emissions from four sectors: buildings, transportation, agriculture, and community waste.

This community inventory is distinct from the City's corporate GHG inventory which considers only the emissions directly created by the City of Waterloo's buildings, fleet, staff, and assets. Corporate emissions are officially reported on every five years as part of the provincial O.Reg. 507/18: Broader Public Sector: Energy Reporting and Conservation and Demand Management Plans.

The regional community GHG emissions reduction goal is 50% by 2030 and 80% by 2050 (as compared to a 2010 baseline). These goals were endorsed by City of Waterloo Council in 2018 as part of the development of the TransformWR strategy and in 2021 with the completion of the strategy.

2.0 Community Greenhouse Gas Inventory Results

This community inventory highlights the GHG emissions data for the community of Waterloo region for the year 2022. Due to data and calibration requirements, inventory results typically have a lag of two years. Therefore, the information presented in this

2024 report represents the results from the year 2022. The data presented is for the entire Waterloo region and is not segregated by municipality. All data is compared to an original 2010 baseline when the first inventory was conducted. It is important to note that due to the impacts of the 2020 COVID-19 pandemic on community travel and consumption habits, that year's inventory is not a reliable indicator of structural reforms or enduring change. To account for this discrepancy, data from 2019 will be used as a proxy.

For each new iteration of the inventory the methodology is updated to reflect international best practice and improved data access. As part of the 2022 inventory, Regional staff recalculated the inventory back to the baseline year accounting for changes in the global warming potential for methane, and adjustments to the transportation emissions methodology. The updated inventory is shown in Figure 1.

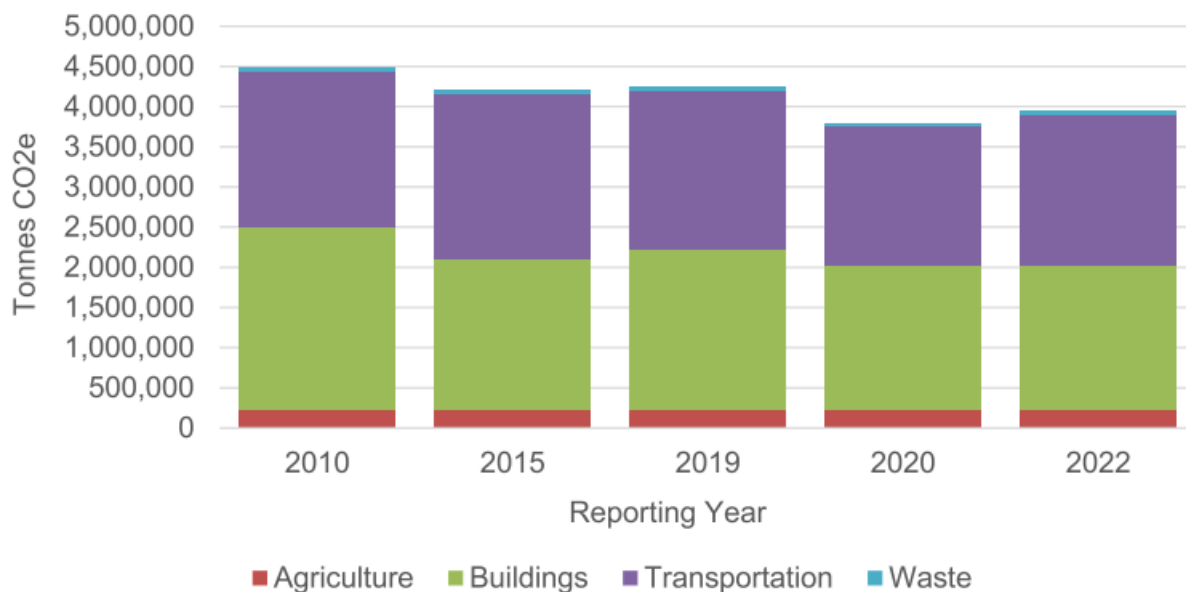


Figure 1 Community GHG emissions in tonnes CO₂e for community inventory years broken out by sector.

The 2022 inventory observed a 12% decrease below the 2010 baseline. Transportation was the largest source of community emissions, responsible for 47% of the total. Transportation emissions are largely attributed to passenger vehicles (e.g. cars, sport utility vehicles and pickup trucks). Although the number of vehicles in the region has increased, emissions reductions can be seen due to more efficient vehicles and less distance travelled by the community, overall.

The second largest source of community emissions is buildings (45%) with 87% of building emissions from natural gas used for space and water heating, and industrial processes. Agriculture and waste are the smallest sources of community emissions, representing 6% and 2%, respectively.

Despite sustained emissions reductions, Waterloo region is not on track to reach the 2030 emissions reduction target of 50%. To reach the target, annual GHG emissions need to be reduced by approximately 215,000 tonnes CO₂e per year (beginning in 2023). To achieve this target ClimateActionWR is calling for rapid action on transforming the ways we move and build and operate buildings. This is achieved by encouraging residents to drive less with robust public transportation options and safe active transportation networks, electrification of vehicles, improving building envelopes, and adopting low carbon fuel technologies for space and water heating.

3.0 Conclusion and Next Steps

Results of the 2022 inventory suggest that incremental changes will not be sufficient to achieve the 2030 target of a 50% emissions reduction below 2010 levels. The City will continue to work with ClimateActionWR and its partners to facilitate transformative action in pursuit of the community GHG emissions reduction target. The focus of ClimateActionWR will now shift to implementing the actions outlined in the TransformWR strategy. In the next GHG re-inventory, progress will be measured toward the 2030 community target of a 50% emissions reduction below 2010 levels.

As part of the shift to a lower-carbon community, it is essential that actions taken must be inclusive and equitable for all members of the community. The impacts of climate change and the cost of mitigative measures are too often disproportionately felt most by those who are already most vulnerable. Imbedding reconciliation, equity, accessibility, diversity, and inclusion considerations in community mitigation work is essential to not only equitably distribute resources, but also assure that well-intentioned programs and projects do not present an undue burden on any resident of the City.

Results of the 2022 inventory suggest that significant and transformational efforts will be needed across all sectors. The City of Waterloo has the opportunity and responsibility to lead by example and take bold action to address the climate emergency.

Appendix A: The History of Community Greenhouse Gas Inventories for Waterloo Region

Below is information on the history of GHG inventories within the community of Waterloo region. Please note that as methodologies improve over time older data has been recalculated to ensure consistency in comparison with the newest figures. For a more detailed methodology on what specific data is accounted for in each emitting sector please review the current [Community Greenhouse Gas Inventory Data Management Manual for Waterloo Region](#). The numbers below are presented as they were calculated on the day they were released or updated.

There is a standard two-year lag in inventory data due to data acquisition and calibration requirements. Due to this, the inventory for any given year will often be completed two years after the start date and may be presented in a report as much as three years after.

2010: First Community-Wide Greenhouse Gas Inventory

In 2012 ClimateActionWR prepared Waterloo's first community-wide GHG inventory for the year 2010. This inventory was released as part of the 2013 "[A Climate Action Plan for Waterloo Region](#)". This inventory established 2010 as the baseline year for future measurements. A community GHG reduction target of 6% by 2020 was established. At this time, it was decided that a full community inventory would occur every 5 years until 2020 to support monitoring and metrics.

The inventory calculated that the region produced 3.6 million tonnes of CO₂e in 2010. These emissions were further separated into the following:

- Transportation accounted for 1,467,858 tonnes of CO₂e, or 40% of total emissions.
- Workplaces accounted for 1,152,389 tonnes of CO₂e, or 32% of total emissions.
- Homes accounted for 782,459 tonnes of CO₂e, or 22% of total emissions.
- Agriculture and food accounted for 167,053 tonnes of CO₂e, or 5% of total emissions.
- Waste accounted for 44,112 tonnes of CO₂e, or 1% of total emissions.

2015: Second Community-Wide Greenhouse Gas Inventory

In 2017 ClimateActionWR published the community GHG inventory for 2015 in the report titled "[Our Progress, Our Path: An Update on Waterloo Region's Community Carbon Footprint](#)".

The inventory calculated that the region produced 4.3 million tonnes of CO₂e in 2015. This represented a decrease of 5.2% from 2010. These emissions were further separated into the following:

- Transportation accounted for 49% of total emissions. This represented a total increase of 5% since 2010, but a per capita decrease of 1%.

- Workplaces accounted for 27% of total emissions. This represented a total decrease of 17% and a per capita decrease of 22%.
- Homes accounted for 18% of total emissions. This represented a total decrease of 10% and a per capita decrease of 15%.
- Agriculture accounted for 5% of total emissions. This represented a total decrease of 3% and a per capita decrease of 9%.
- Waste accounted for 1% of total emissions. This represented a total increase of 11% and a per capita increase of 5%.

Much of these reductions were driven by the phase out of coal-fired electricity generation between 2010 and 2015 within the province of Ontario. This reduced the GHG emissions from electricity by more than 60%.

2019 and 2020: Third Community-Wide Greenhouse Gas Inventory and the Impacts of the Pandemic

The third community GHG inventory was scheduled to account for the 2020 yearly emissions. However, due to the impact of the COVID-19 pandemic, changes to transportation use, workplace norms, and lockdowns led to GHG emissions that were not representative of long-term progress. To account for this, an inventory was also conducted for the year 2019 and will be used as a proxy for the year 2020. Information for both the 2019 and 2020 inventories were published in 2023 in the report titled "[Our Progress, Our Path 2020](#)".

The inventory calculated that the region produced 4.3 million tonnes of CO₂e in 2019. This represents a decrease of 3.7% from 2010 levels, but an increase of 1.5% from the previous 2015. These emissions were further separated into the following:

- Transportation accounted for 2,131,892 tonnes of CO₂e, or 49% of total emissions. This represented a 6% increase from 2010.
- Workplaces accounted for 1,174,361 tonnes of CO₂e, or 27% of total emissions. This represented a 14% decrease from 2010.
- Homes accounted for 772,343 tonnes of CO₂e, or 18% of total emissions. This represented an 11% decrease from 2010.
- Agriculture accounts for 208,827 tonnes of CO₂e, or 4.8% of total emissions. This represented a 2.2% decrease from 2010.
- Waste accounts for 46,219 tonnes of CO₂e, or 1% of total emissions. This represented a 1% increase from 2010.

This inventory was the last of the original inventories planned as part of the region's first climate mitigation plan.

2022: Fourth Community-Wide Greenhouse Gas Inventory and TransformWR

In 2021 the City of Waterloo Council approved the new [TransformWR](#) regional community mitigation strategy. This strategy set a community GHG reduction target of 80% by 2050, with an interim target of 30% by 2030 based on 2010 levels. The first inventory for this new strategy was published in 2024 and calculated the emissions for

the year 2022. The timing of the inventories for the TransformWR strategy has not yet been established, however the intent is to conduct them more frequently to better track progress.

The inventory calculated that the region produced 3,961,008 tonnes of CO₂e in 2022. This represented a decrease of 12% below 2010 levels. These emissions were further separated into the following:

- Transportation accounted for 1,871,534 tonnes of CO₂e, or 47.2% of total emissions. This represents a 12% decrease from 2010.
- Buildings accounted for 1,799,659 tonnes of CO₂e, or 45.4% of total emissions. This represents a 26% decrease from 2010.
- Agriculture accounts for 229,275 tonnes of CO₂e, or 5.8% of total emissions. This represents a 4% increase from 2010.
- Waste accounts for 60,540 tonnes of CO₂e, or 1.5% of total emissions. This represents a 16% increase from 2010.



STAFF REPORT
Community Programming & Outreach Services

Title: Indoor Community Space Strategy
Report Number: COM2024-025
Author: Travis McCallum, Policy Advisor
Beth Rajnovich, Manager, Community and Neighbourhood Services
Meeting Type: Council Meeting
Council/Committee Date: June 17, 2024
File: N/A
Attachments: Indoor Community Space Strategy
Ward No.: All Wards

Recommendation:

1. That Council approve report COM2024-025.
2. That Council approve the Indoor Community Space Strategy in principle for inclusion and future development as part of the upcoming Sport, Recreation and Leisure Strategy project.

A. Executive Summary

The Indoor Community Space Strategy (ICSS) is a 10-year roadmap of transformational change that will improve how the community accesses and uses indoor facility spaces across the city. The plan includes more than 60 recommendations that chart a general path of action to improve facilities, increase community benefit, and guide future investments.

The ICSS was informed by facility usage data, provision standards, facility tours, internal staff engagement, a public engagement survey, and public input on the draft plan. This interim strategy is the first step towards a broader Sport, Recreation and Leisure Strategy (SRLS). The SRLS will replace 2008's Community, Culture and Recreation Services Plan and include broader consideration of community sport, recreation, and leisure needs and interests, such as City-run programming, community development related to sport, recreation and leisure, provision of outdoor field space, and partnership and collaborative opportunities.

The ICSS was launched prior to development of the SRLS due to the corporation's focus on greenhouse gas reduction projects and the strong synergy and potential for cost

savings to be realized by aligning these projects with other facility improvements. The ICSS will help the City be grant-ready to pursue opportunities while the broader SRLS is being developed. As recommendations from the ICSS are advanced, Council approvals will be sought as appropriate.

B. Financial Implications

There are significant financial implications for the implementation of the Indoor Community Space Strategy. It is designed to be flexible and agile to work amid funding uncertainties and the availability of grants. As a road map, it advises on options to be explored and the funding impacts will be determined as projects are undertaken.

C. Technology Implications

There are no technology implications associated with this proposal.

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)

Healthy Community & Resilient Neighbourhoods: Indoor community spaces contribute to the overall physical health and wellness of a community by providing spaces to meet, create, and recreate.

Fiscal Responsibility: The ICSS offers insight on how the City can maximize the community benefit of its facility investments and enhance sustainability.

Equity, Inclusion and a Sense of Belonging: The ICSS addresses barriers to accessing spaces faced by equity-deserving groups and supports the pending Multi Year Accessibility Plan and READI Plan.

Innovation and Future Ready: The ICSS looks toward the future needs of the community related to the provision of indoor spaces for a diverse range of activities. It proposes innovative solutions that focus on efficiency and support GHG reduction, while responding to a growing and diversifying community.

E. Previous Reports on this Topic

None.



Indoor Community Space Strategy COM2024-025

Introduction

The City of Waterloo owns and operates various public facilities that are well-used by the community. These facilities provide indoor spaces for the community to gather, recreate, spectate, and celebrate. The community benefits of public indoor spaces cannot be understated. They contribute to community health and well-being, help create a sense of belonging, and contribute to the local economy through event hosting. There are often few private sector alternatives to these public spaces.

The provision of indoor spaces involves existing and emerging challenges and opportunities. Waterloo, like many other cities, has aging infrastructure. The City is also experiencing rapid growth and diversification, which require more and different indoor spaces to meet emerging needs. Funding challenges necessitate a strategic approach to investments in indoor spaces.

The ICSS identifies how spaces are used and advises on the initiation of dozens of projects over 10 years to address challenges and harness opportunities. Most City facilities used by the community are included in the ICSS unless they are subject to a long-term lease.

The ICSS is a roadmap for consideration that contains more than 60 recommendations across three major themes to improve the community benefit of facilities:

- **Section One: Policy and Organizational Recommendations** – Improvements to the policies and procedures that govern the use of spaces.
- **Section Two: Facility Recommendations** – Suggests improvements to current facilities and spaces.
- **Section Three: Future Recommendations** – Data and recommendations to inform future builds.

For a complete list of recommendations, please refer to the attached strategy.

Current Status

The ICSS has been reviewed by the ICSS Staff Steering Committee, the READI team, the general public, affiliate groups and the Grand River Accessibility Advisory Committee.

If Council approves the strategy, it will be advanced as part of the upcoming Sports Recreation and Leisure Strategy project.

ICSS Timeline



Next Steps

The first step in implementation will be reviewing the key policies that govern the use of indoor spaces (allocation, facility rental discount, affiliation). A working group has been formed for this purpose.

The ICSS will also be integrated into the upcoming Sports, Recreation and Leisure Strategy project, which will also explore community trends related to sport, recreation and leisure interests and needs, societal trends, and demographic trends, as well as looking at outdoor field needs, direct programming, community development approaches, and partnership and collaboration. The Sport, Recreation and Leisure strategy will replace the Community, Culture and Recreation Services Plan and will inform the direction of Recreation Services, Community Programming and Outreach Services, Parks, Forestry and Cemetery Services, and Facility and Design Management Services Divisions for the next 10 years. This project will involve extensive public engagement.

A 10 Year Roadmap
INDOOR COMMUNITY SPACE STRATEGY

A Vision to 2035

Community spaces are where Waterloo residents come together to play, compete, exercise, learn, create, and connect. To be enjoyed by all, they must represent the communities that use them. That means the spaces offered must grow with the community and change as it changes.

The Indoor Community Space Strategy (ICSS) is a 10-year roadmap of transformational change. It includes recommendations on how to improve existing facilities, how to increase access and minimize barriers and how to plan for the future.

All facilities that are owned and operated by the City of Waterloo with extensive public use are included in the scope of this Strategy. Facilities with long-term leases are excluded.

The ICSS complements other ongoing projects at City of Waterloo facilities, including work to reduce greenhouse gas emissions, improve accessibility for people with disabilities, and future planning for the City's approach to sport, recreation, and leisure.

This Strategy is intended to support the growth and change necessary for the City's facilities to keep up with the community over the next decade and beyond.

This strategy prepares the City for funding opportunities to improve our facilities.

Land Acknowledgment

All of the community spaces included in this plan are situated on the land traditionally cared for by the Haudenosaunee, Anishnaabe and Neutral Peoples. We acknowledge and appreciate the enduring presence and deep traditional knowledge and philosophies of the Indigenous People with whom we share this land today.

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Scope of the Indoor Community Space Strategy

The City of Waterloo owns, uses, and operates a wide range of high-quality community facilities. Indoor community locations across the City provide spaces for residents to engage in sport, recreation, leisure, community connections, arts, and cultural-based activities.

To focus the ICSS project on community benefit and ensure recommendations are feasible within the 10-year timeline, the plan focuses on City facilities that are:

- Owned by the City of Waterloo;
- Operated by the City of Waterloo; and,
- Used for one or more of the following purposes:
 - Sports,
 - Recreation and leisure,
 - Neighbourhood and community gatherings,
 - Arts and creative industries activities,
 - Community and sport group storage,
 - Special events including cultural celebrations, festivals, tradeshow, banquets, and performances, and
 - Museum space for storage, exhibition, programming, and offices.

In addition to community spaces that are owned and operated by the City of Waterloo, certain spaces that are owned by the City and leased to other organizations are also included in this Strategy. Leased spaces are included in scope if:

- The lease agreement is slated to expire soon; or,
- The leased space is located in a facility used for any of the purposes listed above.

As a result, the following City-owned spaces were reviewed as part of the ICSS project:

Facility in Scope	Primary Uses
1. 404 Wing Rotary Centre	Limited community storage on premises, half of the building used by 404 K-W Wing R.C.A.F.A.
2. Albert McCormick Community Centre	Ice pads, community rooms, community storage and office space
3. City of Waterloo Museum	Museum exhibition, programming, and collection storage
4. Emergency Medical Services (EMS) Building (former Westmount fire station)	Community storage
5. Erbsville Community Centre	Currently used for storage, opportunity for future use via redevelopment.
6. Fire Station 2	Meeting rooms, community storage
7. Fire Station 4	Meeting room
8. Manulife Soccer and Sports Centre (Bechtel Park)	Indoor turf field, office space
9. Manulife Sportsplex & Healthy Living Centre (RIM Park)	Ice pads, gymnasium, indoor turf field, programming rooms, community rooms, meeting rooms, banquet hall
10. Moses Springer Community Centre	Ice pad, meeting room, outdoor pool
11. Rink in the Park	Home of KW Granite Club
12. Waterloo Memorial Recreation Complex	Ice pad, indoor swimming complex, programming rooms, community rooms, gymnasium, walking and running tracks
13. Visitor and Heritage Information Centre	Storage space, programming/exhibition area

Why We Developed This Plan

Indoor community spaces promote healthy communities

Indoor community spaces contribute to the physical health and wellness of a community by providing spaces to meet, create, and recreate. The interactions that happen in these spaces also support strong community connections and a sense of belonging.

Research highlights that indoor community spaces provide several benefits for the community. Notably, these spaces:

- Promote increased activity and recreation;
- Improve the mental and physical health of residents;
- Support strong and healthy community connections;
- Encourage resident independence and self-organized activities;
- Enhance neighbourhood identity and increase social connections to place;
- Foster inclusion and reflect the diversity of the community;
- Encourage creative activities;
- Reduce health care, social service, and police/justice costs;
- Support year-round activities and connection opportunities;
- Enhance climate resiliency; and
- Support economic generation, job creation and tourism.

Ice pads, gymnasiums, pools, and indoor turf-fields are essential for youth and adult participation in sport. Some of the facilities within scope of the project host tournaments and meets, which bring in competitors from other communities and contribute to sports tourism in Waterloo. The economic benefits of sports tourism can be considerable, especially for the hospitality and accommodations sectors. Facilities can also host non- sport events like trade/craft shows and exhibitions, which give local artisans and other industries a platform to market their goods and provide their services to the wider community.

They are a municipal responsibility

There are often few or no alternatives to publicly owned indoor community spaces. This is particularly true for large facilities with indoor pools and ice pads. Alternatives that do exist tend to focus on one or two activities and can be too expensive for many people to afford to participate regularly. Further, most public facilities are the responsibility of the municipal level of government. It is up to cities to invest in this infrastructure if they are to gain the tangible and intangible benefits of vibrant community spaces.

Waterloo is growing and changing

There is no precedent overarching strategy at the City of Waterloo for its indoor community spaces. To provide recommendations that are relevant and within the realm of possibility, the ICSS team explored the overall challenges and opportunities related to indoor spaces.

Waterloo is one of the fastest-growing communities in Canada. Increasing population density means more recreational amenities are needed. These amenities must also reflect Waterloo's

diverse community.

While Waterloo's population is growing, its borders are not. There is limited land available for development, making it difficult for the City to acquire new plots to build amenities on.

Funding is another challenge that most municipalities in Ontario are facing. Cities cannot fully fund infrastructure on their own without significant loans or lengthy reserve plans, so projects require collaboration with every level of government.

The City needs to make significant investments for people with disabilities to have equal access and safety in facilities. Some facilities are more accessible than others, but most need improvement.

Many existing facilities, like in other municipalities in Ontario, are aging. This can increase the cost of upkeep.

Waterloo is also working towards reducing its greenhouse gas emissions to do its part in the fight against climate change. Additional infrastructure, whether it is a new building or an addition, will represent an increase in emissions. Retrofitting existing facilities could reduce the overall environmental footprint of City spaces.

Responding to these issues simultaneously can realize cost savings. For example, there may be opportunities to respond to several issues, such as aging infrastructure and greenhouse gas emissions, at the same time. This can reduce the overall cost as well as the length of time community access may be impacted during renovations.

What Informed This Plan

Community and Staff Engagement

This plan was heavily informed by community and staff engagement which consisted of facility tours, interviews and reviews by City staff, and a public engagement survey.

ENGAGEMENT WITH STAFF

The ICSS Project Team met with 29 City of Waterloo staff members representing several related program areas. Staff were invited to share their experiences with the facilities on a variety of topics, including activity programming, facility management, concerns shared by user groups, and barriers faced by equity-deserving groups. This initial engagement phase helped the project team understand the history of the facilities in scope and form an idea of facility needs based on staff expertise and their ongoing conversations with user groups and the public.

The project team also connected with staff through tours of the facilities. During tours, staff shared insight on how spaces are used, opportunities for improvements, and other important operational information to inform the plan.

ENGAGEMENT WITH COMMUNITY

Following staff engagement, an online survey was open to the public. The survey asked respondents about their experiences using facilities, what they would like to see improved and what they thought was important for community spaces to have. A total of 544 responses were submitted. Feedback provided by the community aligned with information provided by City staff in many areas. Some key themes emerged from the public engagement survey, including:

- Interest in added amenities and diverse programming.
- Support for more welcoming and comfortable spaces.
- Interest in updates to aging facilities.
- Concern regarding the level of accessibility for people with disabilities.

Community members also provided valuable insight into their experiences using indoor community spaces. For example, we learned that:

- Most people using community spaces do so at least once per week.
- Many people using indoor community spaces use a personal vehicle to travel to facilities.
- Most users find facilities clean and tidy.
- Multi-use facilities (those that feature more than one major amenity such as ice pads, pools, or gymnasiums) are the most frequently visited facilities.
- Indoor swimming pools, ice pads and gymnasiums are the most popular amenities.

RESEARCH AND INFORMATION GATHERING

In addition to the information gathered through staff and public engagement, the Project Team also conducted research into emerging trends and best practices related to indoor community facilities and analyzed data. This included:

- Reviewing former strategies, plans and other work done by the City in the past, such as:
 - Community, Culture, and Recreation Services Strategy (2008)
 - Waterloo Museum Strategy (2015)
 - Older Adult Recreation Strategy (2015)
 - Waterloo Memorial Recreation Centre Engagement (2017)
 - Recreation Program Review (2020)
- Conducting socio-demographic analysis: Evaluating how Waterloo's population is forecasted to grow and diversify helps the City of Waterloo develop recommendations that meet the needs of the community now, and in the future.
- Conducting facility booking data analysis: Reviewing how current facilities are booked and used provides insight into potential gaps and opportunities for improvement.
- Conducting jurisdictional research and trend analysis: Understanding trends impacting other municipalities and their efforts to provide indoor community space, helps the City of Waterloo prepare relevant and effective recommendations.

The Path Forward: Recommendations for Indoor Spaces

Based on the engagement, research, and data analysis, the following recommendations have been developed to support enhanced use and access of Waterloo's community spaces. The recommendations are divided into three broad categories:

- Section One: Policy and Organizational Recommendations
- Section Two: Facility Recommendations
- Section Three: Future Recommendations

SECTION ONE: POLICY AND ORGANIZATIONAL RECOMMENDATIONS

This section details recommendations for changes to the policy and policy positions relating to the provision and community use of indoor spaces. Unlike recommendations made by facility, these recommendations apply to all facilities and are much more generalized.

Community Benefit and Sustainability

Indoor community spaces are costly investments. Upfront capital costs can be substantial and ongoing operating costs, including staffing, are considerable. These costs can be partially offset by user fees and charges.

While partial cost recovery enables sustainability, community benefit warrants equal consideration. Community benefit is the intangible or tangible value residents receive from investments by the City. For example, indoor community spaces can be used for recreation, which in turn contributes to healthier communities. In the context of indoor community spaces, community benefit should be measured in terms of how many people use a space and to what extent it contributes to community health and vibrancy.

Recommendation

- I.1 Consider community benefit when deciding the types of spaces to invest in and the rates charged for usage. Community benefit should be balanced with revenue generation.

Spaces For All

Community spaces should be representative of the communities that use them. They should be vibrant, welcoming, and inclusive for all. No one should feel excluded or uncomfortable in community spaces. These spaces and facilities should also have up-to-date technology available to the community.

Population data shows that Waterloo is becoming increasingly diverse and an attractive place for immigrants. The 2021 census indicated that roughly 36% of Waterloo residents are either immigrants or non-permanent residents. We heard through public engagement that City facilities can feel institutional and not welcoming, especially to equity-deserving people.

Incorporating inclusive and accessible features across City facilities will take years and will not happen concurrently. Moving forward on them will also depend on available funding.

Recommendations

- I.2 Reduce the “institutional” feel of facilities by introducing public artwork and improving interior finishes.
- I.3 Engage with Waterloo’s diverse communities when redesigning or designing a facility.
- I.4 Provide universal and gender-neutral washrooms and change rooms at all facilities. This should be done in tandem with other work at the facilities to realize cost

- efficiencies.
- 1.5 Raise the level of accessibility to a consistent level across facilities and prioritize accessibility needs in new builds by using the Accessibility Design Standards for Municipal Facilities and Public Spaces (under development).
 - 1.6 Consider cultural needs in the design of spaces and resource needs for equity deserving community members.
 - 1.7 Encourage the design of spaces that are responsive to the needs and interests of communities surrounding the facilities.
 - 1.8 Invest in up-to-date technology to support community use of facilities.

Maximizing Use

Community use is the best indicator of return on investment in indoor community spaces. The most sustainable way to maximize community use is by purposefully designing spaces that are suitable for multiple uses. Analysis of booking data and feedback from staff highlight that most large amenities, such as ice pads, gymnasiums, and indoor turf fields, are at capacity during primetime hours. In contrast, smaller spaces such as meeting rooms are experiencing a downward trend in usage. Some spaces are not used to their capacity due to a single user group having exclusive access to it. Rental fees can also be a factor. The City will need to respond to each of these issues to maximize space.

Recommendations

- 1.9 Transition from designated spaces, including change rooms, to any one organization.
- 1.10 Consider all possible uses for a space in the design phase and ensure that features are included (proper flooring, size, amenities, etc.) that allow for a variety of activities.
- 1.11 Refrain from building spaces that are for a single purpose or use and focus on developing flexible multi-use space.
- 1.12 Consider filling low usage time slots with drop-in and/or free programming such as open skates, open gym use, and free community meeting room bookings.
- 1.13 Examine usage trends and respond to growing demands for emerging activities.
- 1.14 Explore options for repurposing spaces with the lowest usage rates.

Affordability, Funding and Allocation

Community spaces are governed by policies and procedures that outline how much should be charged for space, who gets priority when booking spaces and how much funding is allocated to subsidize the cost of space.

COST OF BOOKINGS

Cost can be a significant barrier that prevents organizations or community groups with modest financial resources from using spaces.

Some user groups have switched to other space providers and often cite cost as a reason. Smaller gathering spaces such as meeting rooms and community rooms are underused. Reducing the cost of reserving these spaces will help encourage increased use.

Recommendation

- I.15 Review the current pricing model and consider balancing revenue generation with community benefit and use.

FUNDING AND SUBSIDIES

Organizations that are affiliated with the City are eligible for the Facilities Rental Discount (FRD) program. Through this program, affiliated organizations may book spaces for 50% of the regular cost, with the difference being covered by a fund administered through the City.

The rate of the discount (50%) is slightly higher than those offered by comparable municipalities. The program does not consider financial need when distributing funds.

The FRD program only applies to one group per sport or activity, so newer organizations do not qualify. When evaluating the allocation of the FRD discount, data highlights that most funds are used by a small number of organizations. With limited capacity to increase the total funding amount, it would be helpful to explore how to better distribute funds to more organizations.

Recommendation

- I.16 Review the Facility Rental Discount program and consider incorporating financial need into the allocation process and expanding the program to apply to non-affiliated non-profits to support increased access, particularly by equity-deserving groups.

SPACE ALLOCATION

The City's Space Allocation Policy sets the standard for how organizations are prioritized when it comes to booking spaces. The current policy is dated. It can be difficult for new users and City programming staff to book spaces during prime hours.

Recommendation

- I.17 Review the Space Allocation Policy to encourage equitable access to spaces for community benefit, especially during prime hours.

STORAGE

Storage needs are difficult for the City to meet at most facilities. While space is limited, there is also an informal approach to how storage is allocated that may not include written agreements. Some storage spaces are not being used efficiently. A consistent approach to storage will improve access.

Recommendations

- I.18 Design an organized approach to storage that includes reasonable fees for storage, prioritization based on levels of use and bulk of equipment, and proximity to the location of use.
- I.19 Configure storage spaces to maximize usage, including storage shelving or racking, and security features so more than one group can use a storage room.

SECTION TWO: RECOMMENDATIONS FOR FACILITIES

This section provides an analysis of how specific City facilities can be improved to maximize community benefit. Major facility alterations, such as expansion or reconfiguration, require feasibility studies and further community engagement. All recommendations are contingent on available funding, including from grants, and may be initiated beyond the 10-year window of this Strategy.

Manulife Sportsplex and Healthy Living Centre (RIM Park)

Opened in 2001, the Manulife Sportsplex and Healthy Living Centre is the City's largest sports and recreation facility. It's home to a large field house that can be divided into three smaller fields, two gymnasiums, three Olympic-sized ice pads, a figure skating ice pad, as well as a banquet hall and several meeting rooms. The Sportsplex is also home to the Waterloo Public Library's Eastside Branch.

Key Considerations

- Storage is not well organized and insufficient for groups using the space.
- All ice pads, fields, and courts are at or near capacity during prime hours.
- Meeting rooms are not as well used and lack some features to be truly multi-use.
- There are not enough change rooms and gender-neutral spaces to support the use of the ice pads, especially during tournaments.
- The stage space in the gymnasium is seldom used and usage requires the entire gymnasium.
- The facility is heavily focused on sports and recreation and does not have proper spaces for arts, creative and cultural uses.

Recommendations

- 2.1 Increase storage capacity by reconfiguring the current setup and explore options for constructing additional storage spaces.
- 2.2 Explore options for enhancing the use of spaces for arts, creative and cultural uses (silt traps in rooms for visual arts, etc.).
- 2.3 Explore options for providing additional change room space.
- 2.4 Make aesthetic upgrades throughout, including adding public art and improving interior finishes.
- 2.5 Consider options for activating the stage space in the gymnasium.

Waterloo Memorial Recreation Complex and Community Pavilion (WMRC)

Originally built in 1993, the Waterloo Memorial Recreation Complex and Community Pavilion (WMRC) is a large multi-use recreational facility that features an Olympic- sized ice pad surrounded by a running/walking track. In 2021, a major renovation/expansion was performed to add a community pavilion, a gymnasium space, two fitness/programming rooms, and a secondary walking track (with two lanes).

Key Considerations

- The aquatic centre is at operational capacity. Data and staff feedback highlight that its

booking schedule is consistently full, especially during peak hours.

- The aquatic centre requires some accessibility upgrades, particularly a lift and a more accessible ramp. A suitable option has not been identified.
- The indoor running track requires resurfacing. Use of the track can also be disrupted by arena spectators, which risks injury to track users and spectators.

Recommendations

- 2.6 Invest in enhancing accessibility of the aquatic centre and adding required pool lifts (continue to explore alternative lift options available). Privacy features should be added to improve the experience of user groups who do not feel comfortable in an exposed space with mostly glass walls.
- 2.7 Add public art throughout WMRC.
- 2.8 Resurface the indoor running track at WMRC.
- 2.9 Explore options for activating underused spaces at WMRC, such as the large main corridor and meeting rooms.

Albert McCormick Community Centre (AMCC)

AMCC has grown since it opened in 1973 as a single ice pad arena. An assembly area with meeting rooms was added in 1982 and an additional rink was built in 1990. AMCC is primarily used for ice sports, but it also has administrative offices, community spaces and storage for organizations. The Waterloo Public Library operates its McCormick Branch out of the East Wing of AMCC.

Key Considerations

- The two ice pads are well-used. Other spaces have additional capacity.
- There is not enough storage space for users at AMCC.
- Poor insulation leads to excessive condensation around the rinks in the fall and spring. In the summer, it is too hot to use the rink floors for camps and other programming. This is currently being addressed through a federal grant.
- There is no universal washroom at AMCC. This is currently being addressed through a federal grant.
- The facility does not meet the needs of the neighbourhood it is situated in.
- The facility looks dated and feels unwelcoming to some users, including those that live in the surrounding area.
- Sports team offices are underused and appear to mostly be used for long-term storage.
- AMCC is situated next to a hydro corridor and has water infrastructure on site, both of which limit expansion opportunities.

Recommendations

- 2.10 Modify spaces at AMCC to allow for a wider variety of community uses, including arts, creative and cultural activities.
- 2.11 Expand storage where possible and groups that use spaces at AMCC should be given priority.
- 2.12 Continue to advance improvements for temperature regulation in the ice pads.
- 2.13 Construct a universal washroom on the main floor of AMCC.
- 2.14 Consider the wants and needs of its surrounding community when redesigning

- spaces at AMCC.
- 2.15 Make aesthetic improvements such as public art to improve the atmosphere and environment of AMCC.
- 2.16 Consider alternate uses for sports team office space.

Manulife Soccer and Sports Centre at Bechtel Park

The Manulife Soccer and Sports Centre at Bechtel Park is an indoor fieldhouse with one turf field. It also features some general-use office space that has been used by an affiliated organization and is surrounded by Bechtel Park's many fields and courts.

Key Considerations

- The Manulife Soccer and Sports Centre was built on land that was given to the City for the purposes of becoming a cemetery. As the Parkview Cemetery adjacent to the fieldhouse continues to grow, it will eventually require the fieldhouse to be replaced by burial plots.
- The change rooms and washrooms at the facility are not accessible.
- A vehicle ramp into the fieldhouse causes annual flooding of the turf every spring. This damages the turf and makes the fieldhouse unusable for a couple of weeks.
- The space looks and feels dated. Temperature control, especially heat in the summer, is a concern.
- The turf field is currently being replaced.

Recommendations

- 2.17 Consider the anticipated future growth of Parkview Cemetery when assessing any future investment in the Manulife Soccer and Sports Centre.
- 2.18 Explore options for multi-sport use of the field.
- 2.19 Explore modifying the change room layouts and washrooms to make them accessible.
- 2.20 Address the flooding issue caused by the vehicle ramp by leveling the ramp out or improving drainage.

Rink in the Park

Rink in the Park was built in 1978 and used as a skating arena until it was converted into a curling facility in 1998. Rink in the Park also features change rooms with lockers and showers, referee change rooms, elevated viewing/dining areas, washrooms, a bar/ restaurant, and a banquet hall with a full-service kitchen. It is leased to the KW Granite Club.

Key Considerations

- The facility is aging.
- The primary use of the site is curling mainly offered through the K-W Granite Club, though external groups also book the ice sheets. Additionally other organizations are using meeting and events spaces on a rental basis.
- There are no opportunities to build additional recreation infrastructure without substantial redevelopment.
- The presence of an LRT stop and accessible transit in close proximity to the facility makes this site ideal for a multi-use facility.

- Considerable accessibility upgrades are needed.
- The kitchen does not have proper ventilation for full-scale use.

Recommendations

- 2.21 Explore options for redeveloping Rink in the Park into a multi-use facility
- 2.22 Limit investments in the current facility while new opportunities are explored.
- 2.23 Consider the prime location when exploring redevelopment and consider ways to create synergy with the adjacent Waterloo Park and LRT stop.
- 2.24 Work with the KW Granite Club on creating opportunities for improved community use of the building in the short and medium term, and communicate with the Club about any plans for future long term changes to Rink in the Park, including supporting options for the KW Granite Club's future.

404 Wing Centre

The 404 Wing Centre was built in 1975 and underwent remodelling that was completed in 1990 when the City took ownership of the building. Since that time, it was used for City-led older adult programming and by some community groups, but these activities have moved to the Community Pavilion at the Waterloo Memorial Recreation Centre. 404 Wing Centre is also home to the 404 K-W Wing, which is a member of the Royal Canadian Air Force Association of Canada and leases half of the building from the City.

Key Considerations

- The building has an irregular shape with ceilings that are too low for some activities.
- The location is not easy to get to by public transit. It is also in an industrial area, which limits foot traffic.
- Expansion opportunities for the building are limited due to the proximity of a hydro corridor.
- The structure is aging and requires modernization.

Recommendations

- 2.25 Initiate a feasibility study to determine possibilities for and restrictions on redeveloping the site.
- 2.26 Inform the 404 K-W Wing and Old Salts Canoe Club of any major changes or developments to the facility, as they are long-time tenants/users.

City of Waterloo Museum

The City of Waterloo Museum occupies a 4,000 square foot space in Conestoga Mall. This space contains offices for Museum staff, exhibition space, and storage space.

Additional storage space is rented at an offsite facility. The location has ample parking space, is accessible by transit, and has low upkeep costs.

Key Considerations

- The Museum is at capacity and cannot expand at its current location. Far more space is needed to provide the desired programs for the community and schools. The 2015 Museum Strategy recommended this action and demand for programming has grown in the years since.

- There are no opportunities to expand the current space.
- In-space washroom has limited accessibility, patrons must travel significant distance for universal washroom access.
- The space has flexibility for design of exhibitions but that has some limitations for accessibility features.
- All of the Museum's activities take place in spaces that are not owned by the City. The Museum is dependent on landlord-tenant relationships.

Recommendations

- 2.27 Relocate the Museum to a space that can accommodate its current and growing needs, is on a public transit route, and located near other amenities.
- 2.28 Explore options for converting the space at Conestoga Mall to be used for arts, creative or cultural uses.

Visitor Information Centre

The Visitor Information Centre is a replica of an old train station located in Uptown Waterloo. The site offers tourism information to visitors as well as public washrooms and free Wi-Fi from May to October. The space is used to support events (such as Lumen, Winterloo, and markets) and programming. Arts and creative groups in the area have also booked the space in the past to host small events. External bookings of the space are managed by the City of Waterloo's Arts and Creative Industries team.

Key Considerations

- The building is too small to host any large indoor activities.
- The basement, which is used for storage, is prone to flooding. It also has a steep and narrow set of stairs, which prompts safety concerns.
- There are no accessible washrooms in this location.

Recommendation

- 2.29 Do not significantly invest in the building unless considerable community benefit can be identified.

Moses Springer Community Centre (MSCC)

MSCC was built in 1968 and underwent a significant renovation in 1996. It primarily operates as a single ice pad arena, but also features an outdoor pool that is open in the summer months. MSCC also has one small community room and administrative offices used by City staff.

Key Considerations

- MSCC is built on a hill and much of the land around it is a floodplain. These factors limit expansion opportunities for its footprint.
- The arena space has condensation issues during early fall and late spring.
- The outdoor pool has a short operating season.
- Aside from the outdoor pool, the facility is not well used by the surrounding neighbourhood.
- Accessibility upgrades are needed.

Recommendations

- 2.30 Explore feasibility of adding an amenity with a longer operating season than the current outdoor pool. This could include enclosing the pool for year-round use or adding a second ice rink.
- 2.31 Improve path connecting MSCC to the transit stop on Lincoln Road (install lighting, clear overgrowth, etc.) to enhance connection with surrounding neighbourhood.
- 2.32 Explore opportunities to make the facility more useful to the community.

Erbsville Community Centre

The Erbsville Community Centre was built as a school in 1962. It was renovated in 2006 for use by the YMCA, which provided early years services from it. Occasionally, it was used as an election polling station. Erbsville Community Centre is currently used for storage. The structure sits on a sizeable parcel of land and most of it is undeveloped.

Key Considerations

- The facility is dated, and the layout still resembles that of a small school (child-sized bathrooms, classrooms). These factors limit what the facility could be used for without substantial investment.
- The location is not easily accessible by public transit or active transportation.
- No sidewalks for several kilometres
- Accessibility upgrades would be needed.

Recommendations

- 2.33 Explore options for redeveloping the Erbsville site. Possibilities include an indoor turf field with adjacent outdoor fields or a gymnasium with adjacent outdoor field.
- 2.34 Work with Grand River Transit to increase access to the site if it is redeveloped.

EMS Building (Former Fire Station 2 on Westmount Road)

The EMS Building is referred to as such because it is currently used for the Region of Waterloo's EMS operations. Originally constructed in 1968 as a fire station, it is also used for storage by community groups.

Key Considerations

- The building is located on a floodway designated by the Grand River Conservation Authority (GRCA). This complicates expanding the footprint of the building.
- User groups cannot be given direct access to the building for safety reasons to support the EMS use. City staff must be on site to provide access to user groups.
- The building is dated and not easily configurable for public use.

Recommendations

- 2.35 Phase out community storage at the EMS building due to challenges around access. Assistance in finding new storage space should be offered to the groups currently using the building.
- 2.36 Consider options for reconfiguring the facility if it is no longer needed for EMS or fire purposes.

Fire Station 2 (Columbia Street)

Built in 2003, Fire Station 2 is primarily used by Waterloo Fire but also features a board room that affiliated groups can reserve and use. The station has a large basement with a classroom space (for meetings and other small events), an office space, and storage.

Key Considerations

- Staff must be present to allow access to the building. This can be an issue when administrative staff are not on duty and firefighters are responding to a call.
- The basement space can only be reached by stairs and has limited opportunities for public use, namely meetings and presentations.

Recommendation

2.37 Allow continued community use of the existing spaces at Fire Station.

Fire Station 4 (University Ave)

Fire Station 4 was built in 2013. It features a small meeting room that can be booked for community use. The building is close to RIM Park.

Key Considerations

- Staff must be present to allow access to the meeting room.
- No safe street crossing nearby.
- Significant distance from bus stops.

Recommendation

2.38 Continue to allow use of the meeting room while also promoting the availability of rooms at nearby RIM Park.

SECTION THREE: BUILDING FOR THE FUTURE

This section addresses the current and upcoming needs of Waterloo based on comparative data and standards that guide how to plan for future development. Going forward, this section will be supplemented by community interest, societal trend, and demographic trend data through the upcoming Sports, Recreation and Leisure Strategy Project.

Standards of Provision

Standards of provision provide a target for how many facilities a City should provide based on population. This measure helps municipalities evaluate access to facilities and identify areas for investment.

As each municipality is diverse, there are no universal targets for standards of provision. Municipalities opt to develop individualized targets based on their unique communities and experiences. The target standards of provision outlined in the analysis below, were developed by considering the following information:

- Average standards of provision across comparable municipalities;
- Waterloo's current standard of provision, and
- Community expectations.

The City's current and future standards of provision were calculated by considering City-owned assets and projected populations included in this report. Future standards of provision were calculated for the year 2041. While this is beyond the 10-year scope of the ICSS, the findings will help staff develop thoughtful recommendations that meet the future needs of the community.

While this measurement shows that the City of Waterloo is meeting, exceeding, and not-meeting certain targets, the recommendations that can be drawn from this measure alone are limited. In addition to standards of provision, other factors including reservation rates, participation trends, user feedback, and staff insight, should be considered when determining whether to invest in additional facilities. When standards of provision are considered alongside other measures, this tool can be an effective way to help forecast community need.

GENERAL USE ICE PADS

The City of Waterloo currently has seven general use ice pads located at recreation facilities across the city. A list of facilities and the corresponding number of ice pads is included below.

Facility	Number of Ice Pads
Albert McCormick Community Centre	2
Moses Springer Community Centre	1
RIM Park	3
Waterloo Memorial Recreation Complex	1
TOTAL	7

These ice pads are designed for a range of sports including hockey, power skating, ringette, speed skating, and sledge hockey. When the ice is removed in the spring and summer seasons, these spaces are conducive to other types of activities including inline skating, lacrosse, bocce, summer camps, events, cultural celebrations, festivals, tradeshow, large meetings, dry-land training, and more.

As shown in the table below, Waterloo is currently exceeding the target standard of provisions. However, with the anticipated population growth, by 2041 the City will no longer meet the target standard of provision. This data implies that although there is not an urgent need to invest in additional ice pads; as the population continues to grow there may be demand for more ice in the future.

2021	2041	Standard of Provision across Comparable Municipalities ¹	Target Standard of Provision ²
1 ice pad per 17,348 residents	1 ice pad per 20,295 residents	1 ice pad per 22,286 residents	1 per 18,000 residents

FIGURE SKATING ICE PADS

In addition to general use ice pads, the City of Waterloo also provides an ice pad that is specifically designed for figure skating with shortened boards and special markings. Since this is a highly specialized type of facility, there are no standards of provision to evaluate across comparable municipalities.

As there are no comparable municipalities that provide this specialized facility, it is difficult to develop a target standard of provision. Moving forward, the City should monitor the needs of the Kitchener Waterloo Skating Club (KWSC) to ensure there is sufficient access to space for their members.

2021	2041	Standard of Provision across Comparable Municipalities
1 ice pad per 121,436 residents	1 ice pad per 142,063 residents	No accepted standards.

¹ Comparable municipalities include the City of Kitchener, City of Cambridge, City of Guelph, City of Burlington, City of Brantford, and the City of Oshawa.

² Standards of provision were calculated by dividing the total population of a City (2021), by the number of City-owned assets. These values were calculated for each City and averaged.
Published targets in other cities: Brantford 1 per 16,500 residents, Burlington 1 per 16,000 resident, Oakville 1 per 14,000

GYMNASIUMS

The City of Waterloo currently offers two gymnasiums at recreational facilities. The list of facilities are included below. The large gym at RIM Park can be divided into four smaller gyms with retractable walls; interested users can choose to book individual gyms or the entire space. These multi-use spaces support a variety of different recreational activities, including basketball, indoor soccer, pickleball, volleyball, and badminton. Although these spaces are used for sports, they can also be used for special events, tradeshow, and performances.

Facility	Number of Individual Gymnasiums
RIM Park	4
Waterloo Memorial Recreation Complex	1
TOTAL	5

Based on the current population, the City of Waterloo is meeting the target standard of provision. However, with the forecasted population growth, by 2041 the City will no longer meet the standard of provision. This information implies that the City of Waterloo should explore investing in additional gymnasium space in the future. This information should be referenced against other factors including utilization rates, participation trends, resident feedback, and staff insight, to fully evaluate if additional gymnasiums are needed. Current booking rates suggest that additional gymnasiums are needed.

2021	2041	Standard of Provision across Comparable Municipalities ³	Target Standard of Provision ⁴
1 individual gymnasium per 24,287 residents	1 individual gymnasium per 28,413 residents	1 individual gymnasium per 24,917 residents	1 individual gymnasium per 25,000 residents

INDOOR SWIMMING POOL

The City of Waterloo currently has one large indoor swimming complex located at the Waterloo Memorial Recreation Complex (WMRC). This facility features a shallow splash area, a space for diving, a 25M lane pool, a warm pool, and a water slide. This large complex can be booked by individual area or reserved in entirety.

Based on standards of provision, shown in the table below, the City of Waterloo is not providing an adequate number of indoor swimming pools. This data implies that the City of Waterloo should explore investing in an additional indoor aquatic complex soon.

³ Comparable municipalities include the City of Kitchener, City of Cambridge, City of Guelph, City of Burlington, City of Brantford, and the City of Oshawa

⁴ Published targets in other cities: Brantford 1 per 20,000-50,000, Oakville 1 per 50,000, Halton Hills 1 per 50,000.

2021	2041	Standard of Provision across Comparable Municipalities ⁵	Target Standard of Provision ⁶
1 indoor pool per 121,436 residents	1 indoor pool per 142,063 residents	1 indoor pool per 66,767 ⁷ residents	1 indoor pool per 65,000 residents

Prior to investing in a new indoor swimming pool, this finding should be evaluated against other factors including utilization rates, participation trends, user feedback, and staff insight, to fully determine if an additional facility is necessary. Other pools offered across the Region and pools provided by other organizations (for example post-secondary institutions and the YMCA) should be considered in the decision-making process.

INDOOR TRACKS

The City of Waterloo currently has two indoor tracks that can be used for running and walking. Both facilities are located at the Waterloo Memorial Recreation Complex (WMRC). One track features six-lanes and surrounds the ice pad at the facility; this space is commonly used for running, jogging, and walking. The second track has two lanes and borders fitness studios; this smaller facility is conducive for walking activities. Due to the size and use restrictions of the second track, it is recorded as half a track for the purpose of this calculation (calculation based on the City of Waterloo providing 1.5 tracks).

Based on comparable municipalities and the City of Waterloo's current standard of provision, the target of one track per 100,000 residents was used for the purpose of this analysis. Based on the current and projected population, the City will continue exceeding the target standard of provision. Despite meeting the standard of provision, the City of Waterloo should continue to evaluate community demand for track space and assess how the new two-lane track is being used. As tracks are particularly valuable when co-located with other facilities, such as ice pads and gymnasiums, as they can be designed around the perimeters, future developments of these facilities should consider the impacts of adding a track surrounding the spaces.

2021	2041	Standard of Provision across Comparable Municipalities ⁸	Target Standard of Provision ⁹
1 track per 80,957 residents	1 track per 94,709 residents	1 track per 149,755 residents	1 track per 100,000 residents

⁵ Comparable municipalities include the City of Kitchener, City of Cambridge, City of Guelph, City of Burlington, City of Brantford, and the City of Oshawa.

⁶ Published targets in other cities: Brampton 1 per 60,000, Brantford 1 per 50,000 residents, Oakville 1 per 32,000.

⁷ Some indoor swimming pools are full complexes like the facility offered in Waterloo, whereas others are lane pools. This should be considered when reviewing this figure.

⁸ Comparable municipalities include the City of Kitchener, City of Brantford, and the City of Oshawa.

⁹ No generally accepted standards

INDOOR TURF FIELDS

The City of Waterloo currently provides two large indoor turf fields at RIM Park and the Manulife Soccer and Sports Centre at Bechtel Park. Both indoor fields can be divided into three smaller fields with retractable netting.

Facility	Number of Individual Fields
Manulife Soccer and Sports Centre	3
RIM Park	3
TOTAL	6

When evaluating the City of Waterloo against comparable municipalities, the City is currently exceeding standards of provision. Even with the population growth anticipated by 2041, the City will continue meeting the standards of provision. This finding implies that the City does not need to invest in additional turf fields in the short or long term. However, it is recommended that the City maintain the existing stock of indoor turf- fields to ensure they remain in safe and working condition; this may involve replacing the turf and making structural improvements at the Manulife Soccer and Sports Centre at Bechtel Park. Usage data suggests more indoor turf fields are needed.

In many communities, indoor turf facilities are operated in partnership with local soccer clubs or private organizations to reduce the municipality's responsibility regarding construction and/or operating costs and to maximize usage. There may also be interest from the private sector and/or the education sector to consider a partnership of some form.

2021	2041	Standard of Provision across Comparable Municipalities ¹⁰	Target Standard of Provision ¹¹
1 indoor pool per 121,436 residents	1 field per 23,478 residents	1 field per 104,690 residents	1 per 20,000 residents

DEDICATED OLDER ADULT SPACE

The City of Waterloo currently offers dedicated older adult space at the WMRC. The space for older adult programming, the Community Pavilion, includes several spaces such as general programming rooms, fitness studios, a games rooms, lounge areas, staff offices, and a room used for an adult day program and other purposes lunchroom. This new space was completed and opened for use in early 2022.

Across comparable municipalities, the City of Waterloo is exceeding the standard of provision for older adult centres. This finding implies that the City should not add an additional older

¹⁰ Comparable municipalities include the City of Kitchener, City of Cambridge, City of Guelph, and the City of Oshawa.

¹¹ No generally accepted standard across municipalities.

adult centre soon. As the City's older adult population continues to grow, the City should continue to evaluate the standard of provision and assess community need.

2021	2041	Standard of Provision across Comparable Municipalities ¹²	Target Standard of Provision ¹³
1 space per 32,945 ¹⁴ residents over age 55	1 space per 38,541 ¹⁵ residents over age 55	1 space per 43,894 residents over age 55	1 space per 40,000 residents over age 55

DEDICATED ARTS AND CREATIVE FACILITY

Several municipalities own and operate community centres that are specifically designed to support art programming and special events. These spaces are different from recreational facilities and often have features like studio space, exhibition/gallery areas, and theatres.

2021	Standard of Provision across Comparable Municipalities ¹⁶	Target Standard of Provision ¹⁷
n/a	1 space per 141,610 residents	1 per 140,000 residents

While the City of Waterloo currently owns several art and creative-based spaces (The Button Factory and Clay and Glass Gallery), the City does not have a designated arts centre that they operate (provide programming and manage community rentals). Some comparable municipalities, like the Cities of Guelph and Cambridge, provide one of these spaces for their entire population. Based on this, the City of Waterloo could consider investing in community spaces that focus on arts and creative industries.

Extensive consultation with arts and creative user groups would be required to ensure the new space meets the needs of the community.

Recommendations

- 3.1 Prioritize the construction or facilitate the access to a new indoor pool.
- 3.2 Prioritize the construction or facilitate the access to at least one ice pad.
- 3.3 Prioritize the construction or facilitate the access to at least one gymnasium.
- 3.4 Consult with sport group and recreation groups and surrounding communities to ensure the parameters for new amenity needs are met.
- 3.5 Explore opportunities for provision of space for arts and creative industries.
- 3.6 Consult with arts and creative industries groups and surrounding communities to ensure space needs are met.

¹² Comparable municipalities include the City of Kitchener, City of Cambridge, City of Guelph, City of Burlington, and the City of Brantford.

¹³ No generally accepted standard across municipalities.

¹⁴ Based on data from the 2021 Census

¹⁵ Population calculated using a moderate four percent growth rate per five year period.

¹⁶ Comparable municipalities include the City of Cambridge and the City of Guelph.

¹⁷ No generally accepted standards.

CO-LOCATION AND ITS BENEFITS

In the context of indoor community spaces, co-location involves locating two or more major amenities in one facility. Co-locating amenities can reduce the overall footprint of facilities in cities and offer a more efficient alternative to single-use facilities.

Co-locating ice pads allows for shared use of equipment, including mechanical equipment. Pairing one or more ice pads with amenities that require heating, like a gymnasium or pool, can create synergies that reduce greenhouse gas emissions. Keeping ice pads frozen involves removing heat from an arena. Indoor pools need to be kept warm through heating. Some systems can leverage the warm air being removed from a co-located ice pad to heat a pool.

Recommendation

- 3.7 Co-locate amenities wherever possible to maximize efficiency and keep the environmental footprint of facilities as low as possible.

LOCATION AND LAND

Some cities use a “community centre” approach to indoor community spaces, with facilities spread out equally across the municipality. Waterloo’s model features larger facilities that draw users from across the City. When exploring new builds, the City should prioritize locating sites away from current facilities but easily reached by public transportation. Waterloo’s west side does not have a major recreation facility and should particularly be examined for land acquisition opportunities.

However, the City’s rapid expansion has made vacant land scarce. If suitable land becomes available elsewhere in Waterloo, it should be considered for acquisition even if it will not address the service gap on the west side. Opportunities for land acquisition might have to be acted on years in advance of planned construction. In that case, vacant land could be used as a temporary park until the City is ready to move forward with building a facility.

Recommendations

- 3.8 Seek out land for purchase to build community centres with amenities mentioned in recommendations 3.1-3.4.
- 3.9 Set aside funding for future land acquisitions.
- 3.10 Explore options to provide temporary public spaces (i.e. parks) if construction will not begin for several years.

CONSIDER COMMUNITIES

The standards of provision should inform the major amenities to be constructed, but facilities should be designed with the surrounding neighbourhood in mind. These features should complement the “anchor amenities” such as rinks or pools and can include community rooms, small gymnasiums, lounge space or culture-specific amenities. Adequate staffing levels are necessary to provide such spaces.

Recommendation

- 3.11 Conduct special engagement sessions with surrounding neighbourhoods to determine their needs and desired features in new builds.

PARTNERSHIPS AND PLANNING

Partnering with other institutions such as school boards, post-secondary institutions, and local industries, can help address space issues. Any investment in a shared public space by the City should see a fair return for community use. Spaces should be accessible, inclusive, and welcoming to diverse community groups, and fees should be similar to those charged by the City. Spaces should be located near public transit.

Recommendation

- 3.12 Partnership investments should yield positive opportunities for community use. Partnerships should be especially leveraged to meet growing demands for activities that cannot be enjoyed at existing city facilities.

MOVING TOWARD IMPLEMENTATION

The recommendations made in this Strategy require differing levels of investment in terms of both time and money. The implementation timeline considers the priority of a recommendation based on community need but also recognizes that projections must be realistic and reflect the complexity of some projects. For example, new builds take far longer to complete than policy updates or most renovations. Given the uncertainty surrounding building extensions and new builds (structural feasibility, land availability, funding availability, etc.), this rollout of implementation should be considered fluid and flexible. As Waterloo continues to grow, needs will expand with this growth, creating a need for action and implementation now to avoid falling behind with budget planning and community access.

POLICY AND ORGANIZATIONAL RECOMMENDATIONS

The recommendations made in Section One do not include building infrastructure. As such, they do not require significant resources to implement and can be done by City staff with community and user group engagement. Therefore, it is suggested that they form the starting point for the implementation of the ICSS.

Policy staff should lead this implementation, working closely with interested and affected areas across City government. Depending on the changes, engagement with interested and relevant parties may be required.

RECOMMENDATIONS FOR FACILITIES

These recommendations are more complex and require a prudent approach to implementation. Public engagement will be required for each project and should go beyond online surveys (focus groups, town halls, etc.).

It might be useful to “map out” the possibilities of each facility by initiating feasibility studies for each far in advance of proceeding with any projects. These studies could determine the maximum footprint of the buildings and identify any barriers to expansion.

RECOMMENDATIONS FOR FUTURE BUILDS

Before new builds can occur, land must be found that is suitable for development. The City should continue to monitor opportunities for acquisition and be prepared to purchase suitable plots should they become available.

SPORT, RECREATION AND LEISURE STRATEGY

This strategy will be integrated into a broader Sport, Recreation and Leisure Strategy. The Sport, Recreation and Leisure Strategy will replace 2008's Community, Culture and Recreation Services Plan and include a holistic consideration of community recreation, such as City-run programming, community development approaches, and the provision of outdoor field space.



STAFF REPORT
Municipal Enforcement Services

Title: Rental Housing Regulation Review
Report Number: COM2024-023
Author: Grant Curlew, Manager, Licensing & Standards
Michelle Lee, Executive Officer to the CAO,
Tanja Curic, Senior Policy Planner
Council Date: June 17, 2024
File: N/A
Attachments: N/A
Ward No.: City-wide

Recommendations:

1. That Council approve report COM2024-023.
2. That Council direct staff to review the current rental licensing regulations and return to Council with recommendations and, if determined to be appropriate, proposed regulations, in accordance with section 2A of this report.
3. That Council direct staff to complete further research and consultation, including municipal peer review, on a Short-Term Rental (STR) licensing program and return to Council with recommendations and, if determined to be appropriate, proposed regulations, in accordance with section 2B of this report.
4. That Council direct staff to complete further research and consultation, including municipal peer review, on a mid-rise and high-rise safety inspection program and return to Council with proposed regulations, if determined to be appropriate, in accordance with section 2C of this report.
5. That Council direct staff to consider the feasibility and merits of allocating a portion of the Affordable Housing Reserve to support existing tenant support programs (Item #3 in section 2D of this report) and to return to Council with recommended next steps.
6. That Council direct staff to explore the relative costs and benefits of funding an eviction regulation program versus funding a longer-term City's Multi-Unit Residential Acquisition (MURA) program (Item #4 in section 2D of this report); and return to Council with additional information and recommend next steps.

A. Executive Summary

The City of Waterloo's Residential Rental Licensing By-law was established in 2012 and last comprehensively reviewed in 2017. It continues to serve as an effective tool to support safety, and habitability, by establishing minimum standards for the city's low-rise rental housing sector. In the context of the current residential rental licensing by-law, low-rise rental housing is defined as being any unit that is not an apartment building of four units or more. Due to the evolving housing landscape, concerns regarding affordable housing, safety, overcrowding, and ongoing feedback from both tenants and landlords, staff believe that updates to the existing regulations would be beneficial.

In addition to the proposed review of the current rental licensing regulations, staff has received feedback from the community, student and tenant groups, and individual councillors that there may be a need for further regulations for the rental housing market. Council may direct staff to explore potential regulations and measures to address emerging challenges and opportunities in the rental market, including the consideration of Short-Term Rental Licensing, a Mid-Rise/High-Rise Rental Building Safety Program, and Rental Eviction or "Renoviction" Regulations. Each of these regulations aims to serve specific objectives, such as enhancing tenant safety and the livability of rental units, increasing the long-term rental supply, and ensuring that eviction processes are conducted in a lawful manner. Council may want staff to explore all items as identified in the recommendations or may want to narrow the review to a selected item or items.

The review and potential updates to Waterloo's rental licensing regulations is a proactive approach to address evolving housing needs, affordability concerns, safety and the evolving dynamics of the rental market while balancing the interests of both tenants and landlords.

B. Financial Implications

With each new licensing/regulatory program that is implemented, consideration must be given to staffing and overall costs. Staff anticipate that the new licensing/regulatory programs discussed in this report would generate a need for additional staffing to ensure adequate administrative resources and appropriate monitoring and enforcement, as well as costs associated with new tracking and management software. While some of these costs may be offset by the licensee, there are other costs that may need to be covered through tax-based funding. At this stage, costing of these options are preliminary and at a high level to provide a sense of the potential financial impact of each program.

C. Technology Implications

Any potential licensing/regulatory programs would require a consideration for IMTS, website updates, and third-party supports. On-going updates to the public application portal, investigative software used by officers, and third-party data extracting software integration would be critical to the overall success of any of the proposed regulations.

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)

This project is linked to the Strategic Priorities of Equity, Accessibility, Diversity and Inclusion, Complete Communities, and Innovation and Future-Ready.

It is linked to the Guiding Principles of Equity, Integrity, and Community-centered.

E. Previous Reports on this Topic

- PS-BL2011-016 – Rental Housing By-law and Program
- COM2013-007 - Rental Housing Licensing By-law Amendment
- COM2014-003 - Memorandum of Understanding with OHRC and Rental Housing Licensing By-law Amendment
- COM2017-031 – Residential Rental Licensing Program Review
- IPPW2022-009 - Affordable Housing Strategy: Discussion Paper and Recommendations



Rental Housing Regulation Review COM2024-023

1. Background

The City of Waterloo's Residential Rental Licensing By-law plays a crucial role in supporting safety, habitability, and fairness by establishing minimum standards for low-rise rental housing within the City. The by-law was first passed in 2012 and underwent a comprehensive review in 2017. Due to the evolving housing landscape and housing needs, concerns about affordability, safety, overcrowding, and having considered ongoing feedback from tenants and landlords, it is appropriate to conduct a periodic review and update existing regulations to address emerging challenges and opportunities. Staff are committed to completing a review of the current licensing regulations as well as other potential options. Some potential rental regulations that have been implemented by other municipalities across the province and that staff believe could be considered as part of this review are Short-Term Rental Licensing, a Mid-Rise/High-Rise Rental Building Safety Program, and Rental Eviction or "Renoviction" Regulations. All these potential measures are aimed at either improving tenant safety, increasing long-term rental supply, improving security of tenure or ensuring the eviction process is being carried out in a compassionate and lawful and respectful manner to the extent possible under existing municipal legislative authority.

2. Review Components for Consideration

The proposed review of the current licensing regulations and potential additional measures are described in greater detail below, including staff recommendations for each. It should be noted that staff have consulted with the READI team on these options at a high-level and any option that Council directs staff to advance will undergo a more in-depth analysis, in consultation with READI. Potential timing to implement each of these regulations will be dependent on which of the options Council wishes staff to advance, if any.

It is important to note that the City of Waterloo, along with municipalities across Canada, is experiencing a growing number of challenges directly affecting the quality of lives of residents. From an increasingly higher cost of living, growth in the prices for food, and the ongoing rise of rental rates, residents are struggling more each day to maintain their standard of living. The higher cost of food furthers many individuals' experiences with food insecurity, and wage stagnation offers little by way of reducing these pressures.

While these factors affect all residents, they are felt more strongly by members of equity-denied groups, such as international students, refugees, people with disabilities, low-

income households, and other residents transitioning to life in the City of Waterloo. This increase in costs is experienced and displayed in many ways, however, of note is the experience of individuals who rent as these pressures are driving renters into an increasingly precarious system. Any measures that place pressures on the rental housing system, particularly financial pressures, are likely to cascade those costs downstream onto renters. With limited affordable opportunities available, renters are left with few options to support a roof over their head and seek alternative solutions that result in illegal living conditions, overcrowding, and unsafe and unhealthy situations.

2A. Current Rental Licensing Regulations

The existing Residential Rental Licensing By-law outlines the requirements and minimum standards for low-rise residential rental properties in the City of Waterloo. These regulations encompass various aspects of rental housing, such as property maintenance, safety standards (e.g. fire, property standards, electrical, HVAC), and zoning compliance. While the current regulations have served their purpose well, occasional minor updates are necessary to adapt to changing circumstances and improve the overall effectiveness of the by-law. Some areas that staff could explore include:

- the potential of increasing the permitted number of bedrooms per unit;
- reducing the living space floor area to bedroom floor area ratio;
- reviewing minimum required per person floor area when three or more adults are sharing a bedroom;
- streamlining the number of licence types; and,
- accounting for evolving planning regulations (e.g. additional residential units, increased density).

These potential changes could help to remove barriers that may be preventing the creation of new housing units, including more affordable/attainable rental units, while still ensuring appropriate minimum safety, maintenance, and habitability standards. They may also better account for different living situations and multi-generational households. Staff may also look at further modification to ensure greater consistency if additional rental regulations outlined in this report are to be implemented. Consultation with tenant, student, and landlord groups, among other interested parties, will be undertaken by staff to ensure any updated regulations are appropriate and beneficial, while maintaining a streamlined licensing application process to the extent possible per existing resources.

Recommendation: That Council direct staff to review the current rental licensing regulations and return to Council with recommendations and, if determined to be appropriate, proposed regulations, in accordance with section 2A of this report.

2B. Short-Term Rental (STR) Licensing:

The rise of Short-Term Rental (STR) platforms, such as Airbnb and Vrbo, has presented both opportunities and challenges for municipalities. Regulating STR units can help address concerns related to occupant safety, neighbourhood nuisance, and the impact on the availability of long-term rental housing supply. However, there are also benefits to allowing appropriate levels of STRs, such as promoting tourism and providing additional income and flexibility for homeowners. Balancing these factors requires careful consideration and appropriate regulation.

Based on data provided by two third-party web data extraction software providers (Granicus and AirDNA), staff estimate that there are approximately 500 active STR units within the City of Waterloo and anywhere from 600-800 total properties that have operated as a STR in the past year. This represents anywhere from 2%-5% of all available rental units within the city being operated as STRs. Staff also estimate that approximately 50% of STRs are rented as a single room or rooms within a property, while the other 50% are rented out as the entire unit. Furthermore, based on information available through third party web data extraction platforms, the average annual revenue generated from a short-term rental listing is \$24,000. The estimated average nightly rate being charged is \$133.

It should be noted that a portion of existing STRs are already regulated through the City's current rental licensing provisions if they are operating within a low-rise residential property. The existing licensing provisions are focused on improved safety rather than placing restrictions on conversion of existing residential rental units to STRs, creation of new STRs, or how they should be operated in regard to local municipal objectives. There may be an opportunity to leverage the existing rental licensing regulations to better monitor and regulate STR's, rather than implementing a new stand-alone STR by-law (e.g. only permitting STRs to operate in owner occupied properties). The exact number of STR's licensed under the current Rental Licensing By-law is difficult to determine accurately with the data available to staff but may be close to 40-50% of existing STR properties.

Other municipalities with STR regulations have reported that ensuring compliance with the licensing requirements can be very difficult due to the transient nature of the listings and staff not having access to exact addresses. Effective enforcement would require additional staff resources and specialized data extraction software. The fees required to support this may have an impact on the owner and may be offset by the end-user of the STR.

Recommendation: That Council direct staff to complete further research and consultation, including municipal peer review, on a Short-Term Rental (STR) licensing program and return to Council with recommendations and, if determined to be appropriate, proposed regulations, in accordance with section 2B of this report.

2C. Mid-Rise/High-Rise Rental Building Regulations:

As the City's strategic growth areas densify, property standards and other by-law infractions are becoming more frequent within mid-rise and high-rise apartments and multi-unit buildings. Based on data from Statistics Canada, the number of occupied dwelling units in Waterloo in apartment buildings of five storeys or more grew by almost 74% between 2016 and 2021 (Table 1). The number of maintenance concerns has risen steadily, from 44 related complaints in 2019 to 121 in 2023, with this trend showing no signs of slowing (Table 2).

Table 1 – Occupied dwelling units in Waterloo in apartment buildings of five storeys or more (2016-2021)

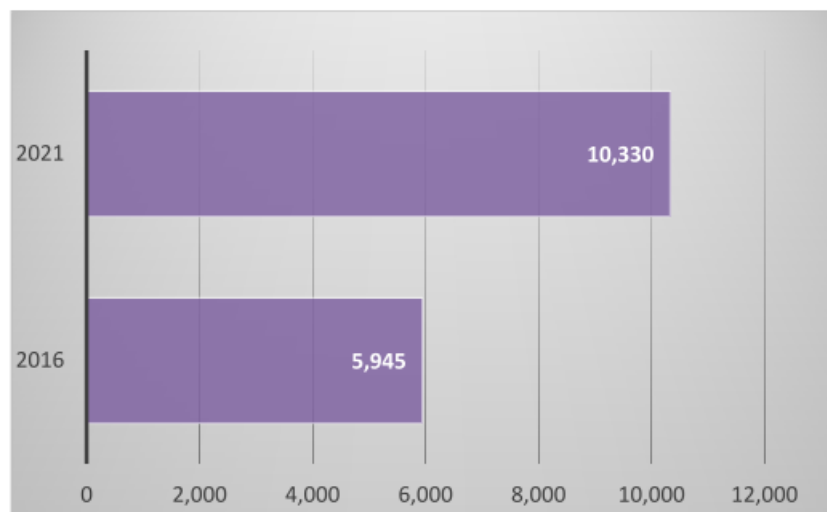
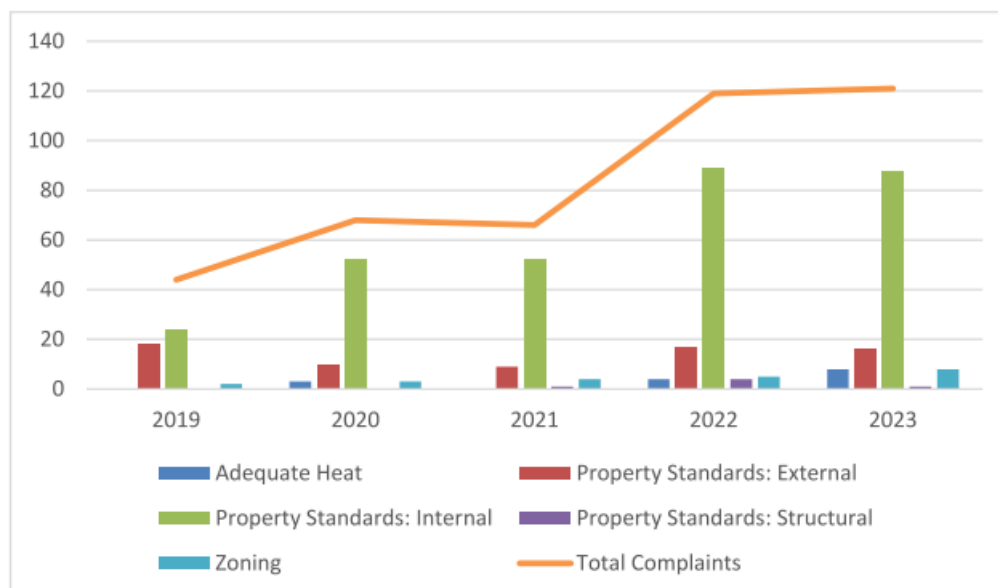


Table 2 – Number of Maintenance and Zoning Complaints Per Year at Multi-Unit Properties (2019-2023)



Fire code violations remain a consistent concern, with over 100 public complaints annually. Multi-unit residential buildings have increased risks related to fires due to higher densities (more people) combined with various behaviours such as cooking, smoking, and candle use in close proximity to sleep areas. If a fire were to occur in this type of building, it would potentially impact multiple residents in adjacent units. Consequently, both fire and building codes mandate stringent fire safety standards, including detection systems, fire separations, sprinklers, and adequate exits. However, inspecting such complex buildings poses a challenge to fire prevention resources. The Fire Master Plan acknowledges the complexity of a response to a multi-storey building and therefore recommends the allocation of resources towards fire prevention strategies such as public education, inspection and enforcement. Additionally, a proactive building inspection program could assist fire suppression crews in accessing emergency contacts for a building when they respond, ensuring quicker and more efficient communication and response during an emergency.

Community members and student groups have advocated for increased maintenance and safety standards, along with more transparent public information about current building conditions to aid informed leasing decisions. Following suit with Toronto, Mississauga, and Hamilton, which have implemented proactive licensing programs, Waterloo could shift towards a proactive approach to address building maintenance and fire safety concerns. Such programs focus on safety regulations and regular inspections, aiming to safeguard residents' health and well-being. Based on a self-assessment of the property by the owner during the application process and any subsequent inspections, buildings are given an overall rating, which are made available online for the public to view. Those buildings that receive a lower rating are required to undergo more frequent inspections and may need upgrades to meet minimum regulations. This approach would improve safety and livability while assisting prospective tenants in their rental decisions.

Implementing a licensing and inspection program for mid-rise and high-rise buildings may increase overall operating costs for building owners, potentially leading to higher rents for tenants. However, much of these costs are essential for meeting existing safety and fire code standards mandated by provincial and municipal laws.

Recommendation: That Council direct staff to complete further research and consultation, including municipal peer review, on a mid-rise and high-rise safety inspection program and return to Council with proposed regulations, if determined to be appropriate, in accordance with section 2C of this report.

2D. Eviction Regulations:

Evictions to enable renovations, demolition or conversion to another use are governed by the Residential Tenancies Act (RTA) and are legal, provided that the landlord follows the requirements set out in the RTA. Tenants have certain rights under the RTA, including the right of first refusal to occupy a unit once the renovations are complete without an increase to their rent and the right to compensation if the tenant chooses not to return, or if their unit is to be demolished or converted. Disputes about evictions are resolved by the

Landlord and Tenant Board (LTB). Bad faith or unlawful evictions can sometimes be avoided simply by a tenant knowing and understanding their rights, such as not moving out until the landlord files the appropriate paperwork with the LTB and gets an order to evict, and the tenant submitting the necessary forms to indicate their intention to resume occupancy of a unit once renovations are complete. However, despite the existing legal protections and dispute resolution mechanisms, staff are aware that the current rental market has led to some bad faith evictions and that resolution of some disputes can take many months given case loads and backlogs of the LTB.

“Renoviction” or renovation and eviction regulations are designed to protect tenants from unjustified evictions initiated under the pretext of a major renovation or redevelopment. These regulations aim to balance the rights of landlords to make necessary property improvements with the need to ensure housing security for tenants, particularly in markets with high demand and limited availability. Regulations recently passed in Hamilton put in place a permitting system, which requires a landlord who wishes to issue a N-13 Notice (provincial document used to evict tenants for renovation purposes) to a tenant to first demonstrate that an eviction is truly required for the planned maintenance. If an eviction is shown to be required, the permitting process seeks to ensure that the tenant is informed and afforded all the rights provided to them under provincial regulations. These rights include the right of first refusal, which allows a tenant to move back into their rental unit at the same price after the repairs or renovations have been completed. Hamilton has also added some additional obligations for a landlord to assist with the relocation process, when necessary.

The [2024 Ontario Renoviction Report](#) released by ACORN Canada, a community and tenant union, indicates that there were 4067 N-13 Notices filed across the province between 2017 and 2022. The same report indicates that between 20 and 25 N-13 Notices were issued per year in Kitchener/Waterloo in both 2021 and 2022. This data only includes N-13 Notices that were filed with or appealed to the LTB; the data does not indicate if the N13 Notice was inappropriately filed or that the tenants did not receive an offer of first right of refusal to return to the unit when the renovations were complete or compensation for a unit that was converted or demolished. Staff believe there are likely additional evictions that occur outside of the required N-13 process. Based on a rough estimate, using limited data of renovations requiring evictions, staff believe that if a renoviction permit process was implemented, we may see between 10 and 30 applications per year, but this number could be higher. Although the number of overall renovictions that occur within the city are relatively low, those that are carried out in bad faith are high-impact events for the tenants of the units where they do occur.

Renoviction regulations are a complex and untested area for Ontario municipalities. There are many known and unknown risks and implications to passing this type of regulation. It is likely to generate concerns from landlords about additional costs and duplication of regulations, could result in permit costs being passed down to tenants, and may discourage landlords from making improvements to their buildings. A renoviction program also has the potential for expensive legal challenges, given that regulations and dispute resolution mechanisms to protect landlords and tenants already exist in provincial

legislation and may be viewed as a duplication or overlap of the current provincial regulations. Based on information gathered from City of Hamilton staff about their newly adopted renoviction program, such a program would require additional staff and program resources to implement and enforce. The funding required to create and enforce a renoviction program is significant relative to the estimated number of tenants anticipated to benefit from the regulations (Table 3). There are several alternative approaches that the City could potentially take to reduce the likelihood that tenants are subjected to bad faith or illegal evictions. These initiatives focus on education about rights and obligations and incentivizing/supporting actions that will protect tenants and the rental housing stock rather than on licensing and regulation. Initiatives 3 and 4 outlined below, build on existing programs in the community and therefore help leverage the impact of City spending. The initiatives include:

- (1) Requiring applicants for condominium conversions to demonstrate that they have notified all tenants and offered first right of refusal in accordance with the regulations of the RTA prior to approval (This initiative is already in progress as a requirement of the Regional Official Plan and will be included in the City's Official Plan (OP) review and update);
- (2) Requiring applicants of demolition control permits to demonstrate how they have provided existing tenants with compensation in accordance with the regulations of the RTA as a condition of approval (This initiative is already in progress as a requirement of the Regional Official Plan and will be included in the City's OP review and update);
- (3) Providing financial or in-kind support to existing tenant support programs that provide direct support to tenants, so tenants know their rights and obligations and to help tenants take the necessary steps to ensure their security of tenure (Action 5.5.A of the Affordable Housing Strategy);
- (4) Providing sustainable, longer-term funding to the City's Multi-Unit Residential Acquisition (MURA) program to support not-for-profits and co-operatives purchase existing "naturally affordable" rental buildings, which will remove these buildings from the market and ensure long term security of tenure for the tenants. Recent budget announcements by the federal government suggest that there may be additional federal dollars allocated to this type of initiative.














Recommendation: That Council direct staff to:

- (a) Consider the feasibility and merits of allocating a portion of the Affordable Housing Reserve to support existing tenant support programs (Item #3 in section 2D of this report) and to return to Council with recommended next steps.
- (b) Further explore the relative costs and benefits of funding an eviction regulation program versus funding a longer-term City's Multi-Unit Residential Acquisition (MURA) program (Item #4 in section 2D of this report); and return to Council with additional information and recommend next steps.

3. RESOURCE IMPLICATIONS

While the potential updates to the Residential Rental Licensing By-law can be carried out with limited impacts on existing staff resources and budgets, the other potential measures are new, unbudgeted projects that will require additional resources and funding. Table 3 below identifies, at a high level, estimated additional staff, effort and resources that will be required to implement the measures. Using a risk-based approach, programs could be implemented using a progressive model over time.

Table 3 – Potential Program Options - High Level Estimate of Time, Effort and Cost to Implement

Potential Options for review	Program	Funding Model	Cost	Potential Staffing Level Required	Effort	Rental Units Impacted	Targeted Outcome
Section 2A	Updates to Residential Rental Licensing By-law	Enterprise (RH)	Low		Low	~4,000	 
Section 2B	Implement a STR licensing program	Tax Base / Integration with (RH)	Low-Med		Med	~500	 
Section 2C	Implement an apartment building safety inspection program	TBD	High		High	~12,500	 
Section 2D	Implement a Renovation By-law	Tax Base	Med		Med	~30	
Section 2D	Alternate Approach Initiatives	Tax Base	Med	N/A	Low	~18,000	 



Increase Housing Options



Improve Proactive Maintenance



Improve Health & Safety



Support Tenant Rights